



GALLATIN COUNTY, STATE OF MONTANA

FINANCIAL REPORT

June 30, 2019





GALLATIN COUNTY, STATE OF MONTANA

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INTRODUCTORY SECTION



County of Gallatin

311 W. Main, Courthouse • Bozeman, Montana 59715

July 28, 2021

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

State law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. We hereby issue the annual financial report (AFR) of Gallatin County (hereafter referred to as County) for the fiscal year ended June 30, 2019.

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

The financial statements of the County have been audited by Anderson ZurMuehlen and Company P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2019, 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 a disclaimer of 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, 2019. The independent auditor's report is presented at the front of the financial section of this report.

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

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

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

Profile of Gallatin County

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

The County has a land area of approximately 2,632 square miles and an estimated population of 111,412. 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 Department before June 10th of each year, or on a date designated by the County Commission. The Finance Department 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 requests. The Commission adopts, by resolution, the preliminary budget in early July and holds public hearings on the preliminary budget through July and into August. Upon receipt of the Certified Taxable Valuation and actual cash available, the Commission makes decisions on any requests received during the public hearings as well as on any items tabled during the work sessions. On the last Tuesday of August, the final operating and capital budget is adopted, along with the approval of the mills needed to fund the budget by resolution. Appropriated budgets are prepared by fund (General Fund), function (General Government) and department (Commission). The Commission approves any increase or decrease in the budget or a transfer of appropriation between personnel, operations, debt, and capital outlay.

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

Factors Affecting Economic Condition

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

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 ten years, the County saw steady growth, with FY 2018-2019 construction permits at the highest they have ever been. In FY 2018-2019 construction and building values have continued to grow are higher than pre-recession levels.

Property tax revenues have grown at an average of 5 percent per year since 2008. The largest growth in property taxes occurred in FY 2010 with the beginning of the Detention Center bond, and the lowest change being -0.11 percent in FY 2013. The tax increase for FY 2019 is 9.01 percent compared to 4.36 percent the previous year.

The County has seen unemployment go from the low in 2006 of 1.9 percent to a high in 2009 of 7.9 percent and to 2.2 percent as of June 2019. The County's unemployment rate is significantly below the State's rate of 3.4 percent, and the national rate of 3.8 percent. Bozeman's economy is expanding due to growth at Montana State University, becoming a regional retail center, recognition of the area as a technology hub, increased visitation to Yellowstone National Park, along with the recreational opportunities throughout the year for the area.

Strategic Process

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

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

The three mid-term programs started with the creation of the Capital Improvement Plan (CIP). The Capital Improvement Plan Committee (CIPC) asks each department to identify and prioritize future needs along with identifying any potential funding for the request. The CIPC reviews, analyzes and rates the requests over a two-month period, and then presents their recommendation to the Commission in March of each year as part of the budget process. The CIP provides an essential tool for managing future capital improvements and replacements. Since the CIP deals with large capital expenditures valued greater than \$50,000 and a useful life of 5 years or greater, staff identified several other major areas that needed to be considered. The first was the identification and funding of 'Core' vehicle replacement sheriff vehicles, fire engines, road and bridge vehicles, etc. The County approved the 'Core Vehicle Replacement' program in 2010. The program identified vehicles that were needed to maintain County operations on an ongoing basis with a minimum value of \$25,000 inclusive of equipment and had a useful life of 5 years or greater. The plan currently funds up to \$695,500 per year from Newly Taxable Property (NTP). The next program, approved in 2012, was the Bridge Replacement Plan. This plan funds up to \$400,000 per year in taxes to replace bridges with a span of greater than 30 feet, or to support the Bridge Departments need to replace bridges in an emergency.

The next need identified and funded with \$500,000 of taxes from two years newly taxable property was a facilities account to support the upkeep, expansion or replacement of county buildings.

Finance / Budget

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

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

The County aggressively collects real and personal property taxes throughout the year. The delinquent real property taxes for the 2018 tax year (collected in FY 2019) were 2.14 percent. The total of all delinquent real property taxes was 2.16 percent of the taxes billed in FY 2019. (EMAILED PATRICK (JENNIFER) 12/15/2020 The County will aggressively pursue opportunities for private, federal and state grants for all activities, which assures citizens that the County is striving to obtain all funds. These grants may reduce the reliance on the local taxpayer in the short-term for the support of needed public services.

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

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

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

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

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

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

Debt Service

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

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

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

Acknowledgements

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

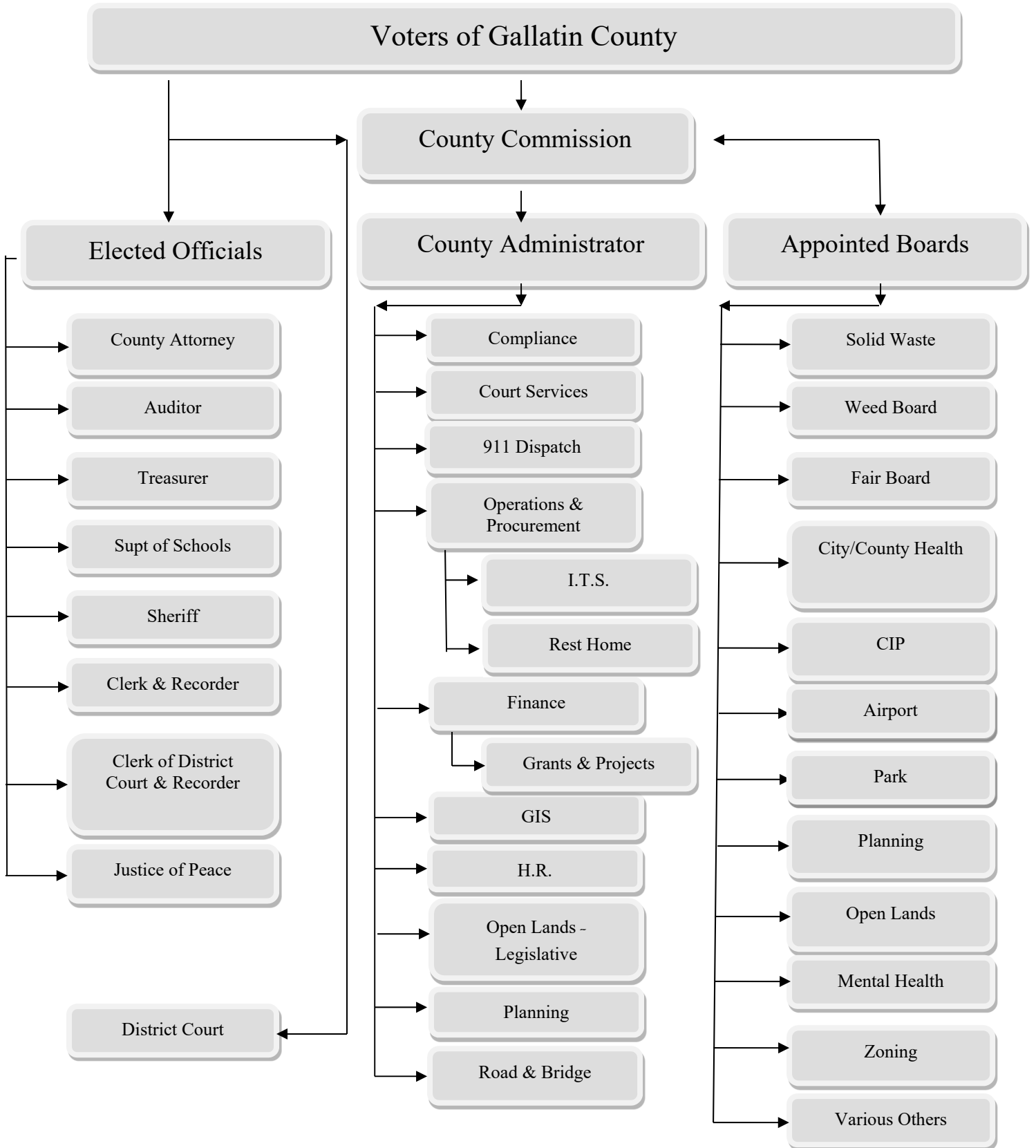
Respectfully submitted:


Eric Semerad
Clerk and Recorder


James G. Doar
County Administrator


Justine Swanson
Chief Financial Officer

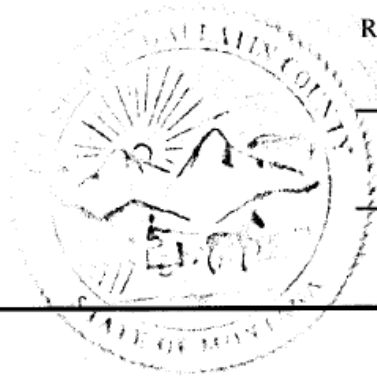
ORGANIZATIONAL CHART



COUNTY OF GALLATIN ELECTED OFFICIALS/OFFICERS

OFFICE	NAME OF COUNTY OFFICIALS/OFFICERS	DATE TERM EXPIRES
COMMISSIONER	SCOTT MACFARLANE	Dec. 2024
COMMISSIONER	JOE P. SKINNER	Dec. 2022
COMMISSIONER (CHAIRPERSON)	DON SEIFERT	Dec. 2020
ATTORNEY	MARTY LAMBERT	Dec. 2022
AUDITOR	ERIN COX	Dec. 2022
TREASURER/ASSESSOR	JENNIFER BLOSSOM	Dec. 2022
CLERK AND RECORDER/SURVEYOR	ERIC SEMERAD	Dec. 2022
CLERK OF DISTRICT COURT/PUBLIC ADMINISTRATOR	JENNIFER BRANDON	Dec. 2020
JUSTICE OF THE PEACE COURT 1	RICK WEST	Dec. 2022
JUSTICE OF THE PEACE COURT 2	BRYAN ADAMS	Dec. 2022
SUPERINTENDENT OF SCHOOLS	MATTHEW HENRY	Dec. 2022
SHERIFF/CORONER	BRIAN GOOTKIN	Dec. 2022
DISTRICT COURT JUDGE DEPT. 1	HOLLY BROWN	Dec. 2024
DISTRICT COURT JUDGE DEPT. 2	RIENNE H. MCELYEA	Dec. 2020
DISTRICT COURT JUDGE DEPT. 3	JOHN C. BROWN	Dec. 2024

In accordance with State law, I hereby transmit the County of GALLATIN
Annual Financial Report for the fiscal year ended June 30, 2019.



Respectfully submitted;

Erin Semerad

County Clerk and Recorder

12/21/19

Dated

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

We were engaged to audit 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, 2019, 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 conducting the audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Because of the matters described in the basis for disclaimer of opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for audit.

Basis for Disclaimer of Opinions

As of June 30, 2019, cash and investments were not reconciled to the amounts reported by the banks holding the deposits. We were unable to satisfy ourselves by other audit procedures concerning the unreconciled cash balance. We were unable to determine which fund(s) the unreconciled cash balance was affecting, if any. As a result of the unreconciled cash balances, we were unable to determine whether any adjustments might have been found necessary in respect to recorded or unrecorded cash transactions and the elements making up those transactions affecting the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

Disclaimer of Opinions

Because of the significance of the matter described in the Basis for Disclaimer of Opinions paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for audit opinions. Accordingly, we do not express opinions on the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

Other Matters

Required Supplementary Information

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

Other Information

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

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Because of the matters described in the Basis for Disclaimer of Opinions paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for our audit opinions.

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 July 28, 2021, 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 Zurmuehlen + Co, P.C.

Bozeman, Montana
July 28, 2021

GALLATIN COUNTY, STATE OF MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Fiscal Year Ended June 30, 2019

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, 2019. 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, 2019, Gallatin County's governmental funds reported combined ending fund balances of \$53,747,728, compared with \$54,468,427 at June 30, 2018. The fund balance for the General Fund is \$6,816,858, up \$332,361 from June 30, 2018. 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, 2019 by \$164.1 million (net position), compared with \$154.6 million at June 30, 2018. Of this amount, \$31.1 million (18.9%) is unrestricted and may be used to meet the government's general obligations to citizens and creditors.
- The total net position increased by \$9.5 million. The increase is the result of charges for services coming in higher than estimated as well as expenses being below estimates.
- Revenues from Taxes/Assessment were \$41,047,259 for governmental funds, up \$5,473,293 from fiscal year 2018. 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 2019 of \$4,368,565 (cash \$5,390,447 less current liabilities \$1,021,882), compared to \$3.6M in FY 2018.
- The County's debt (excluding OPEB and Pension liability) for Governmental Activity decreased by \$4,805,897 to \$43,659,293 with Business-Type Activity debt decreasing \$451,764 to \$2,677,728 and total debt decreasing by \$5,257,661 during FY 2019, excluding changes in OPEB or Pension Liability.

OVERVIEW OF THE ANNUAL REPORT:

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

GALLATIN COUNTY, STATE OF MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (CONTINUED)
Fiscal Year Ended June 30, 2019

OVERVIEW OF THE ANNUAL REPORT (CONTINUED):

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

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

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

- Governmental Activities – most of the County's basic services are reported here, including general government, public safety, public works, public health and other governmental activities. Property taxes, local option vehicle taxes and state, federal grants finance most of these activities and also includes internal services activities.
- Business-type Activities – the County charges a fee to customers to recover the cost of certain services. These activities include Gallatin County Solid Waste District, Gallatin County Rest Home and West Yellowstone/Hebgen Refuse District.
- Component Units - activity that the County supports and appoints a majority of the board (Airport Authority was previously a Component Unit). The County does not have any component units for FY 2019.

The government-wide statements are 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.

GALLATIN COUNTY, STATE OF MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (CONTINUED)
Fiscal Year Ended June 30, 2019

OVERVIEW OF THE ANNUAL REPORT (CONTINUED):

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, copiers and liability/property insurance services. Because these services predominantly benefit governmental services rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

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

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

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

GALLATIN COUNTY, STATE OF MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (CONTINUED)
Fiscal Year Ended June 30, 2019

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.

GALLATIN COUNTY, STATE OF MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (CONTINUED)
Fiscal Year Ended June 30, 2019

THE COUNTY AS A WHOLE (CONTINUED)

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 \$164,086,150 as of June 30, 2019.

Gallatin County, State of Montana Statement of Net Position June 30, 2019							
	Primary Government - FY 2019			Prior Years			
	Governmental Activities		Business - Type Activities	TOTAL	FY 18 TOTAL	FY 17 TOTAL	FY 16 TOTAL
	Activities	Activities	TOTAL				
ASSETS							
Cash & Cash Equivalents	65,176,628	19,041,663	84,218,291	80,074,701	73,893,776	72,611,912	
Other Assets	8,511,868	1,746,309	10,258,177	12,681,147	12,720,784	12,246,909	
Capital Assets (net)	<u>138,395,195</u>	<u>11,525,815</u>	<u>149,921,010</u>	<u>148,022,978</u>	<u>149,157,211</u>	<u>150,390,249</u>	
Total Assets	212,083,691	32,313,787	244,397,478	240,778,826	235,771,771	235,249,070	
DEFERRED OUTFLOWS OF RESOURCES							
Total deferred outflows of resources	10,831,302	800,319	11,631,621	13,030,154	13,401,849	7,551,015	
LIABILITIES							
Current Liabilities	9,861,428	1,115,149	10,976,577	10,513,890	8,237,377	9,164,057	
Long-Term Liabilities	39,150,215	2,635,011	41,785,226	46,626,629	51,119,182	53,643,614	
OPEB and Pension Liabilities	<u>25,734,733</u>	<u>4,100,969</u>	<u>29,835,702</u>	<u>32,581,612</u>	<u>36,173,313</u>	<u>25,884,535</u>	
Total Liabilities	74,746,376	7,851,129	82,597,505	89,722,131	95,529,872	88,692,206	
DEFERRED INFLOWS OF RESOURCES							
Pension Deferrals	8,533,008	515,651	9,048,659	8,152,065	2,424,398	5,077,905	
OPEB Health Benefit Assump. Chngs.	240,244	52,945	293,189	298,781	-	-	
Rec in adv of payments	-	-	-	<u>1,010,999</u>	<u>1,010,999</u>	-	
Total Deferred Inflows of Resources	8,773,252	568,596	9,341,848	9,461,845	3,435,397	5,077,905	
NET POSITION							
Net Investment in Capital Assets	99,521,694	11,525,815	111,047,509	104,034,672	101,299,113	99,706,755	
Restricted	19,212,710	2,762,308	21,975,018	21,567,423	18,713,455	29,219,740	
Unrestricted	<u>20,660,961</u>	<u>10,406,258</u>	<u>31,067,219</u>	<u>29,022,909</u>	<u>30,195,783</u>	<u>20,103,478</u>	
Total Net Position	139,395,365	24,694,381	164,089,746	154,625,004	150,208,351	149,029,973	

The County provided condensed financial information for fiscal years 2016 through 2018. Comparative information is available for years 2016, 2017 and 2018 for Gallatin County. The analysis that follows focuses on the County's Net Position for governmental and business activities. Net Position– Unrestricted increased by \$2.0M. This indicator requires several years of comparative information to show trends and variances. For Gallatin County, the following table shows the net amount assets exceeded liabilities.

Fiscal Year 2010 (June 30, 2010)	\$ 151,075,768
Fiscal Year 2011 (June 30, 2011)	157,349,141
Fiscal Year 2012 (June 30, 2012)	159,047,106
Fiscal Year 2013 (June 30, 2013)	158,232,971
Fiscal Year 2014 (June 30, 2014)	161,190,325
Fiscal Year 2015 (June 30, 2015)	141,050,471
Fiscal Year 2016 (June 30, 2016)	149,029,973
Fiscal Year 2017 (June 30, 2017)	150,208,351
Fiscal Year 2018 (June 30, 2018)	154,625,004
Fiscal Year 2019 (June 30, 2019)	164,086,150

GALLATIN COUNTY, STATE OF MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (CONTINUED)
Fiscal Year Ended June 30, 2019

THE COUNTY AS A WHOLE (CONTINUED)

Net Position is separated 68% Invested in Capital Assets, 13% Restricted, and 19% 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 \$139,395,365. The Business-Type Activities portion shows an increase in net position to \$24,694,381, an increase of \$2,701,310. A table comparing the County's Net Position from FY 2010-2019 follows.

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

	For the Year Ended June 30, 2019			For the Year Ended June 30, 2018		
	Net (Expenses) Revenues and Changes in Net Position			Net (Expenses) Revenues and Changes in Net Position		
	Primary Government - FY 2019			Primary Government - FY 2018		
	Governmental Activities	Business - Type Activities	TOTAL	Governmental Activities	Business - Type Activities	TOTAL
Primary government net revenues	(37,678,622)	1,725,714	(35,952,908)	(38,426,269)	942,274	(37,483,995)
General revenues						
Property taxes for general purposes	\$ 40,551,650	\$ 295,827	\$ 40,847,477	\$ 37,072,738	\$ (94)	\$ 37,072,644
Unrestricted grants and contributions	6,581	-	6,581	3,198,881	65,268	3,264,149
Investment Earnings	1,724,917	523,418	2,248,335	393,953	79,362	473,315
Miscellaneous	3,364,340	136,229	3,500,569	2,794,691	11,521	2,806,212
Gain (loss) on sale/disposal of fixed as	(894,815)	(290,497)	(1,185,312)	(105,497)	(1,896)	(107,393)
Transfer - net:	(310,619)	310,619	-	(8,590)	8,590	-
Total general revenues	44,442,054	975,596	45,417,650	43,346,176	162,751	43,508,927
Change in net position	6,763,432	2,701,310	9,464,742	4,919,907	1,105,025	6,024,932
Net position - beginning	132,631,933	21,993,071	154,625,004	129,028,089	21,180,262	150,208,351
Restatement	-	-	-	(1,316,063)	(292,216)	(1,608,279)
Net position - ending	139,395,365	24,694,381	164,089,746	132,631,933	21,993,071	154,625,004

Fiscal Year	Net Position
2019	\$ 164,086,150
2018	154,625,004
2017	150,208,351
2016	149,029,973
2015	141,050,471
2014	161,190,325
2013	158,232,971
2012	159,047,106
2011	157,349,141
2010	151,075,768

GALLATIN COUNTY, STATE OF MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (CONTINUED)
Fiscal Year Ended June 30, 2019

Government Activities

Gallatin County spent \$56,437,201 for governmental activities in fiscal year 2019. Significant events affecting Governmental activities are as follows:

- Governmental Activity increased due to costs associated with General Government wage increases and Public Works completing upgrades to a number of road surfaces in FY 2019.
- Total Governmental expenses increased overall by 3.93% or \$2,134,478.

The following statement shows the amount paid by property taxpayers was \$40,551,650 or 71.86% of primary government activity expenses. The following table shows the changes in the percentage taxes are to governmental activity expenses:

Governmental Activities

<u>Year</u>	<u>Taxes</u>	<u>Expenses</u>	<u>Percentage</u>
2019	\$40,551,650	\$56,433,605	71.86%
2018	37,072,738	54,302,723	68.27%
2017	35,674,108	57,660,805	61.86%
2016	34,020,257	49,705,220	68.44%
2015	33,424,693	48,884,521	68.37%
2014	32,028,092	53,449,292	59.92%
2013	31,087,735	47,014,314	66.12%
2012	30,201,336	43,735,302	69.05%
2011	35,170,629	49,512,015	71.03%
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 \$7,831,259 (13.88%) of fiscal year 2019 Governmental Activity expenses. Operating Grants & Contributions and Capital Grants and Contributions (Intergovernmental Revenues) generated \$10,431,739, accounting for 18.48% of expenses. Other Revenue sources generated the balance of money needed.

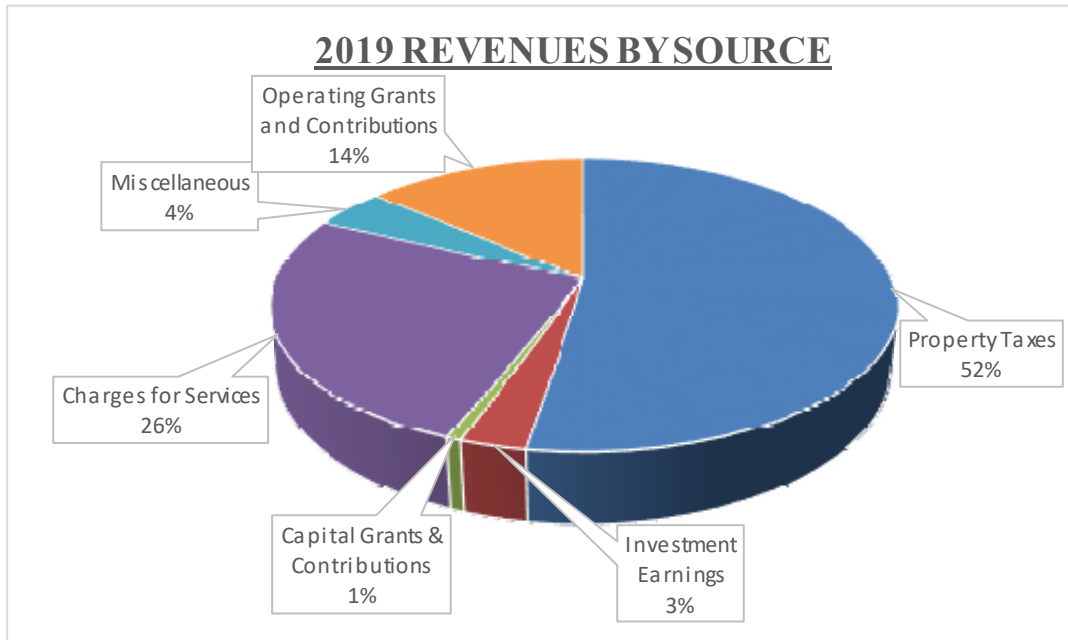
Overall, governmental program revenues, both primary government and business-type activity, generated \$20,176,644 from charges for services, while operating grants and contributions and capital grants and contributions equaled \$11,147,758 accounting for \$31,324,402 of revenue. Because total primary government expenses were \$67,280,906, Program Revenues were \$37,682,218 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.

GALLATIN COUNTY, STATE OF MONTANA
 MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (CONTINUED)
 Fiscal Year Ended June 30, 2019

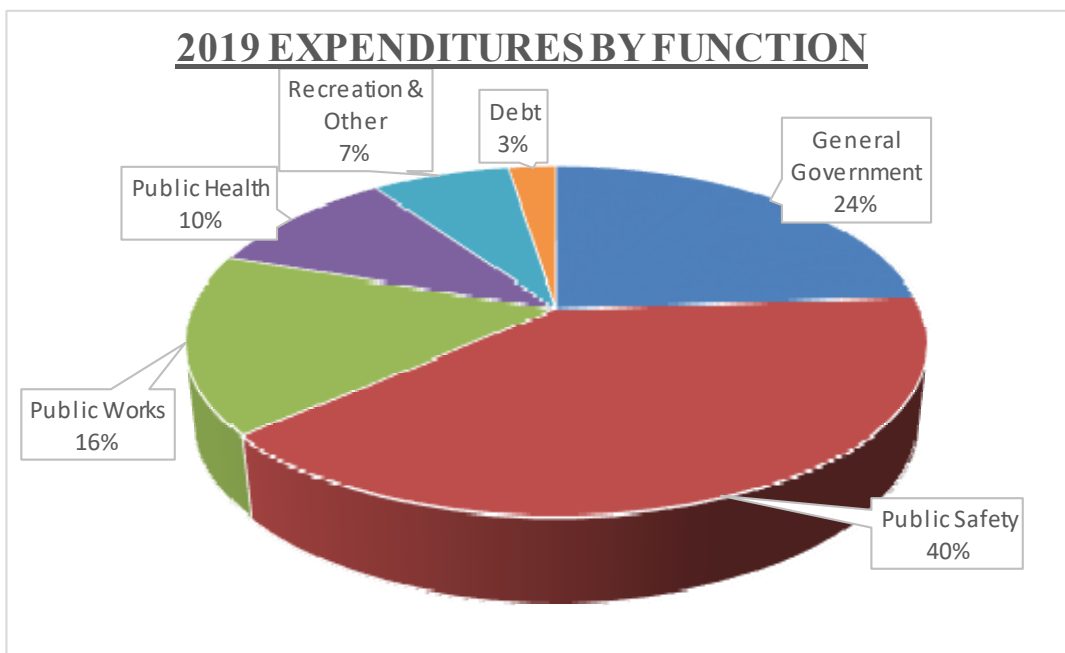
Graph of Revenues by Source – Activities

Gallatin County received \$77,927,364 in revenues to finance governmental operations. Total expenses for governmental and business type activities were \$68,462,622 which resulted in a net position increase of \$9,464,742.

After all activities are considered, net position increased from \$154,625,004 to \$164,089,746 for governmental activities and business type activities. The graphs that follow show revenues by source and expenditures by activity for all activities.



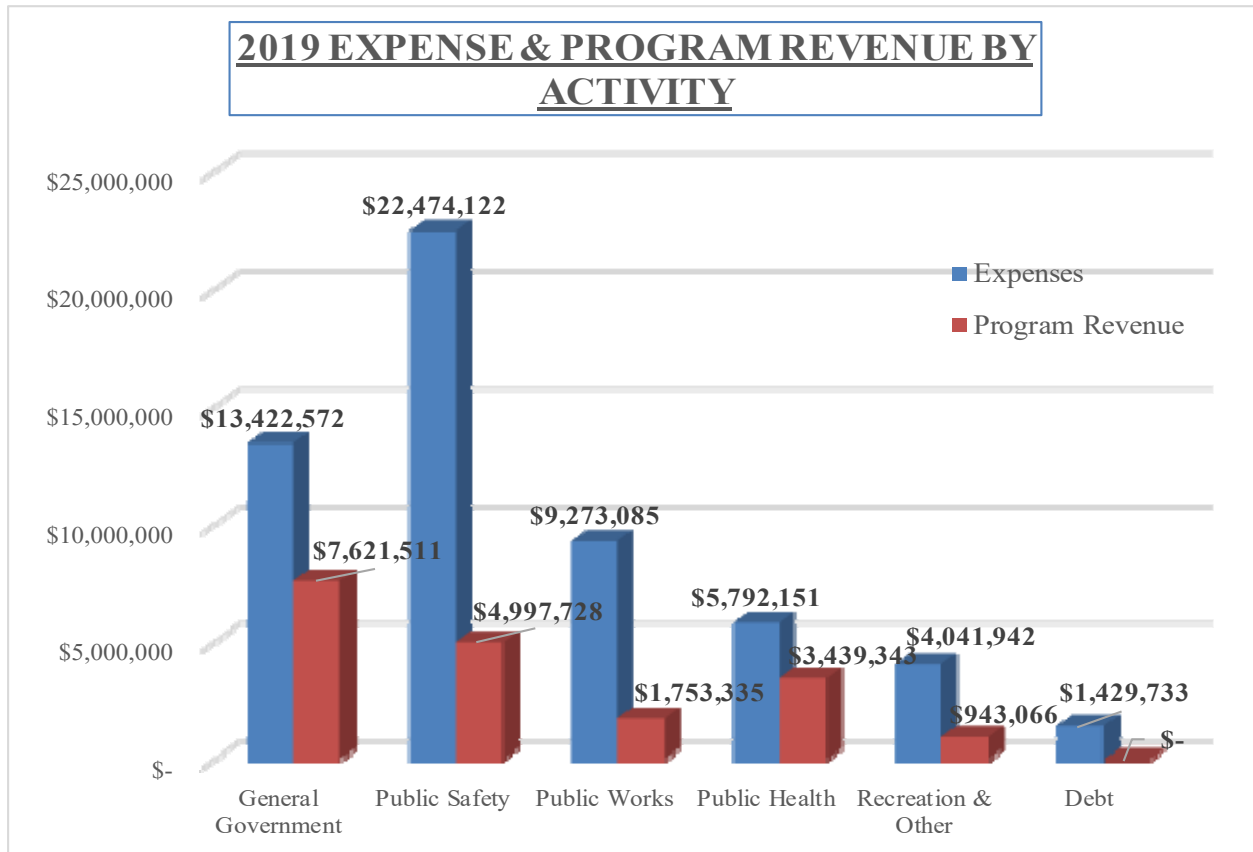
A list of departments included in each function section of the following pie chart is on page 128 of this document.



GALLATIN COUNTY, STATE OF MONTANA
 MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (CONTINUED)
 Fiscal Year Ended June 30, 2019

Graph of Revenues by Source – Activities (Continued)

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



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

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

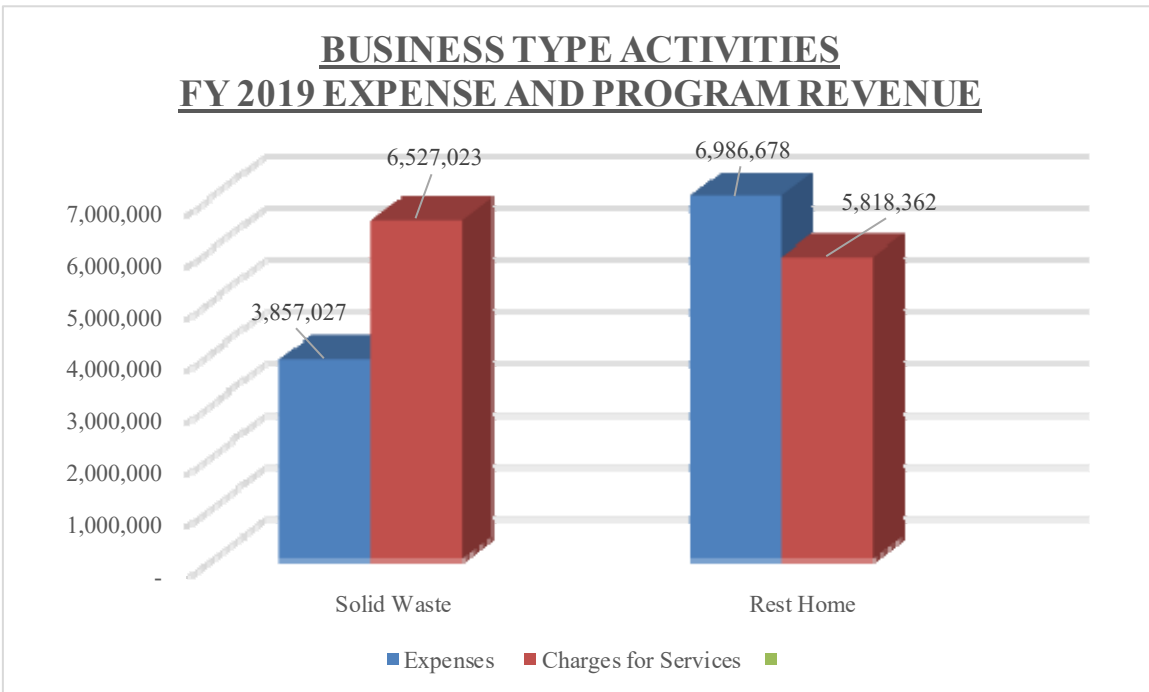
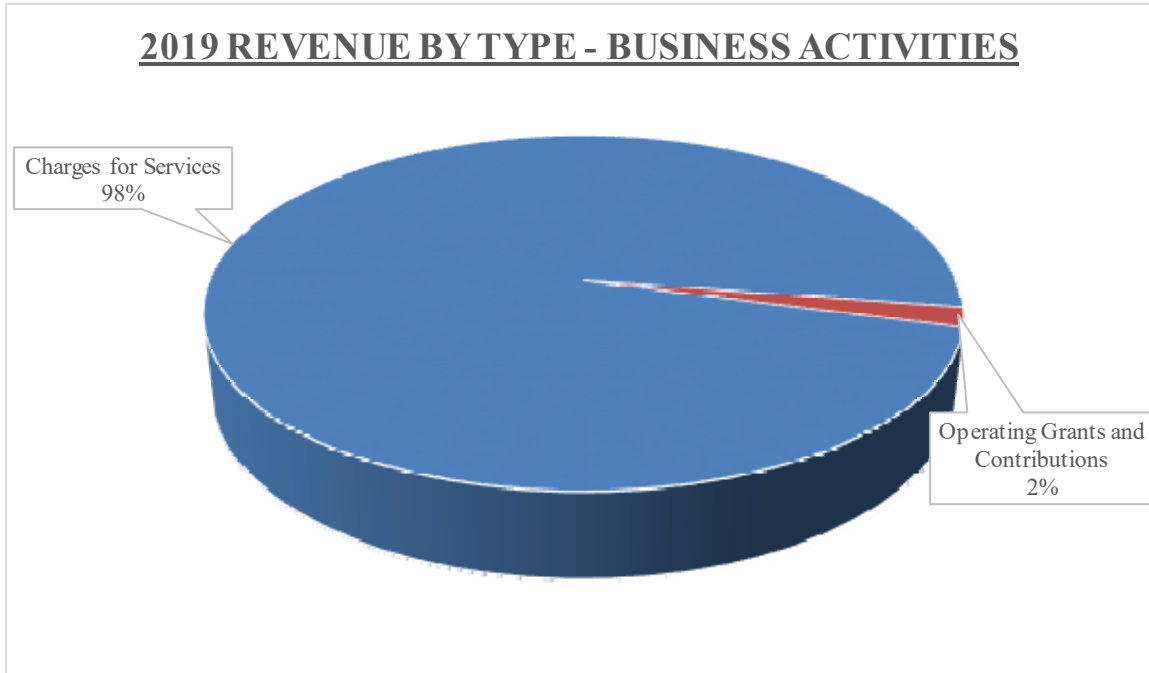
- 1) Receive authorization from the state legislature to increase local government's ability to charge the true cost of services, or authorize changes in current methods of funding local government (local option taxes).
- 2) Increase taxes - County Commission would need to use current taxing authority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

GALLATIN COUNTY, STATE OF MONTANA
 MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (CONTINUED)
 Fiscal Year Ended June 30, 2019

Business Type Activities

The cost (expenses) for all proprietary (business type) activities for FY 2019 was \$10,843,705. The amount paid by users of the Rest Home, Landfill and Refuse District was \$12,345,385.

Total resources for fiscal year 2019 to finance proprietary funds (business type) were \$12,569,419 (Charges for Services \$12,345,385 and Grants / Contributions \$224,034).



GALLATIN COUNTY, STATE OF MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (CONTINUED)
Fiscal Year Ended June 30, 2019

Funds of the County

The following is an analysis of balances in the County's major funds. The FY 2018 column is for comparison purposes only and shows prior year revenues and expenses.

General Major Governmental Functions

The information below compares revenues in FY 2019 to FY 2018:

Gallatin County, State of Montana
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	GENERAL	PUBLIC SAFETY FUND	RID MAINTENANCE	RID BOND DEBT SERVICE	CAPITAL PROJECTS	TOTAL NON MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	FY 2018 TOTAL
REVENUES								
Property Taxes	\$8,406,763	\$ 15,455,759	\$ -	\$ -	\$2,340,620	\$ 14,844,117	\$ 41,047,259	\$37,573,966
Licenses & Permits	775	48,295	-	-	-	303,639	352,709	378,518
Intergovernmental Revenues	1,640,952	960,729	-	-	34,071	8,287,972	10,923,724	11,400,878
Charges for Services	2,700,324	2,029,608	-	-	267,924	1,795,743	6,877,080	6,606,451
Fines & Forfeitures	558,292	48,171	-	-	-	83,524	689,987	700,802
Miscellaneous	81,042	532,691	1,642,258	842,464	-	265,885	3,364,340	2,847,158
Investment Earnings (loss)	601,917	138,270	192,741	16,346	388,473	179,270	1,517,017	371,773
Contributions/Donations	-	-	-	-	-	6,581	6,581	2,635,068
Total revenues	13,990,065	19,213,523	1,834,999	858,810	3,031,088	25,766,731	64,778,691	62,514,614

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

	GENERAL	PUBLIC SAFETY FUND	RID MAINTENANCE	RID BOND DEBT SERVICE	CAPITAL PROJECTS	TOTAL NON MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	FY 2018 TOTAL
EXPENDITURES								
Current:								
General Government	10,617,042	-	-	2,100	105,267	1,323,795	12,048,204	10,611,130
Public Safety	1,228,749	17,826,693	-	-	11,798	1,219,022	20,286,262	19,087,981
Public Works	907,623	-	1,676,209	-	776	4,313,471	6,898,079	5,820,178
Public Health	-	-	-	-	-	5,686,261	5,686,261	5,112,801
Social & Economic Services	479,297	-	-	-	-	65,700	544,997	511,825
Culture & Recreation	-	-	-	-	-	2,620,934	2,620,934	2,399,908
Housing & Community Devel	-	-	-	-	-	536,239	536,239	406,458
Conservation of Natural Resc	-	-	-	-	-	102,301	102,301	47,834
Principal retirement	221,593	1,082,315	-	429,695	-	2,910,581	4,644,184	3,775,726
Interest	28,340	15,811	-	329,192	-	1,214,510	1,587,853	1,703,812
Capital Outlay	153,868	895,186	-	-	2,278,633	3,385,534	6,713,221	5,627,437
Total expenditures	13,636,512	19,820,005	1,676,209	760,987	2,396,474	23,378,348	61,668,535	55,105,090

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.

GALLATIN COUNTY, STATE OF MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (CONTINUED)
Fiscal Year Ended June 30, 2019

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 Hebggen/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, 2019

	For the Year Ended June 30, 2019				For the Year Ended June 30, 2018			
	Gallatin County Rest Home	Gallatin County Landfill	West Yellowstone Refuse	Total Proprietary Funds	Gallatin County Rest Home	Gallatin County Landfill	West Yellowstone Refuse	Total Proprietary Funds
Operating Revenues	5,834,006	5,818,178	829,430	12,481,614	5,544,499	5,288,161	947,864	11,780,524
Operating Expenses	6,986,678	2,662,527	1,194,500	10,843,705	6,870,880	3,041,838	1,126,388	11,039,106
Operating income (loss)	(1,152,672)	3,155,651	(365,070)	1,637,909	(1,326,381)	2,246,323	(178,524)	741,418
Nonoperating revenues (expenses)	541,034	147,604	64,144	752,782	279,418	59,737	15,862	355,017
Transfers In	285,869	14,750	10,000	310,619	-	8,590	-	8,590
Change in net position	(325,769)	3,318,005	(290,926)	2,701,310	(1,046,963)	2,314,650	(162,662)	1,105,025
Total net position - beginning	(751,777)	18,787,464	3,957,384	21,993,071	523,218	16,526,999	4,130,045	21,180,262
Rstatement due to OPEB					(228,032)	(54,185)	(9,999)	(292,216)
Total net position - ending	<u>\$(1,077,546)</u>	<u>\$22,105,469</u>	<u>\$3,666,458</u>	<u>\$24,694,381</u>	<u>\$ (751,777)</u>	<u>\$18,787,464</u>	<u>\$3,957,384</u>	<u>\$21,993,071</u>

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

	----- PRIOR YEARS -----				CURRENT
	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>	<u>FY 19</u>
Total Assets	25,746,723	27,654,597	28,640,013	30,139,445	32,313,787
Net Position	<u>18,316,728</u>	<u>19,900,465</u>	<u>21,180,262</u>	<u>21,993,071</u>	<u>24,694,381</u>
TOTAL LIABILITIES/DEFERS	7,429,995	7,754,132	7,459,751	8,146,374	8,419,725
Change in Net Position – Business Activities	675,716	1,583,737	1,279,797	812,809	2,701,310
(DIVIDED BY)					
Ending Net Position	18,316,728	19,900,465	21,180,262	21,993,071	24,694,381
(EQUALS)					
Return On Ending Net Position	3.69%	7.96%	6.04%	3.70%	10.94%

GALLATIN COUNTY, STATE OF MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (CONTINUED)
Fiscal Year Ended June 30, 2019

Debt Administration

Gallatin County maintained its bond rating from Standard and Poor at AA+, based on the 2016 General Obligation Bond, bonds, lease/purchase instruments and similar obligations of Gallatin County that are considered a liability of governmental activities. As a whole, Governmental Activities debt decreased in fiscal year 2019 by \$4,805,897 because of regular payments on bonds, capital leases; and RID bonds.

The cost per capita for governmental debt outstanding decreased to \$391.87 in fiscal year 2019 (\$43,659,294 divided by estimated population of 111,412). Governmental activity debt summary for fiscal year 2019 is presented below.

	----- PRIOR YEARS -----				CURRENT
	FY 15	FY 16	FY 17	FY 18	FY 19
DEBT PAYABLE ON (June 30)					
BEGINNING BALANCE	54,223,929	51,626,876	54,994,722	52,218,388	48,465,191
ADD: Intercap Loan / Notes/Bonds	-0-	-0-	-0-	-0-	-0-
Special Assessment Bonds	765,000	107,000	363,000	-0-	-0-
G. O Bonds	-0-	24,960,000	-0-	-0-	-0-
Bond Premiums	603,471	3,727,204	-0-	-0-	-0-
Compensated Absences (INC)	-0-	70,155	132,946	200,475	205,289
Capital Lease Agreements	-0-	1,789,056	1,499,999	186,489	0
LESS: Loan/Lease Payments	985,227	1,448,357	792,762	394,173	1,219,489
Special Assessment Payments	499,000	299,375	812,845	487,735	429,695
Compensated Absence (DEC)	19,449	-0-	-0-	-0-	-0-
G.O. Payment/Refinancing	2,462,100	25,417,100	2,791,250	2,891,250	2,995,000
Bond Premiums	-0-	120,737	375,421	367,004	367,002
DEBT PAYABLE (June 30)	51,626,876	54,994,722	52,218,388	48,465,190	43,659,294
 Cost Per Capita	 \$530.38	 \$545.91	 \$504.60	 \$449.50	 \$391.87

Debt includes compensated absences (amount due to employees for accrued leave, including 1/4 sick leave, all vacation and compensatory time) of \$2,685,858 up \$205,289 from FY 18. The increase represents a change of 8.28%, primarily from wage adjustments. Debt does not include Governmental Activities Other Post-Employment Benefits (OPEB) of \$3,283,565.

The County, by statute, can have debt of 2.50% of Assessed Valuation. For fiscal year 2019 this equals \$467,406,837. County debt of \$37,844,943 (\$43,659,293 less Special Assessment Bonds (RID) \$5,814,350) means the County has used 8.10% of its borrowing capacity through fiscal year 2019, with unused borrowing capacity being \$429,561,894. Special assessment bonds (RID Bonds) are not included when calculating debt limit. Debt from business-type activities does not affect the County's debt limit.

GALLATIN COUNTY, STATE OF MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (CONTINUED)
Fiscal Year Ended June 30, 2019

Capital Assets

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

	CAPITAL ASSETS (Net of Depreciation)					
	Governmental Activities		Business Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 4,233,880	\$ 4,233,880	\$ 1,661,552	\$ 1,657,687	\$ 5,895,432	\$ 5,891,567
Building	43,324,666	42,952,649	3,926,581	3,939,483	47,251,247	46,892,132
Improvements other than buildings	2,551,534	1,951,331	2,470,685	536,516	5,022,219	2,487,847
Machinery and equipment	12,099,655	11,807,322	3,255,614	3,077,905	15,355,269	14,885,227
Intangibles	19,516,328	17,163,889	41,405	60,890	19,557,733	17,224,779
Infrastructure	53,342,718	53,408,736	-	-	53,342,718	53,408,736
Construction in progress	3,326,414	6,513,700	169,978	718,987	3,496,392	7,232,687
Total assets	<u>\$ 138,395,195</u>	<u>\$ 138,031,507</u>	<u>\$ 11,525,815</u>	<u>\$ 9,991,468</u>	<u>\$ 149,921,010</u>	<u>\$ 148,022,975</u>

At the end of 2019 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 2019 included:

	<u>Governmental</u>	<u>Business- Type</u>
Land	\$ -	\$ 3,865
Building Improvements	1,814,200	260,304
Improvements Not Buildings	812,547	2,022,940
Intangibles	2,515,946	-
Infrastructure	1,575,357	-
Machinery & Equipment	3,369,094	830,519
Construction in Progress	378,698	153,828

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 2019 adopted and final budgets for the General and Public Safety Funds totaled \$35,626,314. These budgets increased by \$650,201 during the year. Individual department budgets were amended throughout the year without affecting the total budget.

Original Budget	+	Continuing Appropriations	+	Encumbrances	=	Beg. Balance
<u>\$ 35,626,314</u>		<u>\$ -0-</u>		<u>\$ -0-</u>		<u>\$ 35,626,314</u>
Beg. Balance		+/-	Supplemental Changes		=	Final Budget
<u>\$35,626,314</u>		+	<u>\$650,201</u>		=	<u>\$ 36,276,515</u>

The beginning to final budget shows an increase of 1.8% 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.

GALLATIN COUNTY, STATE OF MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (CONTINUED)
Fiscal Year Ended June 30, 2019

Budget Changes – FY 2019 Compared to FY 2020

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 2019 and fiscal year 2020 by the County Commission. Changes in staffing were:

Office/Department	Net Increase (Decrease)
Attorney	0.75
Clerk & Recorder	-0.42
Commission	0.13
County Administrator	0.50
Court Services	0.37
Detention Center	0.43
Dispatch / L.E. Records	1.00
Emergency Management	1.50
Fair	0.25
Finance	0.75
Health - Administration	0.50
Health - Human Services	0.75
Health - Environmental	0.08
Innovation & Technology	0.90
Miscellaneous - Temporary	-0.66
Road & Bridge	1.40
Sheriff	3.36
Treasurer	0.25
TOTAL COUNTY TAX SUPPORTED PERSONNEL	11.84
Communications	0.90
Health Grants	-2.38
Logan Landfill	1.00
Operations & Procurement	0.25
Rest Home	2.25
TOTAL NON TAX SUPPORTED PERSONNEL	2.02
TOTAL CHANGES IN PERSONNEL	13.86

GALLATIN COUNTY, STATE OF MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (CONTINUED)
Fiscal Year Ended June 30, 2019

Budget Changes – FY 2019 Compared to FY 2020 (Continued)

The following Capital Projects table identifies estimated costs of projects and the amount budgeted for FY 2020. The table includes 'Capital Equipment (County accounts)' for capital outlay funded through tax supported funds, 'Capital Equipment (grants/misc.)' which summarizes authorized capital purchases from Grants and misc. funds and 'Capital Equipment (special districts)' for capital items funded from fire districts, etc.

CAPITAL OUTLAY / CAPITAL PROJECTS								
FY 2020 FINAL CAPITAL PROJECTS / OUTLAY - BUDGET								
Projects by Department / Project Name								
CAPITAL PROJECT AND OUTLAY / RESERVES								
DESCRIPTION	YEAR	FY 2020 Budget	Estimated Project	Revenue Sources				Amount Needed
				County	Department	Other	TOTAL	
Core Rolling Stock	2011	2,173,769	27,578,000	2,173,769	-	-	2,173,769	25,404,231
Bridge Replacement Program	2013	2,000,000	22,412,930	1,400,000	-	600,000	2,000,000	20,412,930
Building Reserve (\$0.95/sq. ft.)	1994	1,160,560	1,160,560	1,160,560	-	-	1,160,560	-
Judicial / Law Enforcement Building	2010	4,161,066	65,600,130	4,161,066	-	-	4,161,066	61,439,064
9 1 1 Radio Project	2019	-	12,950,000	-	-	-	-	12,950,000
Financial Software Replacement	2018	312,495	750,000	312,495	-	-	312,495	437,505
Detention Center (Reserve / Expansion)	2013	3,588,489	9,423,311	-	3,588,489	2,000,000	5,588,489	3,834,822
Rest Home - Projects		178,236	315,000		178,236		178,236	136,764
Solid Waste - Projects		15,788,416	15,788,416		15,788,416		15,788,416	-
Fair - Projects		200,000	7,929,000	200,000			200,000	7,729,000
Parks - Projects		386,464	2,212,500	2,212,500			2,212,500	-
Open Lands		1,912,662	39,638,883	17,748,120	-	21,890,763	39,638,883	-
Subtotal Budgeted Projects		31,862,157	205,758,730	29,368,510	19,555,141	24,490,763	73,414,414	132,344,316
Capital Reserves		20,662,656						
CIP - Long Term				Estimates Only				
DES - Storage Facility	prior yr	-	540,000					540,000
Noxious Weed	prior yr	-	750,000					750,000
Subtotal CIP - Long Term 2025+		-	1,290,000	-	-	-	-	1,290,000
TOTAL CAPITAL PROJECTS		52,524,813	207,048,730	29,368,510	19,555,141	24,490,763	73,414,414	133,634,316

Capital Projects in FY 2020 were estimated at \$207 million including full funding for the Law and Justice Building, with \$52.5 funded in FY 2020. 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 2020 Budget. The Commission authorized \$2,173,769 for Core Rolling Stock, \$2,000,000 for the Bridge Replacement Program, \$1,160,560 for repair, remodeling and updating of County Facilities, \$450,000 for Storage Facility, \$312,495 for Financial Software Replacement and \$3,588,489 reserved for Detention Center remodel and expansion.

GALLATIN COUNTY, STATE OF MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (CONTINUED)
Fiscal Year Ended June 30, 2019

Summary

The fiscal year 2020 budget sees increases in taxes for operations and debt service. A comparison of budgeted taxes and mill levies for fiscal year 2010 through fiscal year 2020 shows:

Comparison of Budgeted Taxes

<u>Taxes Budgeted</u>	<u>FY 2010</u>	<u>FY 2015</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
County Operating Taxes	\$ 16,343,857	\$ 18,808,855	\$ 20,957,110	\$ 21,761,399	\$ 23,082,863	\$ 25,345,937
Road and Library Taxes	3,153,566	3,762,770	4,224,927	4,437,478	4,626,481	4,857,714
Open Space & Park Voted Levy	-	-	-	-	1,331,823	1,589,033
Debt Service / Insurance Taxes	3,941,648	5,077,427	5,597,857	5,867,951	6,202,096	6,606,316
<u>Mill Levies</u>						
County Operating Taxes	73.20	74.35	83.79	75.84	78.04	71.83
Road and Library Taxes	25.23	76.29	30.31	27.30	27.75	24.59
Open Space & Park Voted Levy	-	-	-	-	4.50	4.50
Debt Service / Insurance Taxes	17.80	20.15	22.47	20.52	21.02	18.74
<u>Taxable Valuations</u>						
County Operating Valuations	223,244	252,964	248,031	286,963	295,802	352,837
Open Space & Park Voted Levy	-	-	-	-	295,802	352,837
Road and Library Valuations	125,025	143,113	137,851	162,547	166,725	197,527

This table shows increase in the taxable valuation of property for FY 2020 of 19.3% due to growth. The County Commission did not maximize the number of mills levied for the Permissive Medical levy. However, they did increase the mills and taxes levied for this Levy. In addition, the Commission did not maximize taxes for county operating as authorized by state law. This results in the county not assessing taxes of \$2,340,082. The Commission may impose these taxes in future years if they deem it is in the best interest of the County.

Contacting the County Financial Management

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

Gallatin County, Montana
Board of County Commissioners


Scott MacFarlane, Chairman

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

GALLATIN COUNTY, STATE OF MONTANA
STATEMENT OF NET POSITION
June 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents, and investments	\$ 65,176,628	\$ 16,279,355	\$ 81,455,983
Cash, cash equivalents, and investments, restricted	-	2,762,308	2,762,308
Property taxes receivable, net	7,309,190	10,400	7,319,590
Other receivables	1,460,466	1,335,909	2,796,375
Due from (to) other funds	(400,000)	400,000	-
Inventory	142,212	-	142,212
Capital assets, net	138,395,195	11,525,815	149,921,010
Total assets	<u>212,083,691</u>	<u>32,313,787</u>	<u>244,397,478</u>
DEFERRED OUTFLOWS OF RESOURCES			
Contribution to pension plans in current fiscal year	8,601,614	771,723	9,373,337
Other postemployment health benefits deferred contributions	129,754	28,596	158,350
Excess reacquisition costs due to bond refunding	2,099,934	-	2,099,934
Total deferred outflows of resources	<u>10,831,302</u>	<u>800,319</u>	<u>11,631,621</u>
LIABILITIES			
Accounts Payable	3,836,329	754,637	4,590,966
Accrued payroll and other liabilities	1,503,788	317,795	1,821,583
Deposits payable	12,233	-	12,233
Current portion of long term debt	4,509,078	42,717	4,551,795
Noncurrent liabilities			
Noncurrent portion of long term debt	39,150,215	384,596	39,534,811
Landfill closure/post closure costs	-	2,250,415	2,250,415
Other postemployment health benefits liability	3,283,565	794,068	4,077,633
Net pension liability	22,451,168	3,306,901	25,758,069
Total liabilities	<u>74,746,376</u>	<u>7,851,129</u>	<u>82,597,505</u>
Deferred Inflows of Resources			
Pension deferrals	8,533,008	515,651	9,048,659
Other postemployment health benefits assumption changes	240,244	52,945	293,189
Total deferred inflows of resources	<u>8,773,252</u>	<u>568,596</u>	<u>9,341,848</u>
NET POSITION			
Net investment in capital assets	99,521,694	11,525,815	111,047,509
Restricted	19,212,710	2,762,308	21,975,018
Unrestricted	20,660,961	10,406,258	31,067,219
Total net position	<u>\$ 139,395,365</u>	<u>\$ 24,694,381</u>	<u>\$ 164,089,746</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, 2019

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		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General Government	\$ 13,422,572	\$ 3,479,564	\$ 3,772,949	\$ 368,998	\$ (5,801,061)	\$ -	\$ (5,801,061)
Public Safety	22,474,122	2,424,241	2,573,487	-	(17,476,394)	-	(17,476,394)
Public Works	9,273,085	47,455	1,582,893	122,987	(7,519,750)	-	(7,519,750)
Public Health	5,792,151	990,351	2,448,992	-	(2,352,808)	-	(2,352,808)
Social & Economic Services	550,693	-	-	-	(550,693)	-	(550,693)
Culture & Recreation	2,817,521	800,946	42,123	-	(1,974,452)	-	(1,974,452)
Housing & Community Development	560,732	-	-	-	(560,732)	-	(560,732)
Conservation of Natural Resources	112,996	88,702	11,295	-	(12,999)	-	(12,999)
Debt Service Interest	1,429,733	-	-	-	(1,429,733)	-	(1,429,733)
Total governmental activities	56,433,605	7,831,259	10,431,739	491,985	(37,678,622)	-	(37,678,622)
Business-type activities:							
Gallatin County Rest Home	6,986,678	5,818,362	224,034	-	-	(944,282)	(944,282)
Gallatin County Landfill	2,662,527	5,699,268	-	-	-	3,036,741	3,036,741
West Yellowstone Refuse District	1,194,500	827,755	-	-	-	(366,745)	(366,745)
Total business-type activities	10,843,705	12,345,385	224,034	-	-	1,725,714	1,725,714
Total primary government	\$ 67,277,310	\$ 20,176,644	\$ 10,655,773	\$ 491,985	\$ (37,678,622)	\$ 1,725,714	\$ (35,952,908)

General revenues:

Property Taxes for General Purposes	40,551,650	295,827	40,847,477
Unrestricted grants and contributions	6,581	-	6,581
Investment Earnings	1,724,917	523,418	2,248,335
Miscellaneous	3,364,340	136,229	3,500,569
Gain (loss) on sale/disposal of capital assets	(894,815)	(290,497)	(1,185,312)
Transfer in (out)	(310,619)	310,619	-
Total general revenues, special items, and transfers	44,442,054	975,596	45,417,650
Change in net position	6,763,432	2,701,310	9,464,742
Net position - beginning	132,631,933	21,993,071	154,625,004
Net position - ending	\$ 139,395,365	\$ 24,694,381	\$ 164,089,746

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, 2019

	General	Public Safety Fund	RID Maintenance	RID Bond Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash & Investments	\$ 7,253,594	\$ 5,029,414	\$ 7,397,951	\$ 614,714	\$ 14,542,751	\$ 22,046,324	\$ 56,884,748
Real Estate Taxes Receivable	119,130	260,330	62,138	87,379	47,593	306,425	882,995
Personal Property Taxes Receivable	49,045	95,063	-	-	17,286	130,666	292,060
Protested Taxes Receivable	2,295	4,780	-	-	970	3,887	11,932
Special Assessments Receivable	-	-	-	6,122,203	-	-	6,122,203
Accounts Receivable-Net	175,287	220,976	1,094	-	36,391	1,010,644	1,444,392
Due from other funds	287,400	22,174	-	-	755	244,957	555,286
Inventories	97,391	-	-	-	-	44,821	142,212
Total assets	\$ 7,984,142	\$ 5,632,737	\$ 7,461,183	\$ 6,824,296	\$ 14,645,746	\$ 23,787,724	\$ 66,335,828
LIABILITIES							
Accounts Payable	\$ 299,542	\$ 420,692	\$ 29,934	\$ -	\$ 451,500	\$ 1,512,482	\$ 2,714,150
Contracts/Loans Payable	-	-	12,233	-	-	-	12,233
Other Accrued Payables	583,495	540,456	4,998	-	-	350,975	1,479,924
Due To Other Funds	-	-	-	-	400,000	555,286	955,286
Total liabilities	883,037	961,148	47,165	-	851,500	2,418,743	5,161,593
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue, Fines and Forfeitures, Fees	113,721	-	-	-	-	-	113,721
Unavailable Revenue, Property Taxes	170,470	360,173	62,138	6,209,582	65,849	440,978	7,309,190
Total deferred inflows of resources	284,191	360,173	62,138	6,209,582	65,849	440,978	7,422,911

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

GALLATIN COUNTY, STATE OF MONTANA
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
June 30, 2019

	General	Public Safety Fund	RID Maintenance	RID Bond Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
FUND BALANCES:							
Nonspendable:							
Inventories	97,391	-	-	-	-	44,821	142,212
Restricted for:							
Grants	-	-	-	-	142,645	8,444,156	8,586,801
Debt Service Obligations	-	-	-	-	-	1,292,301	1,292,301
RID Debt Services	-	-	-	614,714	-	-	614,714
Construction Projects	-	-	-	-	-	1,629,460	1,629,460
General Government	776,877	-	-	-	-	3,380	780,257
Public Safety	-	99,595	-	-	-	-	99,595
Committed for:							
Contractual Obligations	-	-	-	-	13,525,796	-	13,525,796
RID Maintenance	-	-	7,351,880	-	-	-	7,351,880
General Government	5,323,372	-	-	-	-	711,801	6,035,173
Public Safety	-	4,044,788	-	-	-	91,983	4,136,771
Public Works	-	-	-	-	-	4,781,553	4,781,553
Public Health	-	-	-	-	-	1,699,843	1,699,843
Culture & Recreation	-	-	-	-	-	1,311,761	1,311,761
Conservation Of Natural Resources	-	-	-	-	-	916,944	916,944
Assigned for:							
General Government	619,274	-	-	-	59,956	-	679,230
Public Safety	-	167,033	-	-	-	-	167,033
Total fund balances	<u>6,816,914</u>	<u>4,311,416</u>	<u>7,351,880</u>	<u>614,714</u>	<u>13,728,397</u>	<u>20,928,003</u>	<u>53,751,324</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,984,142</u>	<u>\$ 5,632,737</u>	<u>\$ 7,461,183</u>	<u>\$ 6,824,296</u>	<u>\$ 14,645,746</u>	<u>\$ 23,787,724</u>	<u>\$ 66,335,828</u>

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

GALLATIN COUNTY, STATE OF MONTANA
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET POSITION
 June 30, 2019

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

Total fund balances - governmental funds \$ 53,751,324

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 \$269,458,992 and the accumulated depreciation is \$131,723,536. Internal service fund assets of \$1,727,132 and accumulated depreciation of \$1,067,393 are included below. 137,735,456

Deferred inflows of resources (unavailable property taxes and unavailable fines and forfeitures and fees) are not available to pay for current period expenditures, and therefore, are deferred in the governmental funds. 7,422,911

The net pension and OPEB liabilities reported in the statement of net position do not require the use of current financial resources and are not reported as liabilities in government funds until actually due. (25,680,403)

Pension and OPEB related deferred inflows and outflows are not accounted for in the governmental funds. Excess reacquisition costs related to bond refunding are accounted for as deferred inflows of resources in the government-wide statements. The following number reports the net result of the current and long-term effect of these resources. 2,059,904

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. (43,589,307)

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. 7,695,480

Total net position - governmental activities \$ 139,395,365

GALLATIN COUNTY, STATE OF MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	GENERAL	PUBLIC SAFETY FUND	RID MAINTENANCE	RID BOND DEBT SERVICE	CAPITAL PROJECTS	Total Non Major Funds	Total Governmental Funds
REVENUES							
Property Taxes	\$ 8,406,763	\$ 15,455,759	\$ -	\$ -	\$ 2,340,620	\$ 14,844,117	\$ 41,047,259
Licenses & Permits	775	48,295	-	-	-	303,639	352,709
Intergovernmental Revenues	1,640,952	960,729	-	-	34,071	8,287,972	10,923,724
Charges for Services	2,700,324	2,029,608	-	-	267,924	1,795,743	6,793,599
Fines & Forfeitures	558,292	48,171	-	-	-	83,524	689,987
Miscellaneous	81,042	532,691	1,642,258	842,464	-	265,885	3,364,340
Investment Earnings (loss)	601,917	138,270	192,741	16,346	388,473	179,270	1,517,017
Contributions/Donations	-	-	-	-	-	6,581	6,581
Total revenues	<u>13,990,065</u>	<u>19,213,523</u>	<u>1,834,999</u>	<u>858,810</u>	<u>3,031,088</u>	<u>25,766,731</u>	<u>64,695,216</u>
EXPENDITURES							
Current:							
General Government	10,617,023	-	-	2,100	105,267	1,323,795	12,048,185
Public Safety	1,228,749	17,826,693	-	-	11,798	1,219,022	20,286,262
Public Works	907,623	-	1,676,209	-	776	4,313,471	6,898,079
Public Health	-	-	-	-	-	5,684,509	5,684,509
Social & Economic Services	479,297	-	-	-	-	65,700	544,997
Culture & Recreation	-	-	-	-	-	2,620,934	2,620,934
Housing & Community Development	-	-	-	-	-	536,239	536,239
Conservation of Natural Resources	-	-	-	-	-	102,301	102,301
Debt service:							
Principal retirement	221,593	1,082,315	-	429,695	-	2,910,581	4,644,184
Interest	28,340	15,811	-	329,192	-	1,214,510	1,587,853
Capital Outlay	153,868	895,186	-	-	2,278,633	3,385,534	6,713,221
Total expenditures	<u>13,636,493</u>	<u>19,820,005</u>	<u>1,676,209</u>	<u>760,987</u>	<u>2,396,474</u>	<u>23,376,596</u>	<u>61,666,764</u>
Excess (deficiency) of revenues over expenditures	<u>353,572</u>	<u>(606,482)</u>	<u>158,790</u>	<u>97,823</u>	<u>634,614</u>	<u>2,390,135</u>	<u>3,028,452</u>
OTHER FINANCING SOURCES (USES)							
Transfers Out	(860,278)	(383,004)	-	-	(69,654)	(3,482,604)	(4,795,540)
Proceeds from Sale of Fixed Assets	2,499	-	-	-	14,320	100	16,919
Transfers In	836,568	200,184	-	208,561	233,538	1,554,215	3,033,066
Total other financing sources (uses)	<u>(21,211)</u>	<u>(182,820)</u>	<u>-</u>	<u>208,561</u>	<u>178,204</u>	<u>(1,928,289)</u>	<u>(1,745,555)</u>
Net change in fund balances	332,361	(789,302)	158,790	306,384	812,818	461,846	1,282,897
Fund balances - beginning	6,484,553	5,100,718	7,193,090	308,330	12,915,579	20,466,157	52,468,427
Fund balances - ending	<u>\$ 6,816,914</u>	<u>\$ 4,311,416</u>	<u>\$ 7,351,880</u>	<u>\$ 614,714</u>	<u>\$ 13,728,397</u>	<u>\$ 20,928,003</u>	<u>\$ 53,751,324</u>

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

GALLATIN COUNTY, STATE OF 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, 2019

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

Net change in fund balances - total governmental funds	\$ 1,282,897
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 (\$6,727,874) exceeds depreciation (\$5,453,425) in the current period (exclusive of internal service funds).	1,274,449
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.	(911,306)
Deferred inflows of resources in the governmental funds are reported on the full accrual method in the government-wide financial statements.	(500,646)
The current period net increase in compensated absences did not require the use of current financial resources.	(191,099)
The net pension and Other Post Employment Benefits liabilities and related deferred inflows and outflows of the County are reported on the full accrual method and solely in the government-wide financial statements.	538,237
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.	4,802,305
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.	468,595
Change in net position of governmental activities	\$ 6,763,432

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, 2019

	Business-Type Activities-Enterprise Funds				Governmental Activities
	West			Total Enterprise Funds	Internal Service Funds
	Gallatin County Rest Home	Gallatin County Landfill	Yellowstone Refuse District		
ASSETS					
Current assets:					
Cash and investments	\$ 117,331	\$ 14,152,659	\$ 2,009,365	\$ 16,279,355	\$ 8,291,880
Cash and investments, restricted	-	2,762,308	-	2,762,308	-
Total current assets	<u>117,331</u>	<u>16,914,967</u>	<u>2,009,365</u>	<u>19,041,663</u>	<u>8,291,880</u>
Noncurrent assets:					
Real estate taxes receivable	6,012	-	2,300	8,312	-
Personal taxes receivable	2,078	-	-	2,078	-
Protested taxes receivable	10	-	-	10	-
Accounts receivable, net	583,258	636,261	116,390	1,335,909	16,074
Due from other funds	-	400,000	-	400,000	-
Capital assets, net	1,595,113	7,979,646	1,951,056	11,525,815	659,739
Total assets	<u>2,303,802</u>	<u>25,930,874</u>	<u>4,079,111</u>	<u>32,313,787</u>	<u>8,967,693</u>
DEFERRED OUTFLOWS OF RESOURCES					
Contribution to pension plans	521,989	198,221	51,513	771,723	-
Other postemployment health benefit contributions	22,335	5,289	972	28,596	2,177
Total deferred outflows of resources	<u>544,324</u>	<u>203,510</u>	<u>52,485</u>	<u>800,319</u>	<u>2,177</u>
LIABILITIES					
Current liabilities:					
Accounts payable	228,573	399,344	126,720	754,637	1,122,179
Other accrued payables	155,134	149,002	13,659	317,795	23,864
Compensated absences	28,254	10,227	4,236	42,717	6,998
Total current liabilities	<u>411,961</u>	<u>558,573</u>	<u>144,615</u>	<u>1,115,149</u>	<u>1,153,041</u>
Noncurrent liabilities:					
Other postemployment health benefits	632,519	135,940	25,609	794,068	54,330
Net pension liability	2,236,768	849,395	220,738	3,306,901	-
Closure/post closure costs	-	2,250,415	-	2,250,415	-
Compensated absences	254,287	92,351	37,958	384,596	62,988
Total noncurrent liabilities	<u>3,123,574</u>	<u>3,328,101</u>	<u>284,305</u>	<u>6,735,980</u>	<u>117,318</u>
Total liabilities	<u>3,535,535</u>	<u>3,886,674</u>	<u>428,920</u>	<u>7,851,129</u>	<u>1,270,359</u>
DEFERRED INFLOWS OF RESOURCES					
Pension deferrals	348,783	132,448	34,420	515,651	-
Other postemployment health benefits assumption changes	41,354	9,793	1,798	52,945	4,031
Total deferred inflows of resources	<u>390,137</u>	<u>142,241</u>	<u>36,218</u>	<u>568,596</u>	<u>4,031</u>
NET POSITION					
Net investment in capital assets	1,595,113	7,979,646	1,951,056	11,525,815	659,739
Restricted (expendable)	-	2,762,308	-	2,762,308	-
Unrestricted	(2,672,659)	11,363,515	1,715,402	10,406,258	7,035,741
Total net position	<u>\$ (1,077,546)</u>	<u>\$ 22,105,469</u>	<u>\$ 3,666,458</u>	<u>\$ 24,694,381</u>	<u>\$ 7,695,480</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, 2019

	Business-Type Activities-Enterprise Funds				Governmental Activities
	West				Internal Service Funds
	Gallatin County Rest Home	Gallatin County Landfill	Yellowstone Refuse District	Total Enterprise Funds	
OPERATING REVENUES					
Charges for Services	\$ 5,818,362	\$ 5,699,268	\$ 827,755	\$ 12,345,385	\$ 615,681
Miscellaneous	15,644	118,910	1,675	136,229	5,804
Internal Services	-	-	-	-	11,130,875
Total operating revenues	<u>5,834,006</u>	<u>5,818,178</u>	<u>829,430</u>	<u>12,481,614</u>	<u>11,752,360</u>
OPERATING EXPENSES					
Public Works Personnel Services	-	1,158,818	330,367	1,489,185	-
Public Works Operations	-	1,154,917	618,072	1,772,989	-
Public Works Depreciation	-	348,792	246,061	594,853	-
Public Health Personnel	4,007,609	-	-	4,007,609	-
Public Health Operations	2,830,147	-	-	2,830,147	-
Internal Service Personnel	-	-	-	-	656,866
Internal Service Supplies	-	-	-	-	255,493
Internal Service Purchased Services	-	-	-	-	1,394,696
Internal Service Fixed Charges	-	-	-	-	1,292,351
Internal Service Depreciation	-	-	-	-	171,002
Internal Service Benefit Payments	-	-	-	-	9,172,683
Public Health Depreciation	148,922	-	-	148,922	-
Total operating expenses	<u>6,986,678</u>	<u>2,662,527</u>	<u>1,194,500</u>	<u>10,843,705</u>	<u>12,943,091</u>
Operating income (loss)	<u>(1,152,672)</u>	<u>3,155,651</u>	<u>(365,070)</u>	<u>1,637,909</u>	<u>(1,190,731)</u>
NONOPERATING REVENUES (EXPENSES)					
Property Taxes	295,766	-	61	295,827	-
Intergovernmental Revenues	200,132	18,972	4,930	224,034	-
Investment Earnings (Loss)	46,452	414,624	62,342	523,418	207,900
Gain (Loss) on Sale of Fixed Assets	(1,316)	(285,992)	(3,189)	(290,497)	(429)
Total nonoperating revenues (expenses)	<u>541,034</u>	<u>147,604</u>	<u>64,144</u>	<u>752,782</u>	<u>207,471</u>
Income (loss) before contributions and transfers	(611,638)	3,303,255	(300,926)	2,390,691	(983,260)
Transfers In	285,869	14,750	10,000	310,619	1,451,855
Change in net position	(325,769)	3,318,005	(290,926)	2,701,310	468,595
Total net position - beginning	(751,777)	18,787,464	3,957,384	21,993,071	7,226,885
Total net position - ending	<u>\$ (1,077,546)</u>	<u>\$22,105,469</u>	<u>\$ 3,666,458</u>	<u>\$ 24,694,381</u>	<u>\$ 7,695,480</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, 2019

	Business-Type Activities-Enterprise Funds				Governmental Activities
	West			Total Enterprise Funds	Internal Service Funds
	Gallatin County Rest Home	Gallatin County Landfill	Yellowstone Refuse District		
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash from interfund	\$ -	\$ -	\$ -	\$ -	\$ 11,130,875
Payments to interfund	-	-	-	-	(10,567,379)
Cash receipts from customer	5,810,576	5,786,797	892,760	12,490,133	641,398
Receipts from other funds	-	200,000	-	200,000	-
Payments to employees	(4,149,015)	(1,166,133)	(291,708)	(5,606,856)	(639,732)
Payments to suppliers	(2,758,532)	(1,263,558)	(628,811)	(4,650,901)	(1,512,293)
Net cash provided (used) by operating activities	<u>(1,096,971)</u>	<u>3,557,106</u>	<u>(27,759)</u>	<u>2,432,376</u>	<u>(947,131)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental revenue	200,132	18,972	4,930	224,034	-
Subsidy from taxes	288,462	-	-	288,462	-
Transfers from (to) other funds	285,869	14,750	10,000	310,619	1,451,855
Net cash provided (used) by noncapital financing activities	<u>774,463</u>	<u>33,722</u>	<u>14,930</u>	<u>823,115</u>	<u>1,451,855</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Interest paid on debt	-	-	-	-	-
Principal on debt	-	(312,500)	-	(312,500)	-
Proceeds from sale of capital assets	-	-	-	-	12
Purchases/acquisition/const. of capital assets	(16,647)	(2,321,102)	(230,870)	(2,568,619)	(171,985)
Net cash provided (used) by capital and related financing activities	<u>(16,647)</u>	<u>(2,633,602)</u>	<u>(230,870)</u>	<u>(2,881,119)</u>	<u>(171,973)</u>

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

GALLATIN COUNTY, STATE OF MONTANA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
For the Year Ended June 30, 2019

	Business-Type Activities-Enterprise Funds				Governmental Activities
	Gallatin County Rest Home	Gallatin County Landfill	West	Total Enterprise Funds	Internal Service Funds
			Yellowstone Refuse District		
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Earnings	46,452	414,624	62,342	523,418	207,900
Net cash provided (used) by investing activities	46,452	414,624	62,342	523,418	207,900
Net increase (decrease) in cash and cash equivalents	(292,703)	1,371,850	(181,357)	897,790	540,651
Balances - beginning of year	410,034	15,543,117	2,190,722	18,143,873	7,751,229
Balances - end of the year	<u>\$ 117,331</u>	<u>\$ 16,914,967</u>	<u>\$ 2,009,365</u>	<u>\$ 19,041,663</u>	<u>\$ 8,291,880</u>
Cash and investments consist of:					
Cash and investments	\$ 117,331	\$ 14,152,659	\$ 2,009,365	\$ 16,279,355	\$ 8,291,880
Restricted cash and investments	-	2,762,308	-	2,762,308	-
Total cash and investments	<u>\$ 117,331</u>	<u>\$ 16,914,967</u>	<u>\$ 2,009,365</u>	<u>\$ 19,041,663</u>	<u>\$ 8,291,880</u>

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

GALLATIN COUNTY, STATE OF MONTANA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
For the Year Ended June 30, 2019

	Business-Type Activities-Enterprise Funds				Governmental
	Gallatin County Rest Home	Gallatin County Landfill	West Yellowstone Refuse District	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income					
(loss) to net cash provided (used) by operating activities:					
Operating Income	\$ (1,152,672)	\$ 3,155,651	\$ (365,070)	\$ 1,637,909	\$ (1,190,731)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	148,922	348,792	246,061	743,775	171,002
Changes in assets and liabilities:					
Accounts receivable	(23,430)	(31,381)	63,330	8,519	19,913
Due from other funds	-	200,000	-	200,000	-
Prepaid expenses	56,641	-	-	56,641	-
Accounts payable	24,342	44,230	(10,739)	57,833	958,947
Other accrued payables	(9,368)	5,757	538	(3,073)	(923,396)
Closure/post closure costs	-	(158,628)	-	(158,628)	-
Compensated absences	(3,759)	16,052	7,071	19,364	14,190
Other postemployment health benefits and related deferred inflows and outflows	27,937	7,576	1,646	37,159	2,944
Net pension liability and related deferred inflows and outflows	(165,584)	(30,943)	29,404	(167,123)	-
Net cash provided (used) by operating activities	\$ (1,096,971)	\$ 3,557,106	\$ (27,759)	\$ 2,432,376	\$ (947,131)
SCHEDULE OF NONCASH TRANSACTIONS					
Noncash change in deferred outflows	\$ 234,098	\$ 51,082	\$ (34,234)	\$ 250,946	\$ (2,886)
Noncash change in net pension liability	(583,984)	(181,353)	254	(765,083)	-
Noncash change in other post-employment health benefits liability	28,401	7,702	1,674	37,777	2,993
Noncash change in deferred inflows	321,485	122,569	32,306	476,360	(107)
Total noncash transactions	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2019

	Investment Trust Funds	Agency Funds
ASSETS		
Cash and investments	\$ 170,683,055	\$ 4,462,197
Tax/assessment receivable (net)	-	4,745,528
Accrued interest receivable	335,152	-
Total Assets	171,018,207	9,207,725
 LIABILITIES		
Accounts payable	-	3,780
Protested taxes payable	-	85,759
Due to other governments	-	9,118,186
Total Liabilities	-	9,207,725
 NET ASSETS		
Held in trust for investments and other purposes	\$ 171,018,207	\$ -

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, 2019

	Investment Trust Funds
ADDITIONS	
Investment earnings (loss)	\$ 3,567,399
Contributions to investment trust	841,519,400
Total Additions	845,086,799
 DEDUCTIONS	
Distribution from investment trust fund	881,192,079
Total Deductions	881,192,079
 Change in net position	 (36,105,280)
Net position - beginning of year	207,123,487
Net position - end of year	\$ 171,018,207

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

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

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

The accompanying financial statements present the financial position of the County and the various funds and fund types, the results of operations of the County and various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2019, and for the year then ended. The significant policies of the County are described below.

New Accounting Pronouncements

The County implemented the provisions of the following GASB pronouncements for the year ended June 30, 2019:

- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The goal of this statement is to improve the information presented in the notes related to debt and provide users with better information to understand the effects of debt on the government's future resources. It also clarifies which liabilities should be included when disclosing information related to debt. This Statement is effective for fiscal years beginning after June 15, 2018.

Reporting Entity

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

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

Other activities such as the Soil Conservation District, West Yellowstone TV District, Sewer and Water Districts, Fire Districts, Fire Service Areas, Cemetery Districts, Dyke Districts, Cities, and School Districts are reflected only in the fiduciary statement of net position as agency funds, since the County is responsible, by law, for the collection of taxes and/or maintenance cash funds for those entities. These entities are considered primary governments and are not a part of the County.

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.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

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, which provide a more detailed level of financial information.

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

The statement of net position presents the financial condition of the governmental activities of the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities (and ultimately presents changes in net position). Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

Program revenues include 1) charges paid by the recipient of the goods or services provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes and other items not properly included among program revenues are reported instead of general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The County reports deferred inflows of resources on its governmental funds' balance sheets. Deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The Government reports the following major proprietary funds:

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

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

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

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Additionally, the government reports the following fund types:

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

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

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

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

Cash and Investments

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

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments (Continued)

The County maintains an investment pool consisting of funds belonging to the County and also of funds held by the County Treasurer belonging to legally separate entities such as school districts and special purpose districts. These districts can elect to participate in the County's investment pool, or can self-direct the investment of their funds in individual investment accounts. The portion of the investment pool belonging to the legally separate entities and any self-directed individual investment accounts are reported in the investment trust fund in the fiduciary fund financial statements.

The investment pool is managed by the County Treasurer in accordance with the County's stated investment policies as prescribed by the MCA. There is no external regulatory oversight for the investment pool, and the County has not provided or obtained any legally binding guarantees to support the value of the investments.

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

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

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

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.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Payables (Continued)

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, 2019 was \$11,903. 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, 2019 was \$42,645. All other receivables are considered fully collectible.

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

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

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

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

The tax levies for the fiscal year ended June 30, 2019 were based upon the County Wide taxable valuation of \$300,723,354.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Payables (Continued)

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

Inventories

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

Prepays

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

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.

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

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

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position and governmental funds balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Within the County's governmental fund balance sheet, the County reports deferred inflows of resources comprised of unavailable revenue for property taxes and fines, forfeitures and fees. These amounts are reported as revenue in the government-wide financial statements in the period in which they were earned/levied and thus, these deferred inflows of resources were not reported on the government-wide financial statements. The government-wide and proprietary Statements of Net Position also report deferred inflows of resources for pension and OPEB related activities.

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

Other Postemployment Benefits

The County allows retirees that have just finished employment with the County to remain on the County health insurance plan. Another postemployment benefit arises from the difference in the County health insurance cost the retirees are incurring and what they would otherwise be paying on the open market for a similar plan. This benefit is reflected in the financials as a long-term liability following the guidance of GASB Statement No. 75.

Long-Term Obligations

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

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

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

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

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

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

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

Hierarchy of Spending

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

Minimum General Fund-Fund Balance

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

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transactions

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

Net Position

Net position represents assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position does not include either capitalized assets or the related debt for Rural Special Improvement Districts (RSIDs). Infrastructure improvements built and maintained through RSIDs are the financial responsibility of the benefited property owners and are not the responsibility of the County other than in a fiduciary capacity.

Net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations by other governments.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

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

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

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

Budgetary Information (Continued)

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

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

Excess of Expenditures over Appropriations

There were no funds with excess of expenditures over appropriations for the fiscal year ended June 30, 2019.

Deficit Fund Balances

At June 30, 2019, deficit fund balances were reported in the following funds:

Fund	Description	Total Deficit
Fund 2801	State Grants	\$ (2,673)
Fund 2821	Gas Tax - Road and Street	(4,760)
Fund 2859	County Land Information Fund	(2,967)
Fund 2870	Community Corrections	(48)
Fund 2917	Victim Witness	(2,495)
Fund 2918	Law Enforcement Block Grant	(14)
Fund 2927	Homeland Security Grant	(3,035)
Fund 2979	Federal Health Grant Fund	(1,087)
Fund 2987	Federal Grant Fund	(162,160)
Fund 2990	Drug Enforcement Grant	(984)
Fund 3040	Open Space Bond	(26,945)
Fund 4350	TSEP Construction Fund	(3,178)
Fund 4430	CDBG Grants	(562)
Fund 5120	Rest Home	(1,077,546)
Total		<u>\$ (1,288,454)</u>

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 3. CASH AND INVESTMENTS

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

Montana statutes require that the County obtain securities for the uninsured portion of the deposits as follows: 1) securities equal to 50% of such deposits if the institution in which the deposits are made has a net worth to total assets ratio of 6% or more or 2) securities equal to 100% of the uninsured deposits, if the institution in which the deposits are made has a net worth to total assets ratio of less than 6%. State statutes do not specify in whose custody or name the collateral is to be held. The amount of collateral held for County deposits at June 30, 2019 equaled or exceeded the amount required by State statutes.

Along with limitations placed on investments by State law, the County minimizes interest rate risk and custodial risk by restrictions set forth by County policy. Custodial risk is the risk that in an event of a financial institution failure, the County investments may not be returned or the County will not be able recover the collateral securities in the possession of the outside party.

Interest rate risk is defined as the risk that the fair value of investments could decrease in a rising interest rate environment. The County maintains a listing of financial institutions which are approved for investment purposes.

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

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

At June 30, 2019, 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	\$ 1,302,107	
Cash in overnight repurchase agreements	N/A	N/A	21,188,055	
Certificates of deposit	2020-2022	N/A	4,012,493	Level 2
U.S. Government bonds	2018-2023	S&P AA+	91,750,893	Level 1
State of Montana Short-Term Investment Pool (STIP)	N/A	N/A	64,914,460	
Total pooled cash and investments			<u>183,168,008</u>	

Nonpooled Cash and Investments	Maturities	Credit Risk Rating	Amount	Valuation Inputs
Cash on hand and demand deposits	N/A	N/A	303,654	
Money market	N/A	N/A	78,353	
U.S. Government bonds	2018-2020	S&P AA+	36,754,415	Level 1
Mutual Funds	N/A	N/A	803,151	Level 1
Certificates of deposit	2019	N/A	3,316,636	Level 2
State of Montana Short-Term Investment Pool (STIP)	N/A	N/A	34,467,955	
Total nonpooled cash and investments			<u>75,724,164</u>	

Total cash and investments			<u>\$ 258,892,172</u>	
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The amounts above are reported in the accompanying financial statements as follows. The \$471,371 variance between the total cash and investments reported in the above table with the total cash and investments reported in the accompanying financials statements is due to a reconciliation discrepancy.

	Unrestricted	Restricted	Total
Governmental activities	\$ 65,176,628	\$ -	\$ 65,176,628
Business-type activities	16,279,355	2,762,308	19,041,663
Fiduciary activities	175,145,252	-	175,145,252
Total cash and cash equivalents	<u>\$ 256,601,235</u>	<u>\$ 2,762,308</u>	<u>\$ 259,363,543</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.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

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

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

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

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

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

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

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, 2019:

		Transfers To				
		Governmental Funds				
						Other
		General Fund	Public Safety	RID Bond Debt Service	Capital Projects	Governmental Funds
Transfers From	General Fund	\$ -	\$ 8,086	\$ -	\$ 5,538	\$ 560,785
	Public Safety	-	-	-	-	383,004
	Capital Projects	-	-	-	-	69,654
	Other Governmental Funds	836,568	192,098	208,561	228,000	540,772
	Total	\$ 836,568	\$ 200,184	\$ 208,561	\$ 233,538	\$ 1,554,215

		Transfers To				
		Proprietary Funds				
					West	
		Internal Service Funds	Gallatin County Rest Home	Gallatin County Landfill	Yellowstone Refuse District	Total
Transfers From	General Fund	\$ -	\$ 285,869	\$ -	\$ -	\$ 860,278
	Public Safety	-	-	-	-	383,004
	Capital Projects	-	-	-	-	69,654
	Other Governmental Funds	1,451,855	-	14,750	10,000	3,482,604
	Total	\$ 1,451,855	\$ 285,869	\$ 14,750	\$ 10,000	\$ 4,795,540

Interfund Receivables and Payables

The composition of interfund receivable and payable balances as of June 30, 2019, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 287,400
Public Safety	Other Governmental Funds	22,174
Capital Projects	Other Governmental Funds	755
Other Governmental Funds	Other Governmental Funds	244,957
Gallatin County Landfill	Capital Projects Fund	400,000
		\$ 955,286

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 5. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2019, is as follows:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,233,880	\$ -	\$ -	\$ 4,233,880
Construction in progress	6,513,700	378,698	(3,565,985)	3,326,413
Total capital assets, not being depreciated	10,747,580	378,698	(3,565,985)	7,560,293
Capital assets, being depreciated:				
Buildings	57,935,198	1,814,200	(63,862)	59,685,536
Intangibles	19,116,135	2,515,946	(30,880)	21,601,201
Improvements other than buildings	3,157,768	812,547	-	3,970,315
Machinery and equipment	26,866,543	3,369,094	(1,604,245)	28,631,392
Infrastructure	148,162,030	1,575,357	-	149,737,387
Total capital assets, being depreciated	255,237,674	10,087,144	(1,698,987)	263,625,831
Total capital assets	265,985,254	10,465,842	(5,264,972)	271,186,124
Less accumulated depreciation:	(127,953,744)	(5,624,428)	787,243	(132,790,929)
Governmental activities capital assets, net	\$ 138,031,510	\$ 4,841,414	\$ (4,477,729)	\$ 138,395,195
	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,657,687	\$ 3,865	\$ -	\$ 1,661,552
Construction in progress	718,987	153,828	(702,837)	169,978
Total capital assets, not being depreciated	2,376,674	157,693	(702,837)	1,831,530
Capital assets, being depreciated:				
Buildings	8,149,189	260,304	-	8,409,493
Intangibles	145,468	-	-	145,468
Improvements other than buildings	3,435,764	2,022,940	-	5,458,704
Machinery and equipment	6,889,269	830,519	(452,942)	7,266,846
Total capital assets, being depreciated	18,619,690	3,113,763	(452,942)	21,280,511
Total capital assets	20,996,364	3,271,456	(1,155,779)	23,112,041
Less accumulated depreciation	(11,004,896)	(743,776)	162,446	(11,586,226)
Business-type activities capital assets, net	\$ 9,991,468	\$ 2,527,680	\$ (993,333)	\$ 11,525,815

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

NOTE 5. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General Government	\$ 769,526
Public Safety	2,225,344
Public Works	2,367,726
Public Health	29,476
Social and Economic Services	2,946
Culture and Recreation	194,029
Housing and Community Development	24,493
Conservation of Natural Resources	10,888
Total depreciation expense - governmental activities	<u>\$ 5,624,428</u>

NOTE 6. ACCRUED PAYROLL AND OTHER LIABILITIES

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

<u>Account</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Payroll Payable	\$ 1,297,525	\$ 219,026	\$ 1,516,551
Security Deposits Payable	-	98,769	98,769
Accrued Interest Payable	41,567	-	41,567
Abandon Property Payable	164,696	-	164,696
Total accrued payroll and other liabilities	<u>\$ 1,503,788</u>	<u>\$ 317,795</u>	<u>\$ 1,821,583</u>

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 7. LONG-TERM DEBT

During the fiscal year ended June 30, 2019, the following changes in liabilities were reported in long-term debt:

	Balance 6/30/2018	Additions	Deletions	Balance 6/30/2019	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 33,270,000	\$ -	\$ (2,995,000)	\$ 30,275,000	\$ 2,980,000
Special assessment bonds	6,244,045	-	(429,695)	5,814,350	261,649
Bond premiums	3,467,514	-	(367,002)	3,100,512	367,002
Compensated absences	2,480,569	205,289	-	2,685,858	268,586
Capital leases	3,003,063	-	(1,219,490)	1,783,573	631,841
Total	<u>\$ 48,465,191</u>	<u>\$ 205,289</u>	<u>\$ (5,011,187)</u>	<u>\$ 43,659,293</u>	<u>\$ 4,509,078</u>
Business-Type Activities:					
Revenue bonds	\$ 312,500	\$ -	\$ (312,500)	\$ -	\$ -
Compensated absences	407,949	19,364	-	427,313	42,717
Closure/postclosure care costs	2,409,042	198,229	(356,856)	2,250,415	-
Total	<u>\$ 3,129,491</u>	<u>\$ 217,593</u>	<u>\$ (669,356)</u>	<u>\$ 2,677,728</u>	<u>\$ 42,717</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, 2019 were as follows:

Purpose	Issue Date	Interest Rate	Years of Term	Final Maturity	Bonds Issued	Outstanding 6/30/2019	Annual Serial Payment
Detention Center	6/2/2016	3.00 - 5.00%	12	7/1/2029	\$ 19,130,000	\$ 19,130,000	Varies
Hope House	7/1/2010	2.00 - 4.00%	20	7/1/2030	1,000,000	635,000	Varies
Open Space	4/12/2011	2.30 - 3.25%	10	7/1/2021	2,300,000	520,000	Varies
Open Space	10/23/2012	2.00%	10	7/1/2023	2,450,000	1,015,000	Varies
Open Space	6/9/2013	1.00 - 3.00%	12	7/1/2026	3,390,000	2,380,000	Varies
Open Space	11/19/2015	2.00 - 4.00%	20	7/1/2036	5,830,000	4,895,000	Varies
I-90	12/27/2012	1.00 - 2.25%	10	7/1/2023	2,000,000	825,000	Varies
Ice Facility	8/6/2013	0.85 - 4.00%	20	7/1/2033	1,150,000	875,000	Varies
Total G.O. Bonds					<u>\$ 37,250,000</u>	<u>\$ 30,275,000</u>	

Revenue Bonds – The County also issues bonds where the County pledges income derived from the acquired or constructed assets to pay debt service. There were no revenue bonds outstanding at year-end.

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.

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

NOTE 7. LONG-TERM DEBT (CONTINUED)

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

Purpose	Issue Date	Interest Rate	Years of Term	Final Maturity	Bonds Issued	Outstanding 6/30/2019	Annual Serial Payment
#378	2001	3.60 - 5.50%	20	2021	\$ 1,188,000	\$ 60,000	Varies
#387	2005	2.10 - 5.00%	15	2020	180,000	20,000	Varies
#391	2006	2.00 - 5.25%	20	2026	395,000	140,000	Varies
#393	2007	4.20 - 5.50%	19	2027	900,000	370,000	Varies
#395	2010	2.00 - 6.00%	20	2030	1,765,000	1,080,000	Varies
#396	2010	2.50 - 6.00%	20	2030	4,715,000	3,120,000	Varies
#605-606	2015	4.00%	20	2035	765,000	627,344	Varies
#607	2016	3.55%	16	2032	107,000	94,193	Varies
#608-610	2017	3.15%	15	2031	363,000	302,813	Varies
Total Special Assessment Bonds					<u>\$ 10,378,000</u>	<u>\$ 5,814,350</u>	

Compensated Absences Payable

Compensated absences payable as of June 30, 2019, which represents vacation and sick leave earned by employees and is payable upon separation, is as follows:

Proprietary Funds	\$ 427,313
General Governmental Activities	2,615,872
Internal Service Funds	69,986
Total	<u>\$ 3,113,171</u>

Capital Leases

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

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

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

On January 1, 2017, the County entered into a lease for radios. The lease term is 3 years, payable in two installments, with the first payment of \$761,047 at 0% and the second payment of \$738,952 at 2.99%. The total amount capitalized of \$1,499,999 represents the present value of the future lease payments. The City of Bozeman and the County entered into a Memorandum of Understanding whereby the City will use the radios; however, the County will retain control over the radios until the radios are paid off. The City's portion of the debt was paid off as of June 30, 2019; therefore, the title of assets, amounting to \$1,010,999 was transferred to the City.

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

NOTE 7. LONG-TERM DEBT (CONTINUED)

Capital Leases (Continued)

On October 3, 2017, the County entered into a lease for a 911 Phone and Radio System. The lease term is five years payable in annual installments of \$39,991. The total amount capitalized of \$204,461 represents the present value of the future lease payments.

Equipment under capital leases in capital assets as of June 30, 2019, includes the following:

Equipment	\$ 2,467,296
Less: accumulated depreciation	<u>(1,293,920)</u>
Total	<u>\$ 1,173,376</u>

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

Requirements to Amortize Debt

The annual requirements to amortize all long-term debt outstanding, except compensated absences and closure/post closure care costs, as of June 30, 2019 were as follows:

For Fiscal Year Ended	G. O. Principal	G. O. Interest
2020	\$ 2,980,000	\$ 2,028,597
2021	3,120,000	1,014,020
2022	2,985,000	894,921
2023	3,110,000	786,332
2024	2,770,000	676,488
2025-2029	13,550,000	1,672,070
2030-2034	1,325,000	238,000
2035-2037	435,000	26,200
Total	<u>\$ 30,275,000</u>	<u>\$ 7,336,628</u>

For Fiscal Year Ended	Special Bonds Principal	Special Bonds Interest	Capital Lease Principal	Capital Lease Interest	Grand Total
2020	\$ 261,857	\$ 284,569	\$ 631,841	\$ 68,961	\$ 3,873,698
2021	428,780	269,009	157,817	27,540	3,706,597
2022	465,927	247,844	993,916	23,287	4,444,843
2023	488,167	251,092	-	-	3,598,167
2024	520,481	225,466	-	-	3,290,481
2025-2029	2,760,442	686,289	-	-	16,310,442
2030-2034	834,311	72,981	-	-	2,159,311
2035-2037	54,385	1,637	-	-	489,385
Total	<u>\$ 5,814,350</u>	<u>\$ 2,038,887</u>	<u>\$ 1,783,574</u>	<u>\$ 119,788</u>	<u>\$ 37,872,924</u>

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

NOTE 8. EMPLOYEE BENEFIT PLANS

Plan Description and Provisions

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

	Gallatin County's proportionate share associated with PERS	Gallatin County's proportionate share associated with SRS	Gallatin County's proportionate share associated with TRS	Gallatin County's total pension amounts
Net pension liability	\$ 19,540,174	\$ 6,137,260	\$ 80,635	\$ 25,758,069
Deferred outflows of resources	4,560,041	4,799,311	13,985	9,373,337
Deferred inflows of resources	3,046,924	5,988,996	12,737	9,048,657
Pension expense	2,052,714	(182,401)	3,147	1,873,460

Public Employees' Retirement System (PERS)

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with participation in the Public Employees' Retirement System Defined Benefit Retirement Plan (the Plan). This includes the proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions. Employers are provided guidance in GASB Statement 68, paragraph 74, where pension amounts must be combined as a total or aggregate for reporting, whether provided through cost-sharing, single-employer, or agent plans. This report provides information for employers who are using a June 30, 2018 measurement date for the 2019 reporting. If an employer's fiscal year end is after June 30th, the employer will not use the measurements shown in this report but will need to wait for the measurement date as of June 30, 2019.

Net Pension Liability

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

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Net Pension Liability (Continued)

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the state of Montana's NPL for June 30, 2018, and 2017, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. The state's proportionate share for a particular employer equals the ratio of the contributions for the particular employer to the total state contributions paid. The employer recorded a liability of \$19,540,174 and the employer's proportionate share was 0.9362 percent.

	Net Pension Liability as of <u>6/30/2019</u>	Net Pension Liability as of <u>6/30/2018</u>	Percent of Collective NPL as of <u>6/30/2019</u>	Percent of Collective NPL as of <u>6/30/2018</u>	Change in Percent of Collective NPL
Gallatin County Proportionate Share	\$ 19,540,174	\$ 22,555,895	0.9362%	1.1581%	-0.2219%
State of Montana Proportionate Share associated with Gallatin County	<u>6,539,744</u>	<u>302,065</u>	<u>1.2575%</u>	<u>1.5395%</u>	<u>0.5180%</u>
Total	<u>\$ 26,079,918</u>	<u>\$ 22,857,960</u>	<u>2.1937%</u>	<u>2.6976%</u>	<u>0.0459%</u>

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: 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.

Pension Expense

At June 30, 2019, the employer recognized \$1,616,258 for its proportionate share of the Plan's pension expense and recognized grant revenue of \$436,456 for the state of Montana proportionate share of the pension expense associated with the employer. Additionally, the employer recognized grant revenue of \$0 from the State Statutory Appropriation from the General Fund.

	Pension Expense as of <u>6/30/2019</u>
Gallatin County Proportionate Share	\$ 1,616,258
Grant Revenue - State of Montana Proportionate Share for Gallatin County	<u>436,456</u>
Total	<u>\$ 2,052,714</u>

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Recognition of Deferred Inflows and Outflows

At June 30, 2019, the employer reported its proportionate share of the Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs. actual experience	\$ 1,485,899	\$ -
Projected investment earnings vs. actual investment earnings	-	303,459
Changes in assumptions	1,661,599	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	2,743,465
Employer contributions subsequent to the measurement date	1,412,543	-
Total	\$ 4,560,041	\$ 3,046,924

\$1,412,543 reported as deferred outflows of resources related to pensions resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions are recognized in the employer's pension expense as follows:

For the Measurement Year ended June 30:	Recognition of Deferred Outflows and Deferred Inflows in future years as an increase or (decrease) to Pension Expense
2020	\$ 809,361
2021	444,982
2022	(1,029,081)
2023	(124,688)
2024	-
Thereafter	-

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

General Information about the Pension Plan

Plan Description

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 provides retirement benefits to covered employees of the State, and local governments, and certain employees of the Montana University System, and school districts. Benefits are established by state law and can only be amended by the Legislature.

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

Benefits Provided

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

Service Retirement:

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

Early Retirement, Actuarially Reduced:

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

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

- 1) Retired before January 1, 2016 and accumulate less than 2 years additional service credit or retire on or after January 1, 2016 and accumulate less than 5 years additional service credit:
 - a. A refund of member's contributions plus return interest (currently .77% effective July 1, 2017).
 - b. No service credit for second employment;
 - c. Start the same benefit amount the month following termination; and
 - d. Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Benefits Provided (Continued)

- 2) Retired before January 1, 2016 and accumulate at least 2 years of additional service credit;
 - a. A recalculated retirement benefit based on provisions in effect after the initial retirement; and
 - b. GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months.
- 3) Retire on or after January 1, 2016 and accumulate 5 or more years of service credit:
 - a. The same retirement as prior to the return to service;
 - b. A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and
 - c. GABA starts on both benefits in the January after receiving the original and the new benefit for 12 months.

Member's Highest Average Compensation (HAC)

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

Compensation Cap

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

Monthly benefit formula

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

Guaranteed Annual Benefit Adjustment (GABA)

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

- 3% for members hired prior to July 1, 2007

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Benefits Provided (Continued)

Guaranteed Annual Benefit Adjustment (GABA) (Continued)

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

Overview of Contributions

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

Special Funding: The state of Montana, as the non-employer contributing entity, paid to the Plan, additional contributions that qualify as *special funding*. Those employers who received *special funding* are all participating employers.

Not Special Funding: Per Montana law, state agencies and universities paid their own additional contributions. The employer paid contributions are *not* accounted for as special funding for state agencies and universities but are reported as employer contributions.

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

Fiscal Year	Member		State & Universities Employer	Local Government		School Districts	
	Hired <07/01/11	Hired >07/01/11	Employer	Employer	State	Employer	State
	2019	7.9000%	7.9000%	8.670%	8.570%	0.100%	8.300%
2018	7.9000%	7.9000%	8.570%	8.470%	0.100%	8.200%	0.370%
2017	7.9000%	7.9000%	8.470%	8.370%	0.100%	8.100%	0.370%
2016	7.9000%	7.9000%	8.370%	8.270%	0.100%	8.000%	0.370%
2015	7.9000%	7.9000%	8.270%	8.170%	0.100%	7.900%	0.370%
2014	7.9000%	7.9000%	8.170%	8.070%	0.100%	7.800%	0.370%
2012-2013	6.9000%	7.9000%	7.170%	7.070%	0.100%	6.800%	0.370%
2010-2011	6.9000%		7.170%	7.070%	0.100%	6.800%	0.370%
2008-2009	6.9000%		7.035%	6.935%	0.100%	6.800%	0.235%
2000-2007	6.9000%		6.900%	6.800%	0.100%	6.800%	0.100%

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Overview of Contributions (Continued)

1. Member contributions to the system of 7.9% are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.
2. Employer contributions to the system:
 - a. Effective July 1, 2014, following the 2013 Legislative session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below the 25 years following the reduction of both the additional employer and additional member contributions rates.
 - b. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
 - c. 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:
3. Special Funding
 - i. The State contributes 0.1% of members' compensation on behalf of local government entities.
 - ii. The State contributes 0.37% of members' compensation on behalf of school district entities.
 - iii. The State contributed a Statutory Appropriation from the General Fund of \$33,454,182.

Stand-Alone Statements

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

Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions.

• Investment Return (net of admin expense)	7.65%
• Admin Expense as % of Payroll	0.26%
• General Wage Growth*	3.50%
*includes Inflation at	2.75%
• Merit Increases	0% to 6.30%

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

- Postretirement Benefit Increases:
 - **Guaranteed Annual Benefit Adjustment (GABA) each January**
After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage each January, inclusive of other adjustments to the member's benefit.
 - 3% for members hired prior to July 1, 2007
 - 1.5% for members hired between July 1, 2007 and June 30, 2013
 - Members hired on or after July 1, 2013:
 - 1.5% for each year PERS is funded at or above 90%
 - 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%
 - 0% whenever the amortization period for PERS is 40 years or more
- Mortality:
 - Mortality assumptions among contributing members, service retired members and beneficiaries were based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2020 with scale BB, males set back 1 year.
 - Mortality assumptions among disabled members were based on RP 2000 Combined Mortality Tables with no projections.

Discount Rate

The discount rate used to measure the TPL was 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. The State contributes 0.10% of salaries for local governments and 0.37% for school districts. In addition, the State contributes coal severance tax and interest money from the general fund. The interest was contributed monthly and the severance tax was contributed quarterly. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2121. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Target Allocations

The most recent experience study, performed for the period covering fiscal years 2011 through 2016, is outlined in a report dated May 5, 2017 and can be located on the MPERA website. The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the Plan. Several factors are considered in evaluating the long-term rate of return assumption including historical rates of return, rate of return assumptions adopted by similar public-sector systems, and by using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2019, are summarized in the table below:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic Basis
Cash equivalents	2.60%	4.00%
Domestic equity	36.00%	4.55%
Foreign equity	18.00%	6.35%
Fixed income	23.40%	1.00%
Private equity	12.00%	7.75%
Real estate	8.00%	4.00%
Total	100.00%	

Sensitivity of the Proportionate Share of the NPL to Changes in the Discount Rate

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

	1.0% Decrease (6.65%)	Current Discount Rate	1.0% Increase (8.65%)
Gallatin County proportion of Net Pension Liability	\$ 28,259,618	\$ 19,540,174	\$ 12,380,122

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Summary of Significant Accounting Policies

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

PERS Disclosure for the Defined Contribution Plan

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

All new PERS members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the *defined benefit* and *defined contribution* retirement plans. Member and employer contribution rates are specified by state law and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers. The state Legislature has the authority to establish and amend contribution rates.

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

At the plan level for the measurement period ended June 30, 2019, the PERS-DCRP employer did not recognize any net pension liability or pension expense for the defined contribution plan. Plan level non-vested forfeitures for the 316 employers that have participants in the PERS-DCRP totaled \$746,144.

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Sheriffs' Retirement System (SRS)

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with participation in the Sheriffs' Retirement System Defined Benefit Retirement System (the Plan). Employers are required to record and report their proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions. This report provides information for employers who are using a June 30, 2018 measurement date for 2019 reporting.

Net Pension Liability

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's TPL. The basis for the TPL as of June 30, 2019, was determined by taking the results of the June 30, 2018, actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The roll forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's NPL for June 30, 2019, and 2018, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer contributions during the measurement period.

The employer recorded a liability of \$6,137,260 and the employer's proportionate share was 8.1643 percent.

	Net Pension Liability as of 6/30/2019	Net Pension Liability as of 6/30/2018	Percent of Collective NPL as of 6/30/2019	Percent of Collective NPL as of 6/30/2018	Change in Percent of Collective NPL
Gallatin County Proportionate Share	\$ 6,137,260	\$ 6,076,555	8.1643%	7.9853%	0.1790%

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: 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.

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Sheriffs' Retirement System (SRS) (Continued)

Pension Expense

At June 30, 2019 measurement date, the employer recognized its proportionate share of the Plan's pension expense.

	Pension Expense as of 6/30/2019
Gallatin County Proportionate Share	\$ (182,401)
Total	\$ (182,401)

Recognition of Deferred Inflows and Outflows

At June 30, 2019, the employer reported its proportionate share of the Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs. actual experience	\$ 338,494	\$ 13,673
Projected investment earnings vs. actual investment earnings	-	171,803
Changes in assumptions	3,490,002	5,803,520
Changes in proportion and differences between employer contributions and proportionate share of contributions	91,968	-
Employer contributions subsequent to the measurement date	878,847	-
Total	\$ 4,799,311	\$ 5,988,996

\$878,847 reported as deferred outflows of resources related to pensions resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions are recognized in the employer's pension expense as follows:

For the Measurement Year ended June 30:	Recognition of Deferred Outflows and Deferred Inflows in future years as an increase or (decrease) to Pension Expense
2020	\$ (511,389)
2021	(657,414)
2022	(954,221)
2023	54,492
2024	-
Thereafter	-

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Sheriffs' Retirement System (SRS) (Continued)

General Information about the Pension Plan

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, Montana Code Annotated (MCA). This plan provides retirement benefits to all Department of Justice criminal and gambling investigators hired after July 1, 1993, all detention officers hired after July 1, 2005, and all Montana sheriffs. Benefits are established by state law and can only be amended by Legislature.

Benefits Provided

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

Service Retirement:

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

Early Retirement:

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

Second Retirement:

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

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

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Sheriffs' Retirement System (SRS) (Continued)

Second Retirement (Continued):

- If the member works more than 480 hours in a calendar year and accumulates at least 5 years of service credit before terminating again, the member:
 - is awarded service credit for the period of reemployment;
 - starting the first month following termination of service, receives:
 - the same retirement benefit previously paid to the member; and
 - a second retirement benefit for the period of reemployment calculated based on the laws in effect as of the members' rehire date, and
 - does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA:
 - on the initial retirement benefit in January immediately following second retirement, and
 - on the second retirement benefit starting in January after receiving that benefit for at least 12 months.
- A member who returns to covered service is not eligible for a disability benefit.

Member's Compensation Period Used In Benefit Calculation:

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

Compensation Cap:

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

Guaranteed Annual Benefit Adjustment (GABA):

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

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

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Sheriffs' Retirement System (SRS) (Continued)

Overview of Contributions

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

<u>Fiscal Year</u>	<u>Member</u>	<u>Employer</u>
2018-2019	10.495%	13.115%
2010-2017	9.245%	10.115%
2008-2009	9.245%	9.825%
1998-2007	9.245%	9.535%

Stand-Alone Statements

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

Actuarial Assumptions

The TPL in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions:

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

Guaranteed Annual Benefit Adjustment (GABA)

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

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

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Sheriffs' Retirement System (SRS) (Continued)

Actuarial Assumptions (Continued)

- Mortality assumptions among Disabled Retirees were based on RP 2000 Combined Mortality Tables.

Discount Rate

The discount rate used to measure the TPL was 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members and employers will be made based on the Board's funding policy, which established the contractually required rates under the Montana Code Annotated. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 211. 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.

Target Allocations

The most recent experience study, performed for the period covering fiscal years 2011 through 2016, is outlined in a report dated May 5, 2017 and can be located on the MPERA website. The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the Plan. Several factors are considered in evaluating the long-term rate of return assumption including historical rates of return, rate of return assumptions adopted by similar public-sector systems, and by using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2019, are summarized below.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic Basis
Cash equivalents	2.60%	4.00%
Domestic equity	36.00%	4.55%
Foreign equity	18.00%	6.35%
Fixed income	23.40%	1.00%
Private equity	12.00%	7.75%
Real estate	8.00%	4.00%
Total	<u>100.00%</u>	

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Sheriffs' Retirement System (SRS) (Continued)

Sensitivity of the Proportionate Share of the NPL to Changes in the Discount Rate

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

	1.0% Decrease (6.65%)	Current Discount Rate	1.0% Increase (8.65%)
Gallatin County proportion of Net Pension Liability	\$ 11,168,999	\$ 6,137,260	\$ 2,016,692

Summary of Significant Accounting Policies

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

Teachers' Retirement System (TRS)

Net Pension Liability

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers are required to recognize and report certain amounts associated with their participation in the Montana Teachers' Retirement System (TRS or the System). Statement 68 became effective June 30, 2015 and includes requirements to record and report their proportionate share of the collective Net Pension Liability. In accordance with Statement 68, the System has a special funding situation in which the State of Montana is legally responsible for making contributions directly to TRS that are used to provide pension benefits to the retired members of TRS. Due to the existence of a special funding situation, employers are also required to report the portion of the State of Montana's proportionate share of the collective Net Pension Liability that is associated with the employer. The following table displays the amounts and the percentages of Net Pension Liability for the fiscal years ended June 30, 2019 and June 30, 2018 (reporting dates).

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Teachers' Retirement System (TRS) (Continued)

Net Pension Liability (Continued)

	Net Pension Liability as of 6/30/2019	Net Pension Liability as of 6/30/2018	Percent of Collective NPL as of 6/30/2019	Percent of Collective NPL as of 6/30/2018	Change in Percent of Collective NPL
Gallatin County Proportionate Share	\$ 80,635	\$ 87,924	0.0043%	0.0052%	-0.0009%
State of Montana Proportionate Share associated with Gallatin County	55,302	56,031	0.0030%	0.0033%	-0.0003%
Total	<u>\$ 135,937</u>	<u>\$ 143,955</u>	<u>0.0073%</u>	<u>0.0085%</u>	<u>0.0459%</u>

At June 30, 2019, the employer recorded a liability of \$80,635 for its proportionate share of the Net Pension Liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. Therefore, no update procedures were used to roll forward the total pension liability to the measurement date. The employer's proportion of the net pension liability was based on the employer's contributions received by TRS during the measurement period July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of TRS' participating employers. At June 30, 2019, the employer's proportion was .0043 percent.

Changes in actuarial assumptions and other inputs: As a result of the recent actuarial experience study, dated May 3, 2018, the following changes to the actuarial assumptions were made since the previous measurement date:

- Assumed rate of inflation was reduced from 3.25% to 2.50%
- Payroll growth assumption was reduced from 4.00% to 3.25%
- Investment return assumption was reduced from 7.75% to 7.50%.
- Wage growth assumption was reduced from 4.00% to 3.25%
- Mortality among contributing members, service retired members, and beneficiaries was updated to the following:
 - For Males and Females: RP-2000 Healthy Combined Mortality Table projected to 2022 adjusted for partial credibility setback for two years. The tables include margins for mortality improvement which is expected to occur in the future.
- Mortality among disabled members was updated to the following:
 - For Males: RP 2000 Disabled Mortality Table, set back three years, with mortality improvements projected by Scale BB to 2022.

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Teachers' Retirement System (TRS) (Continued)

Changes in actuarial assumptions and other inputs (Continued):

- For Females: RP 2000 Disabled Mortality Table, set forward two years, with mortality improvements projected by Scale BB to 2022.
- Retirement rates were updated
- Termination rates were updated
- Rates of salary increases were updated

Changes in benefit terms:

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

Changes in proportionate share:

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

Pension Expense

At June 30, 2019, the employer recognized a Pension Expense of \$3,147 for its proportionate share of the TRS' pension expense. The employer also recognized grant revenue of \$790 for the support provided by the State of Montana for its proportionate share of the pension expense that is associated with the employer.

	Pension Expense as of 6/30/2019
Gallatin County Proportionate Share	\$ 2,357
Grant Revenue - State of Montana Proportionate Share for Gallatin County	790
Total	\$ 3,147

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Teachers' Retirement System (TRS) (Continued)

Deferred Inflows and Outflows

At June 30, 2019, 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
Expected vs. actual experience	\$ 575	\$ 50
Projected investment earnings vs. actual investment earnings	-	728
Changes in assumptions	6,573	119
Changes in proportion and differences between employer contributions and proportionate share of contributions	287	11,840
Employer contributions subsequent to the measurement date	6,550	-
Total	\$ 13,985	\$ 12,737

\$6,550 reported as deferred outflows of resources related to pensions resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Recognition of Deferred Outflows and Deferred Inflows in future years as an increase or (decrease) to Pension Expense
For the Measurement Year ended June 30:	
2020	\$ (490)
2021	(1,560)
2022	(2,877)
2023	(375)
2024	-
Thereafter	-

Plan Description

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

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Teachers' Retirement System (TRS) (Continued)

Plan Description (Continued)

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

Summary of Benefits

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

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

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

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

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Teachers' Retirement System (TRS) (Continued)

Overview of Contributions

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

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

	School District and Other Employers			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
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Teachers' Retirement System (TRS) (Continued)

Overview of Contributions (Continued)

	State and University Employers			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%	9.47%	0.11%	16.73%
July 1, 2009 to June 30, 2013	7.15%	9.85%	0.11%	17.11%
July 1, 2013 to June 30, 2014	8.15%	10.85%	0.11%	19.11%
July 1, 2014 to June 30, 2015	8.15%	10.95%	0.11%	19.21%
July 1, 2015 to June 30, 2016	8.15%	11.05%	0.11%	19.31%
July 1, 2016 to June 30, 2017	8.15%	11.15%	0.11%	19.41%
July 1, 2017 to June 30, 2018	8.15%	11.25%	0.11%	19.51%
July 1, 2018 to June 30, 2019	8.15%	11.35%	0.11%	19.61%
July 1, 2019 to June 30, 2020	8.15%	11.45%	0.11%	19.71%
July 1, 2020 to June 30, 2021	8.15%	11.55%	0.11%	19.81%
July 1, 2021 to June 30, 2022	8.15%	11.65%	0.11%	19.91%
July 1, 2022 to June 30, 2023	8.15%	11.75%	0.11%	20.01%
July 1, 2023 to June 30, 2024	8.15%	11.85%	0.11%	20.11%

TRS Stand-Alone Statements

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

Actuarial Assumptions

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

- Total Wage Increases* 3.25%-7.76% for Non-University Members
and 4.25% for University Members
- Investment Return 7.50%
- Price Inflation 2.50%

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Teachers' Retirement System (TRS) (Continued)

Actuarial Assumptions (Continued)

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

*Total Wage Increases include 3.25 % general wage increase assumption

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. 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 2126. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. No municipal bond rate was incorporated in the Discount rate.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Teachers' Retirement System (TRS) (Continued)

Target Allocations

Asset Class	Target Asset Allocation (a)	Real Rate of Return Arithmetic Basis (b)	Long-Term Expected Portfolio Real Rate of Return (a) x (b)
Domestic equity	35.00%	6.68%	2.34%
International equity	18.00%	6.98%	1.26%
Private equity	10.00%	10.15%	1.02%
Natural resources	3.00%	4.09%	0.12%
Core real estate	7.00%	5.38%	0.38%
TIPS	3.00%	1.78%	0.05%
Intermediate duration bonds	19.00%	2.15%	0.41%
High yield bonds	3.00%	4.36%	0.13%
Cash	2.00%	0.81%	0.02%
Total	<u>100.00%</u>		<u>5.73%</u>
Inflation			<u>2.50%</u>
Expected arithmetic nominal return			<u>8.23%</u>

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

The long-term 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 2013 through 2017, is outlined in a report dated May 3, 2018. 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 an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation). Estimates of variability and correlations for each asset class, were developed by the System's investment consultant. These ranges were combined to develop 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 long-term rate of return assumption is intended to be a long-term assumption (30 to 50 years) 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.

The average long term capital market assumptions published in the Survey of Capital Market Assumptions 2017 Edition by Horizon Actuarial Service, LLC, yield a median real return of 5.07%. Our recommended assumption of 5.00% for the real return reflects granting each source some degree of credibility. Combined with the 2.50% inflation assumption, the resulting nominal return is 7.50%.

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Teachers' Retirement System (TRS) (Continued)

Sensitivity Analysis

	1.0% Decrease (6.50%)	Current Discount Rate	1.0% Increase (8.50%)
Gallatin County proportion of Net Pension Liability	\$ 110,875	\$ 80,635	\$ 55,306

In accordance with GASB 68 regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the above table presents the net pension liability calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.50%) or 1.00% higher (8.50%) than the current rate.

Summary of Significant Accounting Policies

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

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

Local Retirement Plans

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

NOTE 9. RESTRICTED CASH AND INVESTMENTS

Restricted cash and investments were held by the County for the Gallatin County Landfill as of June 30, 2019 totaling \$2,762,308. These amounts are reported within the cash and investment account on fund financial statements.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 10. RESTRICTED FUND BALANCE AND NET POSITION

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

NOTE 11. LANDFILL CLOSURE AND POST CLOSURE CARE COSTS

State and Federal laws and regulations require that the County place a final cover on its landfill when it stops accepting waste and perform certain maintenance and monitoring functions at the site for thirty years after closure. The County has elected to use the Local Government Financial Test to satisfy its financial responsibility under RCRA Subtitle D. Although closure and post closure care costs will be paid only near or after the date the landfill stops accepting waste, the landfill reports a portion of these closure and post closure care costs as an operating expense each period. The costs expensed during a period are based on landfill capacity used as of each balance sheet date. Independent engineering reports show that there is a \$2,250,415 liability for landfill closure and post closure as of June 30, 2019, which represents the cumulative amount reported to date based on the use of 63.29% 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 \$1,037,700. These amounts are based on what it should cost to perform all closure and post closure in 2019. 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 6 years of life remaining from the date of the report – January 2019.

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, 2019, the County demonstrated its ability to handle closure and post closure care costs by passing the local government financial test.

NOTE 12. SERVICES PROVIDED TO OTHER GOVERNMENTS

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

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

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 on Internal Service Fund. Rates are determined in consultation with the administrator based on past claim experience. Incurred but unreported claims at June 30, 2019 were estimated by the plan administrator. Claims payable as of year-end are:

	2019	2018
Beginning claims payable	\$ 923,020	\$ 234,300
Claims incurred	9,253,483	7,401,029
Claims paid	(9,172,683)	(6,712,309)
Ending claims payable	\$ 1,003,820	\$ 923,020

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 14. COMMITMENTS

At June 30, 2019, the County had contractual commitments of approximately \$2,574,000. Significant contracts are made up of the following:

<u>Department</u>	<u>Amount</u>	<u>Description</u>
911	\$ 41,316	System maintenance and equipment replacement
911	20,610	Equipment purchase and replacement
911	77,900	Maintenance agreement
911	125,400	Software and support
911	12,665	Software agreement
Commission	15,245	Advertising agreement
Court Services	52,500	Information management system
Court Services	189,943	Equipment maintenance
Detention Center	17,280	Health services for inmates
Fairgrounds	24,420	Marketing and sponsorship director
Finance	50,127	Engineering services
Justice Court	13,200	Mediation services
Landfill	242,639	Grinding and wood hauling
Landfill	33,658	Recycling
Landfill	149,820	Phone and internet services
Landfill	13,533	Cell 4 expansion management
Landfill	45,284	Phase 1 license expansion
Landfill	33,334	Transfer station plan
Facilities	148,905	Janitorial services
Facilities	100,000	Medications for detention center inmates
Facilities	44,373	Interoffice mail pickup and delivery
Facilities	288,000	USPS mail pickup and delivery services
Planning	99,400	Consulting services
Weed	26,705	Noxious weed spraying
Road and Bridge	249,276	Plow truck
Road and Bridge	112,687	Fifth wheel truck
Road and Bridge	284,080	Leveling course and overlay course to various roads
	<u>\$ 2,512,299</u>	

The remaining \$62,000 is made up of various, small contractual commitments. Future appropriations will fund these commitments as work is performed.

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB)

As required by Governmental Accounting Standards Board (GASB) Statement No. 75 Other Postemployment Benefits, the County has calculated and included a postemployment benefit liability for the fiscal year ended June 30, 2019.

Plan Description and Benefits Provided

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

Funding Policy

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

Employees Covered by Benefit Terms

At June 30, 2019, the following employees were covered by the benefit terms:

Category	Count
Active employees	416
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees or beneficiaries currently receiving benefits	27
Total	443

Contributions

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

Total OPEB Liability (TOL)

The County's total OPEB liability of \$4,077,631 at June 30, 2019 was measured as of June 30, 2018, and was determined by an actuarial valuation as of January 1, 2017.

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

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

Total OPEB Liability (TOL) (Continued)

Changes in the TOC for the year ended June 30, 2019 are as follows:

Service cost	\$ 264,917
Interest	144,018
Changes in assumptions	(31,149)
Benefit payments	<u>(161,391)</u>
Net change in total OPEB liability	216,395
Total OPEB liability, beginning of year	<u>3,861,236</u>
Total OPEB liability, end of year	<u><u>\$ 4,077,631</u></u>

There is sensitivity of the total OPEB liability to changes in the discount rate. The total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.62%) or one percentage point higher (4.62%) follows:

	1% Decrease <u>2.62%</u>	Discount Rate <u>3.62%</u>	1% Increase <u>4.62%</u>
Total OPEB liability	\$ 4,639,715	\$ 4,077,631	\$ 3,605,325

There is also sensitivity of the TOL to changes in the healthcare cost trend rates. The total OPEB liability of the County as well as what the County's total OPEB liability would be if it were recalculated using healthcare cost trend rates that are one percentage point lower (5.00%) or one percentage point higher (7.00%) than the current healthcare cost trend rate follows:

	1% Decrease <u>5.00%</u>	Trend Rate <u>6.00%</u>	1% Increase <u>7.00%</u>
Total OPEB liability	\$ 3,096,489	\$ 4,077,631	\$ 5,343,758

For the year ended June 30, 2019, the County recognized OPEB expense of \$173,742. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change of assumptions	\$ -	\$ 291,046
Contributions made subsequent to the measurement date	<u>157,192</u>	<u>-</u>
Total	<u><u>\$ 157,192</u></u>	<u><u>\$ 291,046</u></u>

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2019

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

Total OPEB Liability (TOL) (Continued)

The amount reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date of \$157,192 will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the fiscal year ending June 30:	Recognized Net Deferred Outflows (Inflows) of Resources
2020	\$ (38,884)
2021	(38,884)
2022	(38,884)
2023	(38,884)
2024	(38,884)
Thereafter	(96,626)

Actuarial Methods and Assumptions

The County's actuarial valuation is completed on a biennial frequency, provided no significant events have occurred warranting new measurement. The County completed the valuation with a measurement date of June 30, 2018 for fiscal year end June 30, 2019 financial reporting. This valuation was derived based on the 2018 actual costs and participants. As of January 1, 2017, the most recent valuation date, the County's total OPEB liability was determined using the following significant actuarial assumptions:

1. Funding Method: Entry Age Normal Cost, level percent of pay
2. Asset Valuation Method: Market value of assets (\$0; plan is not yet funded)
3. Municipal Bond Index: Fidelity Municipal Bond AA 20 Year Maturity Yield
4. Discount Rate: 3.56% as of June 30, 2017 and 3.62% as of June 30, 2018
5. Participants Valued: Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in the valuation.
6. Salary Increase: 4.0% per year; since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years
7. General Inflation Rate: 2.75% per year

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

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

Actuarial Methods and Assumptions (Continued)

8. Mortality Improvement: Mortality rates applied before and after retirement (as described below) were projected by applying MacLeod Watts
- a. Mortality Before Retirement (before improvement applied)
 - i. PERS members: RP 2014 White Collar Employee mortality, male and female tables, base rates as of 2006.
 - ii. SRS members: RP 2014 White Collar Employee mortality, male and female tables, base rates as of 2006
 - b. Mortality After Retirement (before improvement applied)
 - i. PERS members: RP 2014 White Collar Healthy Annuitant mortality, male and female tables, base rates as of 2006.
 - ii. SRS members: RP 2014 White Collar Healthy Annuitant mortality, male and female tables, base rates as of 2006
 - c. Termination and Retirement Rates: The same assumptions used in the June 2016 PERS and June 2016 SRS pension system valuations.
9. Healthcare Trend: Medical plan premiums and claims costs by age are assumed to increase once each year. The increases over the prior year's levels are assumed to be effective on the dates shown below as of January 1:
- | | |
|--------------|-------|
| 2018: | 5.00% |
| 2019: | 6.00% |
| 2020: | 5.50% |
| 2021& later: | 5.00% |

10. Participation Rates:

Active Employees:

- a. For active employees, 35% of employees retiring prior to age 65 are assumed to elect County healthcare and life insurance coverage in retirement; however, 90% of those assumed to elect coverage prior to 65 are assumed to discontinue their coverage through the County once they become eligible for Medicare.
- b. 5% of employees retiring at age 65 or over are assumed to elect County healthcare and life insurance coverage in retirement.

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

Actuarial Methods and Assumptions (Continued)

10. Participation Rates (Continued):

Retirees:

- a. All retirees under age 65 are assumed to continued their existing coverage until they become eligible for Medicare; however, 905 of these retirees are assumed to discontinue their coverage through the County once they become eligible for Medicare.
- b. All retirees currently age 65 and older who retired prior to age 65 are assumed to continue their existing coverage until death.
- c. All retirees currently age 65 and older who retired at age 65 or older are assumed to continue their existing coverage until the earlier of their death or their spouse reaching age 65.

11. Spouse Coverage:

- a. For current active employees, 70% of those assumed to elect coverage in retirement are assumed to be married participants electing coverage for their spouse in retirement. Husbands are assumed to be 3 years older than their wives.
- b. For current retired employees, existing elections for spouse coverage are assumed to continue until the spouse's death. Actual spouse information is used where available; otherwise husbands are assumed to be 3 years older than their wives.

12. Medicare Eligibility: Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at age 65.

13. Excise tax on high-cost plans: The expected value of excise taxes for high cost plan coverage for retirees, beginning in 2022, was included in this valuation. A 40% excise tax rate was applied to the portion of premiums projected to exceed the threshold amounts under the Affordable Care Act (ACA). The actual limits may be higher, depending on cost increases prior to the effective date. The thresholds are scheduled to increase by CPI plus 1% in 2019 and by CPI annually thereafter. This report assumes that 100% of any excise tax liability for high cost retiree coverage will be borne by the County.

14. Development of Age-Related Medical Premiums: Medical claims by age were estimated based on data provided in the 2013 paper "Health Care Costs - From Birth to Death", prepared by Dale H. Yamamoto, and sponsored by the Society of Actuaries. The monthly baseline premium costs were set equal to the active employee only premiums. Actual premium rates for retirees and their spouses were adjusted to an age related basis by applying the medical claim cost factors to monthly baseline premium costs. The overall average number of children assumed per employee (subscriber) covering children is 1.7 and the average age of children covered is 12.1.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

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

Actuarial Methods and Assumptions (Continued)

15. Life Insurance Coverage: Employer liabilities relating to life insurance coverage retained during retirement years were calculated as the difference between expected claims and expected premiums.
16. The discount rate was based on the published change in return for the applicable 20-year municipal bond index.

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.

In 2021, a judgment was issued for the defendant and against the County for approximately \$11.7 million related to an incident that occurred in 2017 and was brought to trial in 2018. The County has since filed a lawsuit against its insurer in federal court in failing to settle this manner.

NOTE 17. TAX ABATEMENTS

New and Expanding Industries

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

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

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 17. TAX ABATEMENTS (CONTINUED)

New and Expanding Industries (Continued)

For the fiscal year ended June 30, 2019, the County abated property taxes totaling \$69,314 under this program.

Historic Property

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

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

For the fiscal year ended June 30, 2019, the County did not have any taxes abated under this program.

NOTE 18. JOINT VENTURE AGREEMENTS

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

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE 19. SUBSEQUENT EVENTS

Beginning in March 2020, the United States economy began suffering effects from the COVID-19 pandemic. As of the date of issuance of these financial statements, Gallatin County had not yet suffered material adverse impact from the pandemic. The future impact of the pandemic on Gallatin County cannot be reasonably estimated at this time.

In March 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was passed by the federal government to alleviate the effects of the sharp economic downturn due to the COVID-19 pandemic. Through the CARES Act, the County was awarded approximately \$6,000,000 to provide assistance for a variety of areas affected by the pandemic.

In March 2020, the County entered into a contract with a vendor to purchase 911 radio communications equipment, including fifteen years of maintenance and upgrades, for \$11,000,000. To help finance this purchase, the County voted to increase the existing levy of nine mills by six mills for a total of fifteen mills for the 911 emergency communications dispatch and 911 criminal justice records functions, which was passed by voters in the June 2, 2020 election.

In March 2020, the County voted to increase the existing levy for the search and rescue department from one mill to three mills, which was approved by voters in the June 2, 2020 election.

In March 2021, the American Rescue Plan Act (ARPA) was signed into law to provide direct relief to local governments in the United States. The U.S. Department of Treasury requires that the ARPA funds be used to replace revenue lost in the public sector, boost pay for essential workers, and support public health entities' response to the pandemic. The County was awarded approximately \$22,230,000 and will determine how the funds will be spent.

REQUIRED SUPPLEMENTARY INFORMATION

GALLATIN COUNTY, STATE OF MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – 1000 GENERAL FUND
For The Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
REVENUES				
Property Taxes	\$ 7,791,298	\$ 7,791,298	\$ 8,406,763	\$ 615,465
Licenses & Permits	700	700	775	75
Intergovernmental Revenues	1,130,636	1,130,636	1,640,952	510,316
Charges for Services	2,104,520	2,104,520	2,700,324	595,804
Fines & Forfeitures	495,500	495,500	558,292	62,792
Miscellaneous	582,000	582,000	81,042	(500,958)
Investment Earnings	120,000	120,000	601,917	481,917
Contributions/Donations	-	-	-	-
Total revenues	<u>12,224,654</u>	<u>12,224,654</u>	<u>13,990,065</u>	<u>1,765,411</u>
EXPENDITURES				
Current:				
General Government	11,201,062	11,201,062	10,617,023	584,039
Public Safety	1,363,709	1,363,709	1,228,749	134,960
Public Works	1,211,566	1,211,566	907,623	303,943
Public Health	-	-	-	-
Social & Economic Services	487,138	487,138	479,297	7,841
Culture & Recreation	-	-	-	-
Housing & Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Total current	<u>14,263,475</u>	<u>14,263,475</u>	<u>13,232,692</u>	<u>1,030,783</u>
Debt service:				
Principal retirement	712,825	712,825	221,593	491,232
Interest	48,086	48,086	28,340	19,746
Total debt service	<u>760,911</u>	<u>760,911</u>	<u>249,933</u>	<u>510,978</u>
Capital outlay:				
Capital Expenditures	904,519	904,519	153,868	750,651
Total expenditures	<u>15,928,905</u>	<u>15,928,905</u>	<u>13,636,493</u>	<u>2,292,412</u>
Excess (deficiency) of revenues over expenditures	<u>(3,704,251)</u>	<u>(3,704,251)</u>	<u>353,572</u>	<u>4,057,823</u>
OTHER FINANCING SOURCES				
Transfers Out	(556,689)	(556,689)	(860,278)	(303,589)
Proceeds from Sale of Fixed Assets	-	-	2,499	2,499
Transfers In	6,484,553	6,484,553	836,568	(5,647,985)
Total other financing source (uses)	<u>5,927,864</u>	<u>5,927,864</u>	<u>(21,211)</u>	<u>(5,949,075)</u>
Net change in fund balances	2,223,613	2,223,613	332,361	(1,891,252)
Fund balances - beginning	6,484,553	6,484,553	6,484,553	-
Fund balances - ending	<u>\$ 8,708,166</u>	<u>\$ 8,708,166</u>	<u>\$ 6,816,914</u>	<u>\$ (1,891,252)</u>

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

GALLATIN COUNTY, STATE OF MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – 2300 PUBLIC SAFETY FUND
For The Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES				
Property Taxes	\$ 14,918,683	\$ 14,918,683	\$ 15,455,759	\$ 537,076
Licenses & Permits	40,000	40,000	48,295	8,295
Intergovernmental Revenues	846,920	1,349,728	960,729	(388,999)
Charges for Services	1,679,764	1,756,225	2,029,608	273,383
Fines & Forfeitures	25,000	25,000	48,171	23,171
Miscellaneous	25,000	25,000	532,691	507,691
Investment Earnings	35,000	35,000	138,270	103,270
Contributions/Donations	-	-	-	-
Total revenues	<u>17,570,367</u>	<u>18,149,636</u>	<u>19,213,523</u>	<u>1,063,887</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	18,306,859	18,353,560	17,826,693	526,867
Public Works	-	-	-	-
Public Health	-	-	-	-
Social & Economic Services	-	-	-	-
Culture & Recreation	-	-	-	-
Housing & Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Total current	<u>18,306,859</u>	<u>18,353,560</u>	<u>17,826,693</u>	<u>526,867</u>
Debt service:				
Principal retirement	-	-	1,082,315	(1,082,315)
Interest	-	-	15,811	(15,811)
Total debt service	<u>-</u>	<u>-</u>	<u>1,098,126</u>	<u>(1,098,126)</u>
Capital outlay:				
Capital Expenditures	1,390,550	1,994,050	895,186	1,098,864
Total expenditures	<u>19,697,409</u>	<u>20,347,610</u>	<u>19,820,005</u>	<u>527,605</u>
Excess (deficiency) of revenues over expenditures	<u>(2,127,042)</u>	<u>(2,197,974)</u>	<u>(606,482)</u>	<u>1,591,492</u>
OTHER FINANCING SOURCES				
Proceeds from Notes/ Loans	-	-	-	-
Transfers Out	(513,754)	(513,754)	(383,004)	130,750
Transfers In	120,000	120,000	200,184	80,184
Total other financing source (uses)	<u>(393,754)</u>	<u>(393,754)</u>	<u>(182,820)</u>	<u>210,934</u>
Net change in fund balances	(2,520,796)	(2,591,728)	(789,302)	1,802,426
Fund balances - beginning	5,100,718	5,100,718	5,100,718	-
Fund balances - ending	<u>\$ 2,579,922</u>	<u>\$ 2,508,990</u>	<u>\$ 4,311,416</u>	<u>\$ 1,802,426</u>

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

GALLATIN COUNTY, STATE OF MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – 2500 RID MAINTENANCE
For The Year Ended June 30, 2019

	Budgeted Amounts		Actual	Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Miscellaneous	\$ 1,770,546	\$ 1,770,546	\$ 1,642,258	\$ (128,288)
Investment Earnings	-	-	192,741	192,741
Total revenues	<u>1,770,546</u>	<u>1,770,546</u>	<u>1,834,999</u>	<u>64,453</u>
EXPENDITURES				
Current:				
Public Works	<u>7,352,566</u>	<u>7,373,052</u>	<u>1,676,209</u>	<u>5,696,843</u>
Total expenditures	<u>7,352,566</u>	<u>7,373,052</u>	<u>1,676,209</u>	<u>5,696,843</u>
Excess (deficiency) of revenues over expenditures	<u>(5,582,020)</u>	<u>(5,602,506)</u>	<u>158,790</u>	<u>5,761,296</u>
OTHER FINANCING SOURCES				
Transfers In	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(5,582,020)	(5,602,506)	158,790	5,761,296
Fund balances - beginning	<u>7,193,090</u>	<u>7,193,090</u>	<u>7,193,090</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,611,070</u>	<u>\$ 1,590,584</u>	<u>\$ 7,351,880</u>	<u>\$ 5,761,296</u>

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

GALLATIN COUNTY, STATE OF MONTANA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2019

Total OPEB Liability	2019	2018
Service cost	\$ 264,917	\$ 289,230
Interest	144,018	120,967
Change of assumptions	(31,149)	(334,351)
Benefit payments	(161,391)	(136,199)
Net changes in total OPEB liability	216,395	(60,353)
Total OPEB liability, beginning of year	3,861,236	3,921,589
Total OPEB liability, end of year	\$ 4,077,631	\$ 3,861,236
 Plan Fiduciary Net Position		
Contributions - employer	\$ 161,391	\$ 136,199
Benefit payments	(161,391)	(136,199)
Net change in plan fiduciary net position	-	-
Plan fiduciary net position, beginning of year	-	-
Plan fiduciary net position, end of year	\$ -	\$ -
Net OPEB liability, end of year	\$ 4,077,631	\$ 3,861,236
Covered employee payroll	\$ 19,334,021	\$ 19,246,786
County's total OPEB liability as a percentage	21.09%	20.06%

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

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

GALLATIN COUNTY, STATE OF MONTANA
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
For the Year Ended June 30, 2019

Schedule of Proportionate Share of the Net Pension Liability:	2019	2018	2017	2016	2015
Employers' proportion of the Net Pension Liability (percentage)	0.9362%	1.1581%	1.1641%	1.1518%	1.1651%
Employer's Net Pension Liability (amount)	\$ 19,540,174	\$ 22,555,895	\$ 19,828,734	\$ 16,100,567	\$ 14,517,810
State's Net Pension Liability (amount)	6,539,744	302,065	242,284	197,768	177,285
Total	<u>\$ 26,079,918</u>	<u>\$ 22,857,960</u>	<u>\$ 20,071,018</u>	<u>\$ 16,298,335</u>	<u>\$ 14,695,095</u>
Employer's Covered Payroll	\$ 1,539,946	\$ 14,364,135	\$ 13,943,938	\$ 13,441,636	\$ 13,281,095
Employer's Proportionate Share as a percent of Covered Payroll	126.8900%	157.0300%	142.2000%	119.7800%	111.2200%
Plan Fiduciary Net Position as a percent of Total Pension Liability	73.4700%	73.7500%	74.7100%	78.4000%	79.8700%
Schedule of Contributions:	2019	2018	2017	2016	2015
Contractually required contributions	\$ 1,412,543	\$ 1,304,092	\$ 1,202,504	\$ 1,165,511	\$ 1,107,645
Plan Choice Rate Required Contributions	-	-	-	39,240	57,877
Contributions in relation to the contractually required contributions	<u>1,412,543</u>	<u>1,304,092</u>	<u>1,202,504</u>	<u>1,204,751</u>	<u>1,165,522</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Employer's covered-employee payroll	\$ 16,482,252	\$ 15,399,466	\$ 14,364,135	\$ 13,943,938	\$ 13,441,636
Contributions of covered-employee payroll (as a percentage)	8.5701%	8.4684%	8.3716%	8.6400%	8.6710%

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

GALLATIN COUNTY, STATE OF MONTANA
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS
SHERIFFS' RETIREMENT SYSTEM (SRS)
For the Year Ended June 30, 2019

	2019	2018	2017	2016	2015
<i>Schedule of Proportionate Share of the Net Pension Liability:</i>					
Employers' proportion of the Net Pension Liability (percentage)	8.1643%	7.9853%	8.0104%	8.1856%	8.0812%
Employer's Net Pension Liability (amount)	\$ 6,137,260	\$ 6,076,555	\$ 14,072,501	\$ 7,890,821	\$ 3,363,154
Total	<u>\$ 6,137,260</u>	<u>\$ 6,076,555</u>	<u>\$ 14,072,501</u>	<u>\$ 7,890,821</u>	<u>\$ 3,363,154</u>
Employer's Covered Payroll	\$ 6,334,458	\$ 5,974,560	\$ 5,654,808	\$ 5,569,930	\$ 5,226,324
Employer's Proportionate Share as a percent of Covered Payroll	96.8900%	101.7100%	248.8600%	141.6700%	64.3500%
Plan Fiduciary Net Position as a percent of Total Pension Liability	82.6800%	81.3000%	63.0000%	75.4000%	87.2400%
	2019	2018	2017	2016	2015
<i>Schedule of Contributions:</i>					
Contractually required contributions	\$ 878,847	\$ 846,325	\$ 604,328	\$ 586,095	\$ 565,006
Contributions in relation to the contractually required contributions	878,847	846,325	604,328	586,095	565,006
Contribution deficiency (excess)	-	-	-	-	-
Employer's covered-employee payroll	\$ 6,702,464	\$ 6,334,458	\$ 5,974,560	\$ 5,654,808	\$ 5,569,930
Contributions of covered-employee payroll (as a percentage)	13.1123%	13.3607%	10.1150%	10.3645%	10.1439%

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

GALLATIN COUNTY, STATE OF MONTANA
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM (TRS)
For the Year Ended June 30, 2019

	2019	2018	2017	2016	2015
<i>Schedule of Proportionate Share of the Net Pension Liability:</i>					
Employer's proportion of the net pension liability	0.0043%	0.0052%	0.0052%	0.5100%	0.5100%
Employer's proportionate share of the net pension liability associated with the Employer	\$ 80,635	\$ 87,924	\$ 94,963	\$ 83,154	\$ 78,229
State of Montana's proportionate share of the net pension liability	55,302	56,031	65,256	63,117	56,237
Total	<u>\$ 135,937</u>	<u>\$ 143,955</u>	<u>\$ 160,219</u>	<u>\$ 146,271</u>	<u>\$ 134,466</u>
Employer's covered-employee payroll	\$ 58,027	\$ 68,779	\$ 67,473	\$ 64,595	\$ 64,108
Employer's proportionate share as a percent of covered-employee	138.9600%	127.8400%	140.7400%	128.7300%	122.0300%
Plan Fiduciary Net Position as a percent of Total Pension Liability	69.0900%	70.0900%	66.6900%	69.3000%	70.3600%
	2019	2018	2017	2016	2015
<i>Schedule of Contributions:</i>					
Contractually required contributions	\$ 6,550	\$ 5,147	\$ 6,032	\$ 5,850	\$ 5,536
Contributions in relation to the contractually required contributions	6,550	5,147	6,032	5,850	5,536
Contribution deficiency (excess)	-	-	-	-	-
Employer's covered-employee payroll	\$ 73,016	\$ 58,027	\$ 68,779	\$ 67,473	\$ 64,595
Contributions of covered-employee payroll (as a percentage)	8.9706%	8.8700%	8.7701%	8.6701%	8.5703%

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

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

Public Employees' Retirement System (PERS)

Changes of Benefit Terms

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

2017 Legislative Changes:

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

Working Retiree Limitations – for PERS

Effective July 1, 2017, if a PERS retiree returns as an independent contractor to what would otherwise be PERS-covered employment, general contractor overhead costs are excluded from PERS working retiree limitations.

Refunds

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

Interest Credited to Member Accounts

Effective July 1, 2017, the interest rate credited to member accounts increased from 0.25% to 0.77%.

Lump-Sum Payouts

Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of the member's benefit.

Disabled PERS Defined Contribution (DC) Members

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

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
 June 30, 2019

Public Employees' Retirement System (PERS) (Continued)

Changes in Actuarial Assumptions and Methods

Method and Assumptions Used In Calculations of Actuarially Determined Contributions

The following Actuarial Assumptions were adopted from the June 2016 Experience Study:

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

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

Sheriff's Retirement System (SRS)

Changes of Benefit Terms

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

2017 Legislative Changes:

Funding Revisions -House Bill 383, effective July 1, 2017

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

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

Sheriff's Retirement System (SRS) (Continued)

Changes of Benefit Terms (Continued)

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

2017 Legislative Changes (Continued):

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

Second Retirement Benefit – for SRS

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

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

Refunds

- Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
- Terminating members with accumulated contributions between \$200 and \$1,000 who wish to rollover their refund must do so within 90 days of termination of service.

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
 June 30, 2019

Sheriff's Retirement System (SRS) (Continued)

Refunds (Continued)

- Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Changes of Benefit Terms (Continued)

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

2017 Legislative Changes (Continued):

Interest Credited to Member Accounts

Effective July 1, 2017, the interest rate credited to member accounts increased from 0.25% to 0.77%.

Lump-Sum Payouts

Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of the member's benefit.

Changes in Actuarial Assumptions and Methods

Method and Assumptions Used In Calculations of Actuarially Determined Contributions

The following Actuarial Assumptions were adopted from the June 30, 2018 actuarial valuation:

General wage growth	3.50%
Investment rate of return*	7.65%
*includes inflation at	2.75%
Merit salary increases	0% to 6.30%
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age Normal
Amortization method	Level percentage of payroll, open
Mortality (healthy members)	For males and females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year.
Mortality (disabled members)	For Males and Females: RP 2000 Combined Mortality Table
Admin Expense as % of Payroll	0.23%

Sheriff's Retirement System (SRS) (Continued)

Changes in Actuarial Assumptions and Methods (Continued)

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

Teacher's Retirement System (TRS)

Changes of Benefit Terms:

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

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

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

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

Teacher's Retirement System (TRS) (Continued)

Changes of Benefit Terms (Continued):

- 7) **Disability Retirement:** A member will not be eligible for a disability retirement if the member is or will be eligible for a service retirement on the date of termination
- 8) **Guaranteed Annual Benefit Adjustment (GABA):**

If the most recent actuarial valuation shows that Retirement System liabilities are at least 90% funded and the provision of the increase is not projected to cause the System's liabilities to be less than 85% funded, the GABA may increase from the 0.5% floor up to 1.5%, as set by the Board. HB 377 increased revenue from the members, employers and the State as follows:

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

Changes in Actuarial Assumptions and Other Inputs:

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

- Assumed rate of inflation was reduced from 3.25% to 2.50%
- Payroll Growth Assumption was reduced from 4.00% to 3.25%
- Wage growth assumption was reduced from 4.00% to 3.25%
- Mortality among contributing members, service retired members, and beneficiaries was updated to the following:

Teacher's Retirement System (TRS) (Continued)

Changes in Actuarial Assumptions and Other Inputs (Continued):

- For Males and Females: RP-2000 Healthy Combined Mortality Table projected to 2022 adjusted for partial credibility setback for two years.
The tables include margins for mortality improvement which is expected to occur in the future.
- Mortality among disabled members was updated to the following:
 - For Males: RP 2000 Disabled Mortality Table, set back three years, with mortality improvements projected by Scale BB to 2022.
 - For Females: RP 2000 Disabled Mortality Table, set forward two years, with mortality improvements projected by Scale BB to 2022.
- Retirement rates were updated
- Termination rates were updated
- Rates of salary increases were updated

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

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

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

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

GALLATIN COUNTY, STATE OF MONTANA
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
 June 30, 2019

Teacher's Retirement System (TRS) (Continued)

Changes in Actuarial Assumptions and Other Inputs (Continued):

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

- Assumed rate of inflation was reduced from 3.50% to 3.25%
- Payroll Growth Assumption was reduced from 4.50% to 4.00%
- Assumed real wage growth was reduced from 1.00% to 0.75%

Investment return assumption was changed from net of investment and administrative expenses to net of investment expenses only.

- Mortality among contributing members, service retired members, and beneficiaries was updated to the following:
 - For Males: RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back four years, with mortality improvements projected by Scale BB to 2018.
 - For Females: RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back two years, with mortality improvements projected by Scale BB to 2018.
- Mortality among disabled members was updated to the following:
 - For Males: RP 2000 Disabled Mortality Table for Males, set forward one year, with mortality improvements projected by Scale BB to 2018.
 - For Females: RP 2000 Disabled Mortality Table for Females, set forward five years, with mortality improvements projected by Scale BB to 2018.

Method and Assumptions Used In Calculations of Actuarially Determined Contributions:

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

OTHER SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS

GALLATIN COUNTY, STATE OF MONTANA

SPECIAL REVENUE FUNDS

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

Levied or Assessment Funds:

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

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

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

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

Three Rivers Mosquito District Riverside Mosquito District

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

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

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

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

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

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

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

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

GALLATIN COUNTY, STATE OF MONTANA
SPECIAL REVENUE FUNDS (CONTINUED)

Levied or Assessment Funds (Continued):

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	Triple Tree Ranch
Bear Creek #2 and #3	Alder Court Land	Ousel Falls
Firelight Subd.	Hyalite Canyon Estates	Garden Center
Skywood	Silverado	Firelight
Franklin Hills	Sourdough Creek	Summer Ridge Subd.
Olive Tree Way	Sir George Way	

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

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.

GALLATIN COUNTY, STATE OF MONTANA
SPECIAL REVENUE FUNDS (CONTINUED)

Grant Funds (Continued):

Health Related Grants (Continued)

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

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

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

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

Other Grants

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

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

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

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

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

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

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

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

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

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

GALLATIN COUNTY, STATE OF MONTANA
SPECIAL REVENUE FUNDS (CONTINUED)

Grant Funds (Continued):

Public Safety Grants

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

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

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

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

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

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

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

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

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

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

Other Special Revenue Funds:

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

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.

GALLATIN COUNTY, STATE OF MONTANA
SPECIAL REVENUE FUNDS (CONTINUED)

Other Special Revenue Funds (Continued)

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.

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

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

City County Building Fund – Inactive

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

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

GALLATIN COUNTY, STATE OF MONTANA
 COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2019

	ROAD	ROAD IMPACT FEE FUND	NOXIOUS WEED	PREDATORY CONTROL FOR SHEEP	FAIR FUND
ASSETS					
Cash & Investments	\$ 5,889,634	\$ 163,555	\$ 179,800	\$ 23,174	\$ 435,014
Real Estate Taxes Receivable	76,971	-	76	123	10,217
Personal Taxes Receivable	32,251	-	600	2,725	3,883
Protested Taxes Receivable	907	-	-	-	195
Accounts Receivable-Net	10,630	-	-	-	18,366
Due from Advance to Other fund	5,321	-	419	-	-
Inventories	44,821	-	-	-	-
Total assets	\$ 6,060,535	\$ 163,555	\$ 180,895	\$ 26,022	\$ 467,675
LIABILITIES					
Accounts Payable	\$ 96,762	\$ 1,072	\$ 3,125	\$ -	\$ 83,565
Other Accrued Payables	89,698	-	9,331	-	19,369
Due To Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-
Total liabilities	186,460	1,072	12,456	-	102,934
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue, Fines and Forfeitures, Fees	-	-	-	-	-
Unavailable Revenue, Property Taxes	110,129	-	676	2,848	14,295
Total deferred inflows of resources	110,129	-	676	2,848	14,295
Nonspendable:					
Inventories	44,821	-	-	-	-
Restricted for:					
Grants	1,275,637	-	16,146	-	23,928
General Government	-	-	-	-	-
Committed for:					
RID Maintenance	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	4,443,488	162,483	151,617	-	-
Public Health	-	-	-	23,174	-
Culture & Recreation	-	-	-	-	326,518
Housing & Community Development	-	-	-	-	-
Conservation Of Natural Resources	-	-	-	-	-
Total fund balance	5,763,946	162,483	167,763	23,174	350,446
Total liabilities and fund balances (deficits)	\$ 5,874,075	\$ 162,483	\$ 168,439	\$ 26,022	\$ 364,741

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

GALLATIN COUNTY, STATE OF MONTANA
 COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 (CONTINUED)
 June 30, 2019

	MOSQUITO DISTRICT	PARK	LIBRARY	COUNTY WIDE PLANNING	ZONING DISTRICTS
ASSETS					
Cash & Investments	\$ 103,686	\$ 463,532	\$ 1,306,674	\$ 329,342	\$ 1,280
Real Estate Taxes Receivable	2,929	2,929	22,599	4,771	1,230
Personal Taxes Receivable	919	775	9,472	2,014	154
Protested Taxes Receivable	4	5	267	84	-
Accounts Receivable-Net	-	-	-	-	-
Due from Advance to Other fund	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 107,538</u>	<u>\$ 467,241</u>	<u>\$ 1,339,012</u>	<u>\$ 336,211</u>	<u>\$ 2,664</u>
LIABILITIES					
Accounts Payable	\$ 54,207	\$ 7,308	\$ 748,423	\$ 694	\$ -
Other Accrued Payables	3,981	5,096	-	-	-
Due To Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-
Total liabilities	<u>58,188</u>	<u>12,404</u>	<u>748,423</u>	<u>694</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue, Fines and Forfeitures, Fees	-	-	-	-	-
Unavailable Revenue, Property Taxes	3,852	3,709	32,338	6,869	1,384
Total deferred inflows of resources	<u>3,852</u>	<u>3,709</u>	<u>32,338</u>	<u>6,869</u>	<u>1,384</u>
Non-spendable:					
Inventories	-	-	-	-	-
Restricted for:					
Grants	4,954	31,727	-	23,344	-
General Government	-	-	-	-	-
Committed for:					
RID Maintenance	-	-	-	-	-
General Government	-	-	-	305,304	1,280
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health	40,544	-	-	-	-
Culture & Recreation	-	419,401	558,251	-	-
Housing & Community Development	-	-	-	-	-
Conservation Of Natural Resources	-	-	-	-	-
Total fund balance	<u>45,498</u>	<u>451,128</u>	<u>558,251</u>	<u>328,648</u>	<u>1,280</u>
Total liabilities and fund balances (deficits)	<u>\$ 49,350</u>	<u>\$ 454,837</u>	<u>\$ 590,589</u>	<u>\$ 335,517</u>	<u>\$ 2,664</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
 (CONTINUED)
 June 30, 2019

	OPEN SPACE LANDS FUND	COUNTY EMERGENCY FUND	HEALTH	HISTORIC PRESER- VATION	PERMISSIVE MEDICAL LEVY
ASSETS					
Cash & Investments	\$ 917,278	\$ 6,325	\$ 900,378	\$ 16,204	\$ 167,641
Real Estate Taxes Receivable	23,431	-	30,782	-	49,089
Personal Taxes Receivable	6,227	-	12,060	-	16,864
Protested Taxes Receivable	41	-	587	-	846
Accounts Receivable-Net	1,671	-	53,706	-	-
Due from Advance to Other fund	-	-	239,217	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 948,648</u>	<u>\$ 6,325</u>	<u>\$ 1,236,730</u>	<u>\$ 16,204</u>	<u>\$ 234,440</u>
LIABILITIES					
Accounts Payable	\$ 179	\$ -	\$ 83,622	\$ 8,613	\$ -
Other Accrued Payables	1,826	(22)	88,709	-	-
Due To Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-
Total liabilities	<u>2,005</u>	<u>(22)</u>	<u>172,331</u>	<u>8,613</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue, Fines and Forfeitures, Fees	-	-	-	-	-
Unavailable Revenue, Property Taxes	29,699	-	43,429	-	66,799
Total deferred inflows of resources	<u>29,699</u>	<u>-</u>	<u>43,429</u>	<u>-</u>	<u>66,799</u>
Non-spendable:					
Inventories	-	-	-	-	-
Restricted for:					
Grants	-	-	64,155	-	-
General Government	-	6,347	-	-	-
Committed for:					
RID Maintenance	-	-	-	-	-
General Government	-	-	-	-	167,641
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health	-	-	956,815	-	-
Culture & Recreation	-	-	-	7,591	-
Housing & Community Development	-	-	-	-	-
Conservation Of Natural Resources	916,944	-	-	-	-
Total fund balance	<u>916,944</u>	<u>6,347</u>	<u>1,020,970</u>	<u>7,591</u>	<u>167,641</u>
Total liabilities and fund balances (deficits)	<u>\$ 946,643</u>	<u>\$ 6,347</u>	<u>\$ 1,064,399</u>	<u>\$ 7,591</u>	<u>\$ 234,440</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
 (CONTINUED)
 June 30, 2019

	DRUG FORFEITURES	CLK & REC. RECORDS PRESER- VATION	ECONOMIC DEVELOP- MENT	COUNTY FIRE CONTROL PERMIT FUND	LIGHT DISTRICTS
ASSETS					
Cash & Investments	\$ 32,100	\$ 237,576	\$ 204,924	\$ 61,129	\$ 25,842
Real Estate Taxes Receivable	-	-	-	-	749
Personal Taxes Receivable	-	-	-	-	-
Protested Taxes Receivable	-	-	-	-	-
Accounts Receivable-Net	-	-	-	-	-
Due from Advance to Other fund	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	\$ 32,100	\$ 237,576	\$ 204,924	\$ 61,129	\$ 26,591
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ 262	\$ 1,877
Other Accrued Payables	-	-	-	-	-
Due To Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-
Total liabilities	-	-	-	262	1,877
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue, Fines and Forfeitures, Fees	-	-	-	-	-
Unavailable Revenue, Property Taxes	-	-	-	-	749
Total deferred inflows of resources	-	-	-	-	749
Non-spendable:					
Inventories	-	-	-	-	-
Restricted for:					
Grants	-	-	204,924	-	-
General Government	-	-	-	-	-
Committed for:					
RID Maintenance	-	-	-	-	-
General Government	-	237,576	-	-	-
Public Safety	32,100	-	-	60,867	-
Public Works	-	-	-	-	23,965
Public Health	-	-	-	-	-
Culture & Recreation	-	-	-	-	-
Housing & Community Development	-	-	-	-	-
Conservation Of Natural Resources	-	-	-	-	-
Total fund balance	32,100	237,576	204,924	60,867	23,965
Total liabilities and fund balances (deficits)	\$ 32,100	\$ 237,576	\$ 204,924	\$ 60,867	\$ 24,714

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

GALLATIN COUNTY, STATE OF MONTANA
 COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 (CONTINUED)
 June 30, 2019

	WATER QUALITY DISTRICT	ALCOHOL REHABILI- TATION	STATE GRANTS	GAS TAX	GAS TAX- ROAD AND STREET
ASSETS					
Cash & Investments	\$ 443,059	\$ -	\$ -	\$ 61,344	\$ -
Real Estate Taxes Receivable	2,060	-	-	-	-
Personal Taxes Receivable	14,289	-	-	-	-
Protested Taxes Receivable	-	-	-	-	-
Accounts Receivable-Net	2,438	87,126	4,900	-	-
Due from Advance to Other fund	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 461,846</u>	<u>\$ 87,126</u>	<u>\$ 4,900</u>	<u>\$ 61,344</u>	<u>\$ -</u>
LIABILITIES					
Accounts Payable	\$ 935	\$ 87,126	\$ 4,704	\$ -	\$ -
Other Accrued Payables	9,457	-	-	-	-
Due To Other Funds	-	-	2,869	-	4,760
Deferred Revenue	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-
Total liabilities	<u>10,392</u>	<u>87,126</u>	<u>7,573</u>	<u>-</u>	<u>4,760</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue, Fines and Forfeitures, Fees	-	-	-	-	-
Unavailable Revenue, Property Taxes	16,349	-	-	-	-
Total deferred inflows of resources	<u>16,349</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-spendable:					
Inventories	-	-	-	-	-
Restricted for:					
Grants	3,437	-	(2,673)	61,344	(4,760)
General Government	-	-	-	-	-
Committed for:					
RID Maintenance	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health	431,668	-	-	-	-
Culture & Recreation	-	-	-	-	-
Housing & Community Development	-	-	-	-	-
Conservation Of Natural Resources	-	-	-	-	-
Total fund balance	<u>435,105</u>	<u>-</u>	<u>(2,673)</u>	<u>61,344</u>	<u>(4,760)</u>
Total liabilities and fund balances (deficits)	<u>\$ 451,454</u>	<u>\$ -</u>	<u>\$ (2,673)</u>	<u>\$ 61,344</u>	<u>\$ (4,760)</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
 (CONTINUED)
 June 30, 2019

	JUNK VEHICLE	MTUPP	NOXIOUS WEED TRUST FUND GRANTS	911 EMERGENCY	COUNTY LAND INFORMA- TION FUND
ASSETS					
Cash & Investments	\$ 136,982	\$ 43,292	\$ 7,759	\$ 860,654	\$ -
Real Estate Taxes Receivable	-	-	-	-	-
Personal Taxes Receivable	-	-	-	-	-
Protested Taxes Receivable	-	-	-	-	-
Accounts Receivable-Net	-	37,716	-	1,570	-
Due from Advance to Other fund	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 136,982</u>	<u>\$ 81,008</u>	<u>\$ 7,759</u>	<u>\$ 862,224</u>	<u>\$ -</u>
LIABILITIES					
Accounts Payable	\$ 253	\$ 18,408	\$ -	\$ 27,931	\$ -
Other Accrued Payables	1,549	-	-	2,258	-
Due To Other Funds	-	-	-	-	2,967
Deferred Revenue	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-
Total liabilities	<u>1,802</u>	<u>18,408</u>	<u>-</u>	<u>30,189</u>	<u>2,967</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue, Fines and Forfeitures, Fees	-	-	-	-	-
Unavailable Revenue, Property Taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-spendable:					
Inventories	-	-	-	-	-
Restricted for:					
Grants	135,180	62,600	7,759	832,035	-
General Government	-	-	-	-	(2,967)
Committed for:					
RID Maintenance	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health	-	-	-	-	-
Culture & Recreation	-	-	-	-	-
Housing & Community Development	-	-	-	-	-
Conservation Of Natural Resources	-	-	-	-	-
Total fund balance	<u>135,180</u>	<u>62,600</u>	<u>7,759</u>	<u>832,035</u>	<u>(2,967)</u>
Total liabilities and fund balances (deficits)	<u>\$ 135,180</u>	<u>\$ 62,600</u>	<u>\$ 7,759</u>	<u>\$ 832,035</u>	<u>\$ (2,967)</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
 (CONTINUED)
 June 30, 2019

	DNRC GRANT - COMPOST FACILITY	COMMUNITY CORRECTIONS	SW REGIONAL YTH. DET. FACILITY	PILT	FOREST RECEIPTS - TITLE III
ASSETS					
Cash & Investments	\$ -	\$ 81	\$ 26,542	\$ 4,957,953	\$ 1,620
Real Estate Taxes Receivable	-	-	-	-	-
Personal Taxes Receivable	-	-	-	-	-
Protested Taxes Receivable	-	-	-	-	-
Accounts Receivable-Net	8,708	1,240	49,809	-	-
Due from Advance to Other fund	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 8,708</u>	<u>\$ 1,321</u>	<u>\$ 76,351</u>	<u>\$ 4,957,953</u>	<u>\$ 1,620</u>
LIABILITIES					
Accounts Payable	\$ 8,220	\$ -	\$ 63,682	\$ 68,683	\$ -
Other Accrued Payables	-	81	-	19,568	-
Due To Other Funds	419	1,288	-	-	-
Deferred Revenue	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-
Total liabilities	<u>8,639</u>	<u>1,369</u>	<u>63,682</u>	<u>88,251</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue, Fines and Forfeitures, Fees	-	-	-	-	-
Unavailable Revenue, Property Taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-spendable:					
Inventories	-	-	-	-	-
Restricted for:					
Grants	69	(48)	12,669	4,869,702	1,620
General Government	-	-	-	-	-
Committed for:					
RID Maintenance	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health	-	-	-	-	-
Culture & Recreation	-	-	-	-	-
Housing & Community Development	-	-	-	-	-
Conservation Of Natural Resources	-	-	-	-	-
Total fund balance	<u>69</u>	<u>(48)</u>	<u>12,669</u>	<u>4,869,702</u>	<u>1,620</u>
Total liabilities and fund balances (deficits)	<u>\$ 69</u>	<u>\$ (48)</u>	<u>\$ 12,669</u>	<u>\$ 4,869,702</u>	<u>\$ 1,620</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
 (CONTINUED)
 June 30, 2019

	OPERATION FREEDOM FROM FEAR	COPS GRANT	VICTIM WITNESS	LAW ENFORCE- MENT BLOCK GRANT	HOMELAND SECURITY GRANT
ASSETS					
Cash & Investments	\$ 6,028	\$ 185,047	\$ 9,071	\$ -	\$ -
Real Estate Taxes Receivable	-	-	-	-	-
Personal Taxes Receivable	-	-	-	-	-
Protested Taxes Receivable	-	-	-	-	-
Accounts Receivable-Net	22,699	10,134	93,558	-	7,788
Due from Advance to Other fund	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	\$ 28,727	\$ 195,181	\$ 102,629	\$ -	\$ 7,788
LIABILITIES					
Accounts Payable	\$ 3,354	\$ -	\$ 1,530	\$ -	\$ 1,372
Other Accrued Payables	7,199	1,768	11,797	-	-
Due To Other Funds	11,421	-	91,797	14	9,451
Deferred Revenue	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-
Total liabilities	21,974	1,768	105,124	14	10,823
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue, Fines and Forfeitures, Fees	-	-	-	-	-
Unavailable Revenue, Property Taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Non-spendable:					
Inventories	-	-	-	-	-
Restricted for:					
Grants	6,753	193,413	(2,495)	(14)	(3,035)
General Government	-	-	-	-	-
Committed for:					
RID Maintenance	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health	-	-	-	-	-
Culture & Recreation	-	-	-	-	-
Housing & Community Development	-	-	-	-	-
Conservation Of Natural Resources	-	-	-	-	-
Total fund balance	6,753	193,413	(2,495)	(14)	(3,035)
Total liabilities and fund balances (deficits)	\$ 6,753	\$ 193,413	\$ (2,495)	\$ (14)	\$ (3,035)

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

GALLATIN COUNTY, STATE OF MONTANA
 COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 (CONTINUED)
 June 30, 2019

	CDBG GRANTS	D.U.I. PROGRAM	CANCER PREVEN- TION	PUBLIC HEALTH EMERGENCY PREPAR	W.I.C.
ASSETS					
Cash & Investments	\$ 247	\$ 147,853	\$ 305,586	\$ 213,523	\$ 64,621
Real Estate Taxes Receivable	-	-	-	-	-
Personal Taxes Receivable	-	-	-	-	-
Protested Taxes Receivable	-	-	-	-	-
Accounts Receivable-Net	-	-	62,097	35,922	55,168
Due from Advance to Other fund	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 247</u>	<u>\$ 147,853</u>	<u>\$ 367,683</u>	<u>\$ 249,445</u>	<u>\$ 119,789</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 724	\$ 177	\$ 1,394
Other Accrued Payables	-	1,710	22,921	3,936	10,935
Due To Other Funds	-	-	-	-	71,774
Deferred Revenue	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,710</u>	<u>23,645</u>	<u>4,113</u>	<u>84,103</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue, Fines and Forfeitures, Fees	-	-	-	-	-
Unavailable Revenue, Property Taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-spendable:					
Inventories	-	-	-	-	-
Restricted for:					
Grants	247	146,143	344,038	25,924	35,686
General Government	-	-	-	-	-
Committed for:					
RID Maintenance	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health	-	-	-	219,408	-
Culture & Recreation	-	-	-	-	-
Housing & Community Development	-	-	-	-	-
Conservation Of Natural Resources	-	-	-	-	-
Total fund balance	<u>247</u>	<u>146,143</u>	<u>344,038</u>	<u>245,332</u>	<u>35,686</u>
Total liabilities and fund balances (deficits)	<u>\$ 247</u>	<u>\$ 146,143</u>	<u>\$ 344,038</u>	<u>\$ 245,332</u>	<u>\$ 35,686</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
 (CONTINUED)
 June 30, 2019

	MATERNAL CHILD	COMMUNI- CABLE DISEASE FUND	FEDERAL HEALTH GRANT FUND	FEDERAL GRANT FUND	DRUG ENFORCE- MENT GRANT
ASSETS					
Cash & Investments	\$ 13,603	\$ 190,277	\$ -	\$ (1,867)	\$ 6,540
Real Estate Taxes Receivable	-	-	-	-	-
Personal Taxes Receivable	-	-	-	-	-
Protested Taxes Receivable	-	-	-	-	-
Accounts Receivable-Net	99,077	45,724	220,919	16,650	-
Due from Advance to Other fund	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 112,680</u>	<u>\$ 236,001</u>	<u>\$ 220,919</u>	<u>\$ 14,783</u>	<u>\$ 6,540</u>
LIABILITIES					
Accounts Payable	\$ 7,008	\$ 26,432	\$ 73,655	\$ 14,121	\$ 545
Other Accrued Payables	17,588	13,333	-	-	6,979
Due To Other Funds	19,092	-	148,351	162,822	-
Deferred Revenue	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-
Total liabilities	<u>43,688</u>	<u>39,765</u>	<u>222,006</u>	<u>176,943</u>	<u>7,524</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue, Fines and Forfeitures, Fees	-	-	-	-	-
Unavailable Revenue, Property Taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-spendable:					
Inventories	-	-	-	-	-
Restricted for:					
Grants	52,188	184,806	(1,087)	(162,160)	-
General Government	-	-	-	-	-
Committed for:					
RID Maintenance	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	(984)
Public Works	-	-	-	-	-
Public Health	16,804	11,430	-	-	-
Culture & Recreation	-	-	-	-	-
Housing & Community Development	-	-	-	-	-
Conservation Of Natural Resources	-	-	-	-	-
Total fund balance	<u>68,992</u>	<u>196,236</u>	<u>(1,087)</u>	<u>(162,160)</u>	<u>(984)</u>
Total liabilities and fund balances (deficits)	<u>\$ 68,992</u>	<u>\$ 196,236</u>	<u>\$ (1,087)</u>	<u>\$ (162,160)</u>	<u>\$ (984)</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
 (CONTINUED)
 June 30, 2019

	Total Non-Major Special Revenue Funds
ASSETS	
Cash & Investments	\$ 19,144,903
Real Estate Taxes Receivable	227,956
Personal Taxes Receivable	102,233
Protested Taxes Receivable	2,936
Accounts Receivable-Net	947,616
Due from Advance to Other fund	244,957
Inventories	44,821
Total assets	\$ 20,715,422
 LIABILITIES	
Accounts Payable	\$ 1,499,963
Other Accrued Payables	349,067
Due To Other Funds	527,025
Deferred Revenue	-
Unearned Grant Revenue	-
Total liabilities	2,376,055
 DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue, Fines and Forfeitures, Fees	-
Unavailable Revenue, Property Taxes	333,125
Total deferred inflows of resources	333,125
 Non-spendable:	
Inventories	44,821
Restricted for:	
Grants	8,444,156
General Government	3,380
Committed for:	
RID Maintenance	-
General Government	711,801
Public Safety	91,983
Public Works	4,781,553
Public Health	1,699,843
Culture & Recreation	1,311,761
Housing & Community Development	-
Conservation Of Natural Resources	916,944
Total fund balance	18,006,242
 Total liabilities and fund balances (deficits)	 \$ 18,339,367

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

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 3,580,035	\$ 3,580,035	\$ 3,586,160	\$ 6,125
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	884,402	884,402	1,066,784	182,382
Charges for Services	14,000	14,000	18,002	4,002
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	20,000	20,000	74,870	54,870
Contributions/Donations	-	-	-	-
Total revenues	<u>4,498,437</u>	<u>4,498,437</u>	<u>4,745,816</u>	<u>247,379</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	6,584,124	6,584,124	2,714,078	3,870,046
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	<u>1,159,836</u>	<u>1,159,836</u>	<u>1,414,406</u>	<u>(254,570)</u>
Total expenditures	<u>7,743,960</u>	<u>7,743,960</u>	<u>4,128,484</u>	<u>3,615,476</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,245,523)</u>	<u>(3,245,523)</u>	<u>617,332</u>	<u>3,862,855</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(16,000)	(16,000)	(10,000)	6,000
Sale of Fixed Assets	-	-	-	-
Transfers In	32,825	32,825	74,432	41,607
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>16,825</u>	<u>16,825</u>	<u>64,432</u>	<u>47,607</u>
Net change in fund balances	(3,228,698)	(3,228,698)	681,764	3,910,462
Fund balances - beginning	<u>5,082,182</u>	<u>5,082,182</u>	<u>5,082,182</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,853,484</u>	<u>\$ 1,853,484</u>	<u>\$ 5,763,946</u>	<u>\$ 3,910,462</u>

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

GALLATIN COUNTY, STATE OF MONTANA
2111 ROAD IMPACT FEES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
– BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	10,000	10,000	32,363	22,363
Investment Earnings	100	100	3,397	3,297
Contributions/Donations	-	-	-	-
Total revenues	<u>10,100</u>	<u>10,100</u>	<u>35,760</u>	<u>25,660</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	120,253	120,253	72,500	47,753
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>120,253</u>	<u>120,253</u>	<u>72,500</u>	<u>47,753</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(110,153)</u>	<u>(110,153)</u>	<u>(36,740)</u>	<u>73,413</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(40,000)	(40,000)	-	40,000
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>	<u>40,000</u>
Net change in fund balances	(150,153)	(150,153)	(36,740)	113,413
Fund balances - beginning	199,223	199,223	199,223	-
Fund balances - ending	<u>\$ 49,070</u>	<u>\$ 49,070</u>	<u>\$ 162,483</u>	<u>\$ 113,413</u>

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

GALLATIN COUNTY, STATE OF MONTANA
2140 NOXIOUS WEED
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
– BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ 26	\$ 26
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	31,000	31,000	31,953	953
Charges for Services	6,500	6,500	11,206	4,706
Fines and Forfeitures	-	-	-	-
Miscellaneous	1,786	1,786	1,786	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>39,286</u>	<u>39,286</u>	<u>44,971</u>	<u>5,685</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	356,771	356,771	334,862	21,909
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	39,958	39,958	-	39,958
Total expenditures	<u>396,729</u>	<u>396,729</u>	<u>334,862</u>	<u>61,867</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(357,443)</u>	<u>(357,443)</u>	<u>(289,891)</u>	<u>67,552</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	286,531	286,531	287,031	500
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>286,531</u>	<u>286,531</u>	<u>287,031</u>	<u>500</u>
Net change in fund balances	(70,912)	(70,912)	(2,860)	68,052
Fund balances - beginning	170,623	170,623	170,623	-
Fund balances - ending	<u>\$ 99,711</u>	<u>\$ 99,711</u>	<u>\$ 167,763</u>	<u>\$ 68,052</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 13,506	\$ 13,506	\$ 13,680	\$ 174
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>13,506</u>	<u>13,506</u>	<u>13,680</u>	<u>174</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	23,000	23,000	-	23,000
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>23,000</u>	<u>23,000</u>	<u>-</u>	<u>23,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,494)</u>	<u>(9,494)</u>	<u>13,680</u>	<u>23,174</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(9,494)	(9,494)	13,680	23,174
Fund balances - beginning	9,494	9,494	9,494	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,174</u>	<u>\$ 23,174</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 498,104	\$ 498,104	\$ 499,851	\$ 1,747
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	39,000	39,000	42,122	3,122
Charges for Services	770,200	770,200	800,421	30,221
Fines and Forfeitures	-	-	-	-
Miscellaneous	189,797	189,797	195,869	6,072
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>1,497,101</u>	<u>1,497,101</u>	<u>1,538,263</u>	<u>41,162</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	1,370,982	1,370,482	1,338,582	31,900
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	45,000	45,000	45,000	-
Interest	37,085	37,085	35,350	1,735
Capital outlay	<u>257,260</u>	<u>219,260</u>	<u>140,606</u>	<u>78,654</u>
Total expenditures	<u>1,710,327</u>	<u>1,671,827</u>	<u>1,559,538</u>	<u>112,289</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(213,226)</u>	<u>(174,726)</u>	<u>(21,275)</u>	<u>153,451</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(18,000)	(18,500)	(500)
Sale of Fixed Assets	-	-	100	100
Transfers In	14,254	14,254	15,822	1,568
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>14,254</u>	<u>(3,746)</u>	<u>(2,578)</u>	<u>1,168</u>
Net change in fund balances	(198,972)	(178,472)	(23,853)	154,619
Fund balances - beginning	<u>374,299</u>	<u>374,299</u>	<u>374,299</u>	<u>-</u>
Fund balances - ending	<u>\$ 175,327</u>	<u>\$ 195,827</u>	<u>\$ 350,446</u>	<u>\$ 154,619</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 76,277	\$ 84,017	\$ 77,463	\$ (6,554)
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	7,100	7,100	9,941	2,841
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	400	400	3,891	3,491
Contributions/Donations	-	-	-	-
Total revenues	<u>83,777</u>	<u>91,517</u>	<u>91,295</u>	<u>(222)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	166,944	166,944	142,381	24,563
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	<u>12,330</u>	<u>12,330</u>	<u>5,299</u>	<u>7,031</u>
Total expenditures	<u>179,274</u>	<u>179,274</u>	<u>147,680</u>	<u>31,594</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(95,497)</u>	<u>(87,757)</u>	<u>(56,385)</u>	<u>31,372</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(95,497)	(87,757)	(56,385)	31,372
Fund balances - beginning	<u>101,883</u>	<u>101,883</u>	<u>101,883</u>	<u>-</u>
Fund balances - ending	<u>\$ 6,386</u>	<u>\$ 14,126</u>	<u>\$ 45,498</u>	<u>\$ 31,372</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 148,615	\$ 148,615	\$ 144,229	\$ (4,386)
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	16,489	16,489
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	116	116
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>148,615</u>	<u>148,615</u>	<u>160,834</u>	<u>12,219</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	159,488	159,488	170,757	(11,269)
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	<u>407,362</u>	<u>407,362</u>	<u>65,414</u>	<u>341,948</u>
Total expenditures	<u>566,850</u>	<u>566,850</u>	<u>236,171</u>	<u>330,679</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(418,235)</u>	<u>(418,235)</u>	<u>(75,337)</u>	<u>342,898</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(10,000)	(10,000)
Sale of Fixed Assets	-	-	-	-
Transfers In	285,419	285,419	391,477	106,058
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>285,419</u>	<u>285,419</u>	<u>381,477</u>	<u>96,058</u>
Net change in fund balances	(132,816)	(132,816)	306,140	438,956
Fund balances - beginning	<u>144,988</u>	<u>144,988</u>	<u>144,988</u>	<u>-</u>
Fund balances - ending	<u>\$ 12,172</u>	<u>\$ 12,172</u>	<u>\$ 451,128</u>	<u>\$ 438,956</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 1,053,646	\$ 1,053,646	\$ 1,055,471	\$ 1,825
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	75,000	75,000	79,845	4,845
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>1,128,646</u>	<u>1,128,646</u>	<u>1,135,316</u>	<u>6,670</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	1,102,252	1,102,252	1,102,304	(52)
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	<u>221,633</u>	<u>221,633</u>	-	<u>221,633</u>
Total expenditures	<u>1,323,885</u>	<u>1,323,885</u>	<u>1,102,304</u>	<u>221,581</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(195,239)</u>	<u>(195,239)</u>	<u>33,012</u>	<u>228,251</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(195,239)	(195,239)	33,012	228,251
Fund balances - beginning	<u>525,239</u>	<u>525,239</u>	<u>525,239</u>	<u>-</u>
Fund balances - ending	<u>\$ 330,000</u>	<u>\$ 330,000</u>	<u>\$ 558,251</u>	<u>\$ 228,251</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 218,753	\$ 218,753	\$ 220,970	\$ 2,217
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	3,000	3,000	16,896	13,896
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>221,753</u>	<u>221,753</u>	<u>237,866</u>	<u>16,113</u>
EXPENDITURES				
Current:				
General Government	212,250	212,250	25,440	186,810
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>212,250</u>	<u>212,250</u>	<u>25,440</u>	<u>186,810</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,503</u>	<u>9,503</u>	<u>212,426</u>	<u>202,923</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(185,000)	(185,000)	(185,000)	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>(185,000)</u>	<u>(185,000)</u>	<u>(185,000)</u>	<u>-</u>
Net change in fund balances	(175,497)	(175,497)	27,426	202,923
Fund balances - beginning	301,222	301,222	301,222	-
Fund balances - ending	<u>\$ 125,725</u>	<u>\$ 125,725</u>	<u>\$ 328,648</u>	<u>\$ 202,923</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 16,266	\$ 16,266	\$ 42,604	\$ 26,338
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	115	115
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	70	70
Investment Earnings	-	-	159	159
Contributions/Donations	-	-	-	-
Total revenues	<u>16,266</u>	<u>16,266</u>	<u>42,948</u>	<u>26,682</u>
EXPENDITURES				
Current:				
General Government	16,447	16,447	-	16,447
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	42,236	(42,236)
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>16,447</u>	<u>16,447</u>	<u>42,236</u>	<u>(25,789)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(181)</u>	<u>(181)</u>	<u>712</u>	<u>893</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(181)	(181)	712	893
Fund balances - beginning	568	568	568	-
Fund balances - ending	<u>\$ 387</u>	<u>\$ 387</u>	<u>\$ 1,280</u>	<u>\$ 893</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 1,183,208	\$ 1,183,208	\$ 1,153,835	\$ (29,373)
Licenses and Permits	63,749	63,749	47,575	(16,174)
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	13,063	13,063
Contributions/Donations	-	-	-	-
Total revenues	<u>1,246,957</u>	<u>1,246,957</u>	<u>1,214,473</u>	<u>(32,484)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resource	1,317,143	1,317,143	49,771	1,267,372
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	492,154	(492,154)
Total expenditures	<u>1,317,143</u>	<u>1,317,143</u>	<u>541,925</u>	<u>775,218</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(70,186)</u>	<u>(70,186)</u>	<u>672,548</u>	<u>742,734</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(160,483)	(160,483)	(127,477)	33,006
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>(160,483)</u>	<u>(160,483)</u>	<u>(127,477)</u>	<u>33,006</u>
Net change in fund balances	(230,669)	(230,669)	545,071	775,740
Fund balances - beginning	371,873	371,873	371,873	-
Fund balances - ending	<u>\$ 141,204</u>	<u>\$ 141,204</u>	<u>\$ 916,944</u>	<u>\$ 775,740</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, 2019

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

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 1,497,499	\$ 1,497,499	\$ 1,512,038	\$ 14,539
Licenses and Permits	251,017	251,017	229,886	(21,131)
Intergovernmental Revenues	137,400	137,400	145,885	8,485
Charges for Services	344,086	344,086	337,227	(6,859)
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	322	322
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>2,230,002</u>	<u>2,230,002</u>	<u>2,225,358</u>	<u>(4,644)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	2,291,081	2,291,081	2,246,547	44,534
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	61,316	61,316	-	61,316
Interest	-	-	-	-
Capital outlay	<u>118,608</u>	<u>118,608</u>	<u>11,500</u>	<u>107,108</u>
Total expenditures	<u>2,471,005</u>	<u>2,471,005</u>	<u>2,258,047</u>	<u>212,958</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(241,003)</u>	<u>(241,003)</u>	<u>(32,689)</u>	<u>208,314</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(128,878)	(128,878)	(118,029)	10,849
Sale of Fixed Assets	-	-	-	-
Transfers In	28,788	28,788	72,513	43,725
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>(100,090)</u>	<u>(100,090)</u>	<u>(45,516)</u>	<u>54,574</u>
Net change in fund balances	(341,093)	(341,093)	(78,205)	262,888
Fund balances - beginning	<u>1,099,175</u>	<u>1,099,175</u>	<u>1,099,175</u>	<u>-</u>
Fund balances - ending	<u>\$ 758,082</u>	<u>\$ 758,082</u>	<u>\$ 1,020,970</u>	<u>\$ 262,888</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	2,000	2,000	525	(1,475)
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	500	500	1,200	700
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>1,725</u>	<u>(775)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	15,532	15,532	9,291	6,241
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>15,532</u>	<u>15,532</u>	<u>9,291</u>	<u>6,241</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,032)</u>	<u>(13,032)</u>	<u>(7,566)</u>	<u>5,466</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	9,000	9,000	7,000	(2,000)
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>9,000</u>	<u>9,000</u>	<u>7,000</u>	<u>(2,000)</u>
Net change in fund balances	(4,032)	(4,032)	(566)	3,466
Fund balances - beginning	8,157	8,157	8,157	-
Fund balances - ending	<u>\$ 4,125</u>	<u>\$ 4,125</u>	<u>\$ 7,591</u>	<u>\$ 3,466</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 2,420,997	\$ 2,421,110	\$ 2,428,750	\$ 7,640
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>2,420,997</u>	<u>2,421,110</u>	<u>2,428,750</u>	<u>7,640</u>
EXPENDITURES				
Current:				
General Government	6,203	6,316	6,316	-
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>6,203</u>	<u>6,316</u>	<u>6,316</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,414,794</u>	<u>2,414,794</u>	<u>2,422,434</u>	<u>7,640</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,421,789)	(2,421,789)	(2,421,789)	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>(2,421,789)</u>	<u>(2,421,789)</u>	<u>(2,421,789)</u>	<u>-</u>
Net change in fund balances	(6,995)	(6,995)	645	7,640
Fund balances - beginning	166,996	166,996	166,996	-
Fund balances - ending	<u>\$ 160,001</u>	<u>\$ 160,001</u>	<u>\$ 167,641</u>	<u>\$ 7,640</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	10,755	10,755
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>10,755</u>	<u>10,755</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	637	637	803	(166)
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>637</u>	<u>637</u>	<u>803</u>	<u>(166)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(637)</u>	<u>(637)</u>	<u>9,952</u>	<u>10,589</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(21,511)	(21,511)	-	21,511
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>(21,511)</u>	<u>(21,511)</u>	<u>-</u>	<u>21,511</u>
Net change in fund balances	(22,148)	(22,148)	9,952	32,100
Fund balances - beginning	22,148	22,148	22,148	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,100</u>	<u>\$ 32,100</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	140,000	140,000	136,451	(3,549)
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>140,000</u>	<u>140,000</u>	<u>136,451</u>	<u>(3,549)</u>
EXPENDITURES				
Current:				
General Government	171,456	171,456	102,554	68,902
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	90,125	90,125	-	90,125
Total expenditures	<u>261,581</u>	<u>261,581</u>	<u>102,554</u>	<u>159,027</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(121,581)</u>	<u>(121,581)</u>	<u>33,897</u>	<u>155,478</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(121,581)	(121,581)	33,897	155,478
Fund balances - beginning	203,679	203,679	203,679	-
Fund balances - ending	<u>\$ 82,098</u>	<u>\$ 82,098</u>	<u>\$ 237,576</u>	<u>\$ 155,478</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	210,390	210,390	155,466	54,924
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>210,390</u>	<u>210,390</u>	<u>155,466</u>	<u>54,924</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(210,390)</u>	<u>(210,390)</u>	<u>(155,466)</u>	<u>54,924</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(210,390)	(210,390)	(155,466)	54,924
Fund balances - beginning	<u>360,390</u>	<u>360,390</u>	<u>360,390</u>	<u>-</u>
Fund balances - ending	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 204,924</u>	<u>\$ 54,924</u>

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

GALLATIN COUNTY, STATE OF MONTANA
 2398 COUNTY FIRE CONTROL PERMIT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 – BUDGET AND ACTUAL
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	25,000	25,000	26,178	1,178
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>26,178</u>	<u>1,178</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	50,120	50,120	4,506	(45,614)
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>50,120</u>	<u>50,120</u>	<u>4,506</u>	<u>(45,614)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,120)</u>	<u>(25,120)</u>	<u>21,672</u>	<u>46,792</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(25,120)	(25,120)	21,672	46,792
Fund balances - beginning	39,195	39,195	39,195	-
Fund balances - ending	<u>\$ 14,075</u>	<u>\$ 14,075</u>	<u>\$ 60,867</u>	<u>\$ 46,792</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 20,417	\$ 20,417	\$ 20,451	\$ 34
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	7	7
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>20,417</u>	<u>20,417</u>	<u>20,458</u>	<u>41</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	37,500	37,500	22,215	15,285
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>37,500</u>	<u>37,500</u>	<u>22,215</u>	<u>15,285</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,083)</u>	<u>(17,083)</u>	<u>(1,757)</u>	<u>15,326</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(17,083)	(17,083)	(1,757)	15,326
Fund balances - beginning	<u>25,722</u>	<u>25,722</u>	<u>25,722</u>	<u>-</u>
Fund balances - ending	<u>\$ 8,639</u>	<u>\$ 8,639</u>	<u>\$ 23,965</u>	<u>\$ 15,326</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 276,215	\$ 276,215	\$ 275,710	\$ (505)
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	2,277	2,277
Charges for Services	-	-	3,461	3,461
Fines and Forfeitures	-	-	-	-
Miscellaneous	200	200	427	227
Investment Earnings	400	400	6,502	6,102
Contributions/Donations	-	-	-	-
Total revenues	<u>276,815</u>	<u>276,815</u>	<u>288,377</u>	<u>11,562</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	310,834	310,834	291,078	19,756
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	236,200	236,200	-	236,200
Total expenditures	<u>547,034</u>	<u>547,034</u>	<u>291,078</u>	<u>255,956</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(270,219)</u>	<u>(270,219)</u>	<u>(2,701)</u>	<u>267,518</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(270,219)	(270,219)	(2,701)	267,518
Fund balances - beginning	437,806	437,806	437,806	-
Fund balances - ending	<u>\$ 167,587</u>	<u>\$ 167,587</u>	<u>\$ 435,105</u>	<u>\$ 267,518</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	200,000	200,000	195,003	(4,997)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>195,003</u>	<u>(4,997)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	200,000	200,000	195,003	4,997
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>195,003</u>	<u>4,997</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

GALLATIN COUNTY, STATE OF MONTANA
2801 STATE GRANTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
– BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	120,182	263,600	44,900	(218,700)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>120,182</u>	<u>263,600</u>	<u>44,900</u>	<u>(218,700)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	230,182	263,600	46,448	217,152
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>230,182</u>	<u>263,600</u>	<u>46,448</u>	<u>217,152</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(110,000)</u>	<u>-</u>	<u>(1,548)</u>	<u>(1,548)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(110,000)	-	(1,548)	(1,548)
Fund balances - beginning	(1,125)	(1,125)	(1,125)	-
Fund balances - ending	<u>\$ (111,125)</u>	<u>\$ (1,125)</u>	<u>\$ (2,673)</u>	<u>\$ (1,548)</u>

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

GALLATIN COUNTY, STATE OF MONTANA
 2820 GAS TAX
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 – BUDGET AND ACTUAL
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	325,000	325,000	336,058	11,058
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>325,000</u>	<u>325,000</u>	<u>336,058</u>	<u>11,058</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	598,400	598,400	548,483	49,917
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>598,400</u>	<u>598,400</u>	<u>548,483</u>	<u>49,917</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(273,400)</u>	<u>(273,400)</u>	<u>(212,425)</u>	<u>60,975</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(273,400)	(273,400)	(212,425)	60,975
Fund balances - beginning	<u>273,769</u>	<u>273,769</u>	<u>273,769</u>	<u>-</u>
Fund balances - ending	<u>\$ 369</u>	<u>\$ 369</u>	<u>\$ 61,344</u>	<u>\$ 60,975</u>

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

GALLATIN COUNTY, STATE OF MONTANA
 2821 GAS TAX SPECIAL ROAD & STREET
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 – BUDGET AND ACTUAL
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	127,747	122,987	(4,760)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>-</u>	<u>127,747</u>	<u>122,987</u>	<u>(4,760)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	127,747	127,747	-
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>127,747</u>	<u>127,747</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(4,760)</u>	<u>(4,760)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	(4,760)	(4,760)
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,760)</u>	<u>\$ (4,760)</u>

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

GALLATIN COUNTY, STATE OF MONTANA
2830 JUNK VEHICLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
– BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	170,760	170,760	180,050	9,290
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>170,760</u>	<u>170,760</u>	<u>180,050</u>	<u>9,290</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	170,760	170,760	44,870	125,890
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>170,760 0</u>	<u>170,760 0</u>	<u>44,870 0</u>	<u>125,890</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>135,180</u>	<u>135,180</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	135,180	135,180
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,180</u>	<u>\$ 135,180</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	160,544	160,544	192,165	31,621
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>160,544</u>	<u>160,544</u>	<u>192,165</u>	<u>31,621</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	204,404	204,404	171,410	32,994
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>204,404</u>	<u>204,404</u>	<u>171,410</u>	<u>32,994</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(43,860)</u>	<u>(43,860)</u>	<u>20,755</u>	<u>64,615</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(43,860)	(43,860)	20,755	64,615
Fund balances - beginning	41,845	41,845	41,845	-
Fund balances - ending	<u>\$ (2,015)</u>	<u>\$ (2,015)</u>	<u>\$ 62,600</u>	<u>\$ 64,615</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	7,500	7,500	7,500	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	250	7,309	1,152	6,157
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	17,000	17,000	15,398	1,602
Total expenditures	<u>17,250</u>	<u>24,309</u>	<u>16,550</u>	<u>7,759</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,750)</u>	<u>(16,809)</u>	<u>(9,050)</u>	<u>7,759</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(9,750)	(16,809)	(9,050)	7,759
Fund balances - beginning	16,809	16,809	16,809	-
Fund balances - ending	<u>\$ 7,059</u>	<u>\$ -</u>	<u>\$ 7,759</u>	<u>\$ 7,759</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	680,000	680,000	521,763	(158,237)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	6,388	6,388
Contributions/Donations	-	-	-	-
Total revenues	<u>680,000</u>	<u>680,000</u>	<u>528,151</u>	<u>(151,849)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	550,538	580,538	137,324	443,214
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	(580)	580
Capital outlay	674,373	644,373	432,569	211,804
Total expenditures	<u>1,224,911</u>	<u>1,224,911</u>	<u>569,313</u>	<u>655,598</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(544,911)</u>	<u>(544,911)</u>	<u>(41,162)</u>	<u>503,749</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(544,911)	(544,911)	(41,162)	503,749
Fund balances - beginning	873,197	873,197	873,197	-
Fund balances - ending	<u>\$ 328,286</u>	<u>\$ 328,286</u>	<u>\$ 832,035</u>	<u>\$ 503,749</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	35,000	35,000	30,441	(4,559)
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	175	175
Contributions/Donations	-	-	-	-
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>30,616</u>	<u>(4,384)</u>
EXPENDITURES				
Current:				
General Government	10,000	10,000	1,167	8,833
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>10,000</u>	<u>10,000</u>	<u>1,167</u>	<u>8,833</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,000</u>	<u>25,000</u>	<u>29,449</u>	<u>4,449</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(36,500)	(36,500)	(36,500)	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>(36,500)</u>	<u>(36,500)</u>	<u>(36,500)</u>	<u>-</u>
Net change in fund balances	(11,500)	(11,500)	(7,051)	4,449
Fund balances - beginning	4,084	4,084	4,084	-
Fund balances - ending	<u>\$ (7,416)</u>	<u>\$ (7,416)</u>	<u>\$ (2,967)</u>	<u>\$ 4,449</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	269,600	269,600	8,709	(260,891)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>269,600</u>	<u>269,600</u>	<u>8,709</u>	<u>(260,891)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	269,600	269,600	8,709	260,891
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>269,600</u>	<u>269,600</u>	<u>8,709</u>	<u>260,891</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	<u>69</u>	<u>69</u>	<u>69</u>	<u>-</u>
Fund balances - ending	<u>\$ 69</u>	<u>\$ 69</u>	<u>\$ 69</u>	<u>\$ -</u>

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

GALLATIN COUNTY, STATE OF MONTANA
2870 CRIME CONTROL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
– BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	186,000	186,000	54,728	(131,272)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>186,000</u>	<u>186,000</u>	<u>54,728</u>	<u>(131,272)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	186,000	186,000	55,509	130,491
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>186,000</u>	<u>186,000</u>	<u>55,509</u>	<u>130,491</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(781)</u>	<u>(781)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	732	732
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>732</u>	<u>732</u>
Net change in fund balances	-	-	(49)	(49)
Fund balances - beginning	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund balances - ending	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ (48)</u>	<u>\$ (49)</u>

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

GALLATIN COUNTY, STATE OF MONTANA
 2871 SW REGIONAL YOUTH DETENTION FACILITY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 – BUDGET AND ACTUAL
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	104,260	104,260	106,761	2,501
Charges for Services	2,749	2,749	(271)	(3,020)
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>107,009</u>	<u>107,009</u>	<u>106,490</u>	<u>(519)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	252,591	252,591	159,282	93,309
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>252,591</u>	<u>252,591</u>	<u>159,282</u>	<u>93,309</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(145,582)</u>	<u>(145,582)</u>	<u>(52,792)</u>	<u>92,790</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	145,582	145,582	61,265	(84,317)
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>145,582</u>	<u>145,582</u>	<u>61,265</u>	<u>(84,317)</u>
Net change in fund balances	-	-	8,473	8,473
Fund balances - beginning	<u>4,196</u>	<u>4,196</u>	<u>4,196</u>	<u>-</u>
Fund balances - ending	<u>\$ 4,196</u>	<u>\$ 4,196</u>	<u>\$ 12,669</u>	<u>\$ 8,473</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	1,824,770	1,824,770
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>1,824,770</u>	<u>1,824,770</u>
EXPENDITURES				
Current:				
General Government	1,487,739	1,556,788	732,687	824,101
Public Safety	113,000	113,000	74,755	38,245
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	75,000	75,000	65,700	9,300
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	432,000	432,000	160,581	271,419
Interest	21,000	21,000	52,329	(31,329)
Capital outlay	679,425	610,376	275,352	335,024
Total expenditures	<u>2,808,164</u>	<u>2,808,164</u>	<u>1,361,404</u>	<u>1,446,760</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,808,164)</u>	<u>(2,808,164)</u>	<u>463,366</u>	<u>3,271,530</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(500,000)	(500,000)	(221,750)	278,250
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>(500,000)</u>	<u>(500,000)</u>	<u>(221,750)</u>	<u>278,250</u>
Net change in fund balances	(3,308,164)	(3,308,164)	241,616	3,549,780
Fund balances - beginning	4,628,086	4,628,086	4,628,086	-
Fund balances - ending	<u>\$ 1,319,922</u>	<u>\$ 1,319,922</u>	<u>\$ 4,869,702</u>	<u>\$ 3,549,780</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	<u>1,620</u>	<u>1,620</u>	<u>1,620</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,620</u>	<u>\$ 1,620</u>	<u>\$ 1,620</u>	<u>\$ -</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	88,577	138,747	128,264	(10,483)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>88,577</u>	<u>138,747</u>	<u>128,264</u>	<u>(10,483)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	136,991	187,161	186,667	494
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>136,991</u>	<u>187,161</u>	<u>186,667</u>	<u>494</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(48,414)</u>	<u>(48,414)</u>	<u>(58,403)</u>	<u>(9,989)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	48,414	48,414	65,155	16,741
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>48,414</u>	<u>48,414</u>	<u>65,155</u>	<u>16,741</u>
Net change in fund balances	-	-	6,752	6,752
Fund balances - beginning	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund balances - ending	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 6,753</u>	<u>\$ 6,752</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	69,000	75,054	169,416	94,362
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>69,000</u>	<u>75,054</u>	<u>169,416</u>	<u>94,362</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	78,352	84,406	84,405	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>78,352</u>	<u>84,406</u>	<u>84,405</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,352)</u>	<u>(9,352)</u>	<u>85,011</u>	<u>94,363</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	9,362	9,362	108,388	99,026
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>9,362</u>	<u>9,362</u>	<u>108,388</u>	<u>99,026</u>
Net change in fund balances	10	10	193,399	193,389
Fund balances - beginning	14	14	14	-
Fund balances - ending	<u>\$ 24</u>	<u>\$ 24</u>	<u>\$ 193,413</u>	<u>\$ 193,389</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	281,898	281,898	229,627	(52,271)
Charges for Services	-	-	-	-
Fines and Forfeitures	51,000	51,000	57,969	6,969
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>332,898</u>	<u>332,898</u>	<u>287,596</u>	<u>(45,302)</u>
EXPENDITURES				
Current:				
General Government	443,281	443,281	428,085	15,196
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	4,590	4,590	-	4,590
Total expenditures	<u>447,871</u>	<u>447,871</u>	<u>428,085</u>	<u>19,786</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(114,973)</u>	<u>(114,973)</u>	<u>(140,489)</u>	<u>(25,516)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	119,249	119,249	135,254	16,005
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>119,249</u>	<u>119,249</u>	<u>135,254</u>	<u>16,005</u>
Net change in fund balances	4,276	4,276	(5,235)	(9,511)
Fund balances - beginning	2,740	2,740	2,740	-
Fund balances - ending	<u>\$ 7,016</u>	<u>\$ 7,016</u>	<u>\$ (2,495)</u>	<u>\$ (9,511)</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	14	14	-
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>14</u>	<u>14</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(14)</u>	<u>(14)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(14)	(14)	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</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
 2927 HOMELAND SECURITY GRANT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 – BUDGET AND ACTUAL
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	310,000	310,000	71,245	(238,755)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>310,000</u>	<u>310,000</u>	<u>71,245</u>	<u>(238,755)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	10,000	10,000	71,825	(61,825)
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	300,000	300,000	-	300,000
Total expenditures	<u>310,000</u>	<u>310,000</u>	<u>71,825</u>	<u>238,175</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(580)</u>	<u>(580)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	417	417
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>417</u>	<u>417</u>
Net change in fund balances	-	-	(163)	(163)
Fund balances - beginning	<u>(2,872)</u>	<u>(2,872)</u>	<u>(2,872)</u>	<u>-</u>
Fund balances - ending	<u>\$ (2,872)</u>	<u>\$ (2,872)</u>	<u>\$ (3,035)</u>	<u>\$ (163)</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	<u>247</u>	<u>247</u>	<u>247</u>	<u>-</u>
Fund balances - ending	<u>\$ 247</u>	<u>\$ 247</u>	<u>\$ 247</u>	<u>\$ -</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	65,000	65,000	30,600	(34,400)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	34,007	34,007
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>65,000</u>	<u>65,000</u>	<u>64,607</u>	<u>(393)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	71,295	71,295	65,450	5,845
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	108,699	108,699	-	108,699
Total expenditures	<u>179,994</u>	<u>179,994</u>	<u>65,450</u>	<u>114,544</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(114,994)</u>	<u>(114,994)</u>	<u>(843)</u>	<u>114,151</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(114,994)	(114,994)	(843)	114,151
Fund balances - beginning	146,986	146,986	146,986	-
Fund balances - ending	<u>\$ 31,992</u>	<u>\$ 31,992</u>	<u>\$ 146,143</u>	<u>\$ 114,151</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	179,253	179,253	214,786	35,533
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>179,253</u>	<u>179,253</u>	<u>214,786</u>	<u>35,533</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	266,374	266,374	222,899	43,475
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing and Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	210,226	210,226	-	210,226
Total expenditures	<u>476,600</u>	<u>476,600</u>	<u>222,899</u>	<u>253,701</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(297,347)</u>	<u>(297,347)</u>	<u>(8,113)</u>	<u>289,234</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(297,347)	(297,347)	(8,113)	289,234
Fund balances - beginning	352,151	352,151	352,151	-
Fund balances - ending	<u>\$ 54,804</u>	<u>\$ 54,804</u>	<u>\$ 344,038</u>	<u>\$ 289,234</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	100,302	143,685	143,685	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>100,302</u>	<u>143,685</u>	<u>143,685</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	105,718	149,101	127,076	22,025
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>105,718</u>	<u>149,101</u>	<u>127,076</u>	<u>22,025</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,416)</u>	<u>(5,416)</u>	<u>16,609</u>	<u>22,025</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(193,090)	(193,090)	-	193,090
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>(193,090)</u>	<u>(193,090)</u>	<u>-</u>	<u>193,090</u>
Net change in fund balances	(198,506)	(198,506)	16,609	215,115
Fund balances - beginning	228,723	228,723	228,723	-
Fund balances - ending	<u>\$ 30,217</u>	<u>\$ 30,217</u>	<u>\$ 245,332</u>	<u>\$ 215,115</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	231,636	234,921	290,655	55,734
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	925	925
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>231,636</u>	<u>234,921</u>	<u>291,580</u>	<u>56,659</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	364,739	368,024	368,024	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>364,739</u>	<u>368,024</u>	<u>368,024</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(133,103)</u>	<u>(133,103)</u>	<u>(76,444)</u>	<u>56,659</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	133,103	133,103	93,889	(39,214)
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>133,103</u>	<u>133,103</u>	<u>93,889</u>	<u>(39,214)</u>
Net change in fund balances	-	-	17,445	17,445
Fund balances - beginning	<u>18,241</u>	<u>18,241</u>	<u>18,241</u>	<u>-</u>
Fund balances - ending	<u>\$ 18,241</u>	<u>\$ 18,241</u>	<u>\$ 35,686</u>	<u>\$ 17,445</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	743,487	749,029	725,990	(23,039)
Charges for Services	31,423	31,423	20,762	(10,661)
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>774,910</u>	<u>780,452</u>	<u>746,752</u>	<u>(33,700)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	766,052	771,504	771,503	1
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>766,052</u>	<u>771,504</u>	<u>771,503</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,858</u>	<u>8,948</u>	<u>(24,751)</u>	<u>(33,699)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	24,140	24,140
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>24,140</u>	<u>24,140</u>
Net change in fund balances	8,858	8,948	(611)	(9,559)
Fund balances - beginning	69,603	69,603	69,603	-
Fund balances - ending	<u>\$ 78,461</u>	<u>\$ 78,551</u>	<u>\$ 68,992</u>	<u>\$ (9,559)</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	57,664	60,664	50,788	(9,876)
Charges for Services	620,318	620,318	421,029	(199,289)
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	5,381	5,381
Total revenues	<u>677,982</u>	<u>680,982</u>	<u>477,198</u>	<u>(203,784)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	711,426	712,173	513,482	198,691
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	43,134	43,134	-	43,134
Total expenditures	<u>754,560</u>	<u>755,307</u>	<u>513,482</u>	<u>241,825</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(76,578)</u>	<u>(74,325)</u>	<u>(36,284)</u>	<u>38,041</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(76,578)	(74,325)	(36,284)	38,041
Fund balances - beginning	232,520	232,520	232,520	-
Fund balances - ending	<u>\$ 155,942</u>	<u>\$ 158,195</u>	<u>\$ 196,236</u>	<u>\$ 38,041</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	540,703	626,644	635,644	9,000
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>540,703</u>	<u>626,644</u>	<u>635,644</u>	<u>9,000</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	535,484	625,078	626,397	(1,319)
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	7,000	7,000	5,681	1,319
Total expenditures	<u>542,484</u>	<u>632,078</u>	<u>632,078</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,781)</u>	<u>(5,434)</u>	<u>3,566</u>	<u>9,000</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,781)	(5,434)	3,566	9,000
Fund balances - beginning	(4,653)	(4,653)	(4,653)	-
Fund balances - ending	<u>\$ (6,434)</u>	<u>\$ (10,087)</u>	<u>\$ (1,087)</u>	<u>\$ 9,000</u>

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

GALLATIN COUNTY, STATE OF MONTANA
 2987 FEDERAL GRANT FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 – BUDGET AND ACTUAL
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	2,175,000	2,175,000	52,530	(2,122,470)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	2,816	2,816
Contributions/Donations	-	-	-	-
Total revenues	<u>2,175,000</u>	<u>2,175,000</u>	<u>55,346</u>	<u>(2,119,654)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	144,087	144,087	437,737	(293,650)
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	2,016,753	2,016,753	(43)	2,016,796
Conservation Of Natural Resources	-	-	52,530	(52,530)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay				
Total expenditures	<u>2,160,840</u>	<u>2,160,840</u>	<u>490,224</u>	<u>1,670,616</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,160</u>	<u>14,160</u>	<u>(434,878)</u>	<u>(449,038)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	14,160	14,160	(434,878)	(449,038)
Fund balances - beginning	<u>272,718</u>	<u>272,718</u>	<u>272,718</u>	<u>-</u>
Fund balances - ending	<u>\$ 286,878</u>	<u>\$ 286,878</u>	<u>\$ (162,160)</u>	<u>\$ (449,038)</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	208,279	218,594	218,594	-
Charges for Services	-	-	-	-
Fines and Forfeitures	11,230	12,993	14,800	1,807
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>219,509</u>	<u>231,587</u>	<u>233,394</u>	<u>1,807</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	405,245	382,504	378,482	4,022
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>405,245</u>	<u>382,504</u>	<u>378,482</u>	<u>4,022</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(185,736)</u>	<u>(150,917)</u>	<u>(145,088)</u>	<u>5,829</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	185,736	150,917	147,046	(3,871)
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>185,736</u>	<u>150,917</u>	<u>147,046</u>	<u>(3,871)</u>
Net change in fund balances	-	-	1,958	1,958
Fund balances - beginning	<u>(2,942)</u>	<u>(2,942)</u>	<u>(2,942)</u>	<u>-</u>
Fund balances - ending	<u>\$ (2,942)</u>	<u>\$ (2,942)</u>	<u>\$ (984)</u>	<u>\$ 1,958</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	Painted Hills Subd	Meadow Subd.
Canary Lane	Hyalite Meadows	Lake Subd
Amsterdam Road	Andesite Road	Evergreen Way
Bear Creek 2 & 3	Alder Court Lane	Trail Creek Road
Ousel Falls Road	Clarkston & Logan Trident	Firelight
Franklin Hills	Sourdough Creek	Summer Ridge Subd.
Olive Tree Way	Sir George Lane	

GALLATIN COUNTY, STATE OF MONTANA
 COMBINING BALANCE SHEET – NONMAJOR DEBT SERVICE FUNDS
 June 30, 2019

	OPEN SPACE BOND	DETENTION CENTER BOND	INTERCAP LOAN FUND	RURAL REVOLVING	Total Nonmajor Debt Service Funds
ASSETS					
Cash & Investments	\$ -	\$ 227,957	\$ 20	\$ 1,089,282	\$ 1,317,259
Real Estate Taxes Receivable	28,908	49,538	-	23	78,469
Personal Taxes Receivable	10,685	17,686	-	62	28,433
Protested Taxes Receivable	4	947	-	-	951
Accounts Receivable-Net	-	-	-	1,987	1,987
Total assets	<u>\$ 39,597</u>	<u>\$ 296,128</u>	<u>\$ 20</u>	<u>\$ 1,091,354</u>	<u>\$ 1,427,099</u>
LIABILITIES					
Due To Other Funds	\$ 26,945	\$ -	\$ -	\$ -	\$ 26,945
Other Accrued Payables	-	-	-	-	-
Total liabilities	<u>26,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,945</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue, Property Taxes	39,597	68,171	-	85	107,853
Total Deferred Inflows of Resources	<u>39,597</u>	<u>68,171</u>	<u>-</u>	<u>85</u>	<u>107,853</u>
FUND BALANCES					
Nonspendable:					
Inventories	-	-	-	-	-
Restricted for:					
Grants	-	-	-	-	-
Debt Service Obligations	(26,945)	227,957	20	1,091,269	1,292,301
RID Debt Services	-	-	-	-	-
Construction Projects	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Committed for:					
Contractual Obligations	-	-	-	-	-
RID Maintenance	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health	-	-	-	-	-
Social & Economic Services	-	-	-	-	-
Culture & Recreation	-	-	-	-	-
Housing & Community Development	-	-	-	-	-
Conservation Of Natural Resources	-	-	-	-	-
Assigned for:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health	-	-	-	-	-
Social & Economic Services	-	-	-	-	-
Culture & Recreation	-	-	-	-	-
Housing & Community Development	-	-	-	-	-
Conservation Of Natural Resources	-	-	-	-	-
Unassigned:					
	-	-	-	-	-
Total fund balance	<u>(26,945)</u>	<u>227,957</u>	<u>20</u>	<u>1,091,269</u>	<u>1,292,301</u>
Total liabilities and fund balances (deficits)	<u>\$ 12,652</u>	<u>\$ 296,128</u>	<u>\$ 20</u>	<u>\$ 1,091,354</u>	<u>\$ 1,292,301</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 1,380,418	\$ 1,380,418	\$ 1,371,745	\$ (8,673)
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	50	9,102	9,052
Contributions/Donations	-	-	-	-
Total revenues	<u>1,380,418</u>	<u>1,380,468</u>	<u>1,380,847</u>	<u>379</u>
EXPENDITURES				
Current:				
General Government	1,700	1,700	1,400	300
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Debt service:				
Principal	1,125,645	1,125,695	1,175,000	(49,305)
Interest	340,741	340,741	291,736	49,005
Capital outlay	-	-	-	-
Total expenditures	<u>1,468,086</u>	<u>1,468,136</u>	<u>1,468,136</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(87,668)</u>	<u>(87,668)</u>	<u>(87,289)</u>	<u>379</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(87,668)	(87,668)	(87,289)	379
Fund balances - beginning	60,344	60,344	60,344	-
Fund balances - ending	<u>\$ (27,324)</u>	<u>\$ (27,324)</u>	<u>\$ (26,945)</u>	<u>\$ 379</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 2,421,181	\$ 2,421,181	\$ 2,441,134	\$ 19,953
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	4,500	4,500	-	(4,500)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	350	15,530	15,180
Contributions/Donations	-	-	-	-
Total revenues	<u>2,425,681</u>	<u>2,426,031</u>	<u>2,456,664</u>	<u>30,633</u>
EXPENDITURES				
Current:				
General Government	350	350	700	(350)
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Debt service:				
Principal	1,366,937	1,367,287	1,530,000	(162,713)
Interest	998,738	998,738	835,675	163,063
Capital outlay	-	-	-	-
Total expenditures	<u>2,366,025</u>	<u>2,366,375</u>	<u>2,366,375</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>59,656</u>	<u>59,656</u>	<u>90,289</u>	<u>30,633</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	59,656	59,656	90,289	30,633
Fund balances - beginning	137,668	137,668	137,668	-
Fund balances - ending	<u>\$ 197,324</u>	<u>\$ 197,324</u>	<u>\$ 227,957</u>	<u>\$ 30,633</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	20	20	20	-
Fund balances - ending	\$ 20	\$ 20	\$ 20	\$ -

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

GALLATIN COUNTY, STATE OF MONTANA
3400 RURAL REVOLVING
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
– BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	9,554	9,554	16,943	7,389
Contributions/Donations	-	-	-	-
Total revenues	<u>9,554</u>	<u>9,554</u>	<u>16,943</u>	<u>7,389</u>
EXPENDITURES				
Current:				
General Government	5,015	5,015	25,446	(20,431)
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>5,015</u>	<u>5,015</u>	<u>25,446</u>	<u>(20,431)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,539</u>	<u>4,539</u>	<u>(8,503)</u>	<u>(13,042)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(856,060)	(856,060)	-	856,060
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>(856,060)</u>	<u>(856,060)</u>	<u>-</u>	<u>856,060</u>
Net change in fund balances	(851,521)	(851,521)	(8,503)	843,018
Fund balances - beginning	1,099,772	1,099,772	1,099,772	-
Fund balances - ending	<u>\$ 248,251</u>	<u>\$ 248,251</u>	<u>\$ 1,091,269</u>	<u>\$ 843,018</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 PROJECTS FUNDS

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

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

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

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

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

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

Treasure State Endowment Program (TSEP) Fund – Used to account for receipt of dedicated grant revenues from the state TSEP accounts to pay for capital projects approved for grant funding.

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

Stimulus Activity Program Fund – Accounts for receipt of dedicated 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, 2019

	OPEN SPACE BOND PROGRAM FUND	CP - RID FUNDS	CTEP PROJECTS	JUNK VEHICLE- CAPITAL IMPROVE- MENT
ASSETS				
Cash & Investments	\$ 1,438,977	\$ 5,938	\$ 2,236	\$ 135,553
Accounts Receivable-Net	50,496	-	-	-
Total assets	<u>\$ 1,489,473</u>	<u>\$ 5,938</u>	<u>\$ 2,236</u>	<u>\$ 135,553</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Other Accrued Liabilities	-	-	-	-
Due To Other Funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Inventories	-	-	-	-
Restricted for:				
Grants	-	-	-	-
Debt Service Obligations	-	-	-	-
RID Debt Services	-	-	-	-
Construction Projects	1,489,473	5,938	2,236	135,553
General Government	-	-	-	-
Public Safety	-	-	-	-
Committed for:				
Contractual Obligations	-	-	-	-
RID Maintenance	-	-	-	-
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social & Economic Services	-	-	-	-
Culture & Recreation	-	-	-	-
Housing & Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Assigned for:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social & Economic Services	-	-	-	-
Culture & Recreation	-	-	-	-
Housing & Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Unassigned:				
	-	-	-	-
Total fund balance	<u>1,489,473</u>	<u>5,938</u>	<u>2,236</u>	<u>135,553</u>
Total liabilities and fund balances (deficits)	<u>\$ 1,489,473</u>	<u>\$ 5,938</u>	<u>\$ 2,236</u>	<u>\$ 135,553</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
 (CONTINUED)
 June 30, 2019

	TSEP - CONSTRUC- TION FUND	CDBG - GRANTS	Total Nonmajor Capital projects funds
ASSETS			
Cash & Investments	\$ 1,458	\$ -	\$ 1,584,162
Accounts Receivable-Net	10,545	-	61,041
Total assets	<u>\$ 12,003</u>	<u>\$ -</u>	<u>\$ 1,645,203</u>
LIABILITIES			
Accounts Payable	\$ 12,519	\$ -	\$ 12,519
Other Accrued Liabilities	1,908	-	1,908
Due To Other Funds	754	562	1,316
Total liabilities	<u>15,181</u>	<u>562</u>	<u>15,743</u>
FUND BALANCES			
Nonspendable:			
Inventories	-	-	-
Restricted for:			
Grants	-	-	-
Debt Service Obligations	-	-	-
RID Debt Services	-	-	-
Construction Projects	(3,178)	(562)	1,629,460
General Government	-	-	-
Public Safety	-	-	-
Committed for:			
Contractual Obligations	-	-	-
RID Maintenance	-	-	-
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Public Health	-	-	-
Social & Economic Services	-	-	-
Culture & Recreation	-	-	-
Housing & Community Development	-	-	-
Conservation Of Natural Resources	-	-	-
Assigned for:			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Public Health	-	-	-
Social & Economic Services	-	-	-
Culture & Recreation	-	-	-
Housing & Community Development	-	-	-
Conservation Of Natural Resources	-	-	-
Unassigned:			
	-	-	-
Total fund balance	<u>(3,178)</u>	<u>(562)</u>	<u>1,629,460</u>
Total liabilities and fund balances (deficits)	<u>\$ 12,003</u>	<u>\$ -</u>	<u>\$ 1,645,203</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	7,500	7,500	24,122	16,622
Contributions/Donations	-	-	-	-
Total revenues	<u>7,500</u>	<u>7,500</u>	<u>24,122</u>	<u>16,622</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	1,342,832	1,342,832	-	1,342,832
Housing and Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	547,931	547,931	423,346	124,585
Total expenditures	<u>1,890,763</u>	<u>1,890,763</u>	<u>423,346</u>	<u>1,467,417</u>
Excess (deficiency) of revenues over	<u>(1,883,263)</u>	<u>(1,883,263)</u>	<u>(399,224)</u>	<u>1,484,039</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(125,000)	(125,000)
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Bond Premium	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>(125,000)</u>	<u>(125,000)</u>
Net change in fund balances	(1,883,263)	(1,883,263)	(524,224)	1,359,039
Fund balances - beginning	2,013,697	2,013,697	2,013,697	-
Fund balances - ending	<u>\$ 130,434</u>	<u>\$ 130,434</u>	<u>\$ 1,489,473</u>	<u>\$ 1,359,039</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	97	97
Contributions/Donations	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>97</u>	<u>97</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	206,020	206,020	-	206,020
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>206,020</u>	<u>206,020</u>	<u>-</u>	<u>206,020</u>
Excess (deficiency) of revenues over	<u>(206,020)</u>	<u>(206,020)</u>	<u>97</u>	<u>206,117</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(2,541)	(208,559)	(206,018)
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Bond Premium	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>(2,541)</u>	<u>(208,559)</u>	<u>(206,018)</u>
Net change in fund balances	(206,020)	(208,561)	(208,462)	99
Fund balances - beginning	214,400	214,400	214,400	-
Fund balances - ending	<u>\$ 8,380</u>	<u>\$ 5,839</u>	<u>\$ 5,938</u>	<u>\$ 99</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing and Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Bond Premium	-	-	-	-
Total other financing source (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	2,236	2,236	2,236	-
Fund balances - ending	\$ 2,236	\$ 2,236	\$ 2,236	\$ -

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

GALLATIN COUNTY, STATE OF MONTANA
4331 JUNK VEHICLE – CAPITAL IMPROVEMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
– BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	2,215	2,215
Contributions/Donations	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>2,215</u>	<u>2,215</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing and Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	133,338	133,338	-	133,338
Total expenditures	<u>133,338</u>	<u>133,338</u>	<u>-</u>	<u>133,338</u>
Excess (deficiency) of revenues over	<u>(133,338)</u>	<u>(133,338)</u>	<u>2,215</u>	<u>135,553</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Bond Premium	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(133,338)	(133,338)	2,215	135,553
Fund balances - beginning	133,338	133,338	133,338	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,553</u>	<u>\$ 135,553</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	664,800	664,800	43,269	(621,531)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>664,800</u>	<u>664,800</u>	<u>43,269</u>	<u>(621,531)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	224,929	224,929	9,827	215,102
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing and Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	1,095,000	1,095,000	103,809	991,191
Total expenditures	<u>1,319,929</u>	<u>1,319,929</u>	<u>113,636</u>	<u>1,206,293</u>
Excess (deficiency) of revenues over	<u>(655,129)</u>	<u>(655,129)</u>	<u>(70,367)</u>	<u>584,762</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	735,200	735,200	69,654	(665,546)
Bond Proceeds	-	-	-	-
Bond Premium	-	-	-	-
Total other financing source (uses)	<u>735,200</u>	<u>735,200</u>	<u>69,654</u>	<u>(665,546)</u>
Net change in fund balances	80,071	80,071	(713)	(80,784)
Fund balances - beginning	(2,465)	(2,465)	(2,465)	-
Fund balances - ending	<u>\$ 77,606</u>	<u>\$ 77,606</u>	<u>\$ (3,178)</u>	<u>\$ (80,784)</u>

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	292,132	291,660	(472)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>-</u>	<u>292,132</u>	<u>291,660</u>	<u>(472)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing and Community Development	-	292,132	292,132	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>292,132</u>	<u>292,132</u>	<u>-</u>
Excess (deficiency) of revenues over	<u>-</u>	<u>-</u>	<u>(472)</u>	<u>(472)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Bond Premium	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	(472)	(472)
Fund balances - beginning	(90)	(90)	(90)	-
Fund balances - ending	<u>\$ (90)</u>	<u>\$ (90)</u>	<u>\$ (562)</u>	<u>\$ (472)</u>

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES
INTERNAL SERVICE FUNDS

GALLATIN COUNTY, STATE OF MONTANA

INTERNAL SERVICE FUNDS

Motor Pool Fund – Accounts for receipt of charges for services dedicated payment of expenses to maintain the county motor pool.

Employee Health Insurance Fund – Tracks the receipt of premiums for employees, dependents, COBRA and retirees and the recording of expenses associated with medical, dental and vision insurance claims.

Central Maintenance Fund – Used to account for receipt of dedicated charges for services from County and City departments charged for space utilized within county buildings.

Central Communications Fund – Accounts for revenue generated by telephone, cell phone or computer usage charges, along with the payment of expenses associated with the telephone and computer infrastructure.

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

Liability Insurance Fund – Used to account for receipt of deductible reserve and expenses not covered by insurance company's associated with property and liability coverages.

GALLATIN COUNTY, STATE OF MONTANA
 COMBINING BALANCE SHEET – INTERNAL SERVICE FUNDS
 June 30, 2019

	MOTOR POOL	EMPLOYEE HEALTH INS. FUND	CENTRAL MAINTEN- ANCE	COMMUNI- CATIONS (PHONE SYSTEM)	COPIER RESERVE FUND	LIABILITY INSURANCE FUND	Total Nonmajor Internal Service Funds
ASSETS							
Current assets:							
Cash & Investments	\$ 68,810	\$ 5,370,996	\$ 1,259,324	\$ 394,777	\$ 232,477	\$ 965,496	\$ 8,291,880
Noncurrent assets:							
Accounts Receivable-Net	-	9,808	4,503	-	-	1,763	16,074
Capital Assets-Net of Accumulation	36,931	-	20,595	562,472	39,741	-	659,739
Total assets	105,741	5,380,804	1,284,422	957,249	272,218	967,259	8,967,693
DEFERRED OUTFLOWS OF RESOURCES							
Other Postemployment Health Benefit Contributions	-	-	2,177	-	-	-	2,177
Total deferred outflows of resources	-	-	2,177	-	-	-	2,177
LIABILITIES							
Current liabilities:							
Accounts Payable	255	1,002,431	39,445	59,474	6,809	13,765	1,122,179
Other Accrued Payables	-	-	23,864	-	-	-	23,864
Compensated Absences	-	-	6,998	-	-	-	6,998
Total current liabilities	255	1,002,431	70,307	59,474	6,809	13,765	1,153,041
Noncurrent liabilities:							
Other Postemployment health benefits	-	-	54,330	-	-	-	54,330
Compensated Absences	-	-	62,988	-	-	-	62,988
Total noncurrent liabilities	-	-	117,318	-	-	-	117,318
Total liabilities	255	1,002,431	187,625	59,474	6,809	13,765	1,270,359
DEFERRED INFLOWS OF RESOURCES							
Other Postemployment Health Benefits assumption changes	-	-	4,031	-	-	-	4,031
Total deferred inflows of resources	-	-	4,031	-	-	-	4,031
NET POSITION							
Net investment in capital assets	36,931	-	20,595	562,472	39,741	-	659,739
Unrestricted	68,555	4,378,373	1,074,348	335,303	225,668	953,494	7,035,741
Total net position	\$ 105,486	\$ 4,378,373	\$ 1,094,943	\$ 897,775	\$ 265,409	\$ 953,494	\$ 7,695,480

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
 June 30, 2019

	MOTOR POOL	EMPLOYEE HEALTH INSURANCE	CENTRAL MAINTEN- ANCE	COMMUNI- CATIONS (PHONE SYSTEM)	COPIER RESERVE FUND	LIABILITY INSURANCE FUND	Total Internal Service Funds
OPERATING REVENUES							
Charges for Services	\$ 22,527	\$ -	\$ 136,840	\$ 456,314	\$ -	\$ -	\$ 615,681
Miscellaneous	-	-	5,804	-	-	-	5,804
Internal Services	-	9,460,659	1,492,414	-	65,259	112,543	11,130,875
Total operating revenues	<u>22,527</u>	<u>9,460,659</u>	<u>1,635,058</u>	<u>456,314</u>	<u>65,259</u>	<u>112,543</u>	<u>11,752,360</u>
OPERATING EXPENSES							
Internal Service-Personnel	-	1,244	585,867	69,755	-	-	656,866
Internal Service-Supplies	5,335	841	139,892	92,047	17,378	-	255,493
Internal Service-Purchased Services	504	119,624	893,368	331,001	39,428	10,771	1,394,696
Internal Service-Fixed Charges	2,093	993,109	36,392	19,784	2,545	238,428	1,292,351
Internal Service-Depreciation	10,108	-	3,924	147,345	9,625	-	171,002
Internal Service-Benefit Payments	-	9,172,683	-	-	-	-	9,172,683
Total operating expenses	<u>18,040</u>	<u>10,287,501</u>	<u>1,659,443</u>	<u>659,932</u>	<u>68,976</u>	<u>249,199</u>	<u>12,943,091</u>
Operating income (loss)	<u>4,487</u>	<u>(826,842)</u>	<u>(24,385)</u>	<u>(203,618)</u>	<u>(3,717)</u>	<u>(136,656)</u>	<u>(1,190,731)</u>
NONOPERATING REVENUES (EXPENSES)							
Investment Earnings	-	122,319	33,394	15,151	6,888	30,148	207,900
Sale of Fixed Assets	(188)	-	-	-	(241)	-	(429)
Total nonoperating revenues (expenses)	<u>(188)</u>	<u>122,319</u>	<u>33,394</u>	<u>15,151</u>	<u>6,647</u>	<u>30,148</u>	<u>207,471</u>
Income (loss) before contributions and transfers	<u>4,299</u>	<u>(704,523)</u>	<u>9,009</u>	<u>(188,467)</u>	<u>2,930</u>	<u>(106,508)</u>	<u>(983,260)</u>
Transfers In	-	1,451,855	-	-	-	-	1,451,855
Change in net position	4,299	747,332	9,009	(188,467)	2,930	(106,508)	468,595
Total net position - beginning	101,187	3,631,041	1,085,934	1,086,242	262,479	1,060,002	7,226,885
Total net position - ending	<u>\$ 105,486</u>	<u>\$ 4,378,373</u>	<u>\$ 1,094,943</u>	<u>\$ 897,775</u>	<u>\$ 265,409</u>	<u>\$ 953,494</u>	<u>\$ 7,695,480</u>

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

GALLATIN COUNTY, STATE OF MONTANA
COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS
June 30, 2019

	MOTOR POOL	EMPLOYEE HEALTH INS. FUND	CENTRAL MAINTEN- ANCE	COMMUNI- CATIONS (PHONE SYSTEM)	COPIER RESERVE FUND	LIABILITY INSURANCE FUND	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash from interfund	\$ 22,527	\$ 9,460,659	\$ 1,492,414	\$ 458,050	\$ 65,259	\$ 113,960	\$ 11,612,869
Cash receipts from customer	-	15,688	143,716	-	-	-	159,404
Payments to employees	-	(1,244)	(568,733)	(69,755)	-	-	(639,732)
Payments to interfund	(2,597)	-	(929,760)	(350,785)	(41,973)	-	(1,325,115)
Payments to suppliers	(6,005)	(10,208,212)	(209,774)	(82,874)	(12,123)	(235,569)	(10,754,557)
Net cash provided (used) by operating activities	<u>13,925</u>	<u>(733,109)</u>	<u>(72,137)</u>	<u>(45,364)</u>	<u>11,163</u>	<u>(121,609)</u>	<u>(947,131)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from (to) other funds	-	1,451,855	-	-	-	-	1,451,855
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>1,451,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,451,855</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Purchases/acquisition/construction of capital assets	-	-	-	(152,118)	(19,855)	-	(171,973)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(152,118)</u>	<u>(19,855)</u>	<u>-</u>	<u>(171,973)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest Earnings	-	122,319	33,394	15,151	6,888	30,148	207,900
Net cash provided (used) by investing activities	<u>-</u>	<u>122,319</u>	<u>33,394</u>	<u>15,151</u>	<u>6,888</u>	<u>30,148</u>	<u>207,900</u>
Net increase (decrease) in cash and cash equivalents	13,925	841,065	(38,743)	(182,331)	(1,804)	(91,461)	540,651
Balances - beginning of year	54,885	4,529,931	1,298,067	577,108	234,281	1,056,957	7,751,229
Balances - end of the year	<u>68,810</u>	<u>5,370,996</u>	<u>1,259,324</u>	<u>394,777</u>	<u>232,477</u>	<u>965,496</u>	<u>8,291,880</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating Income	4,487	(826,842)	(24,385)	(203,618)	(3,717)	(136,656)	(1,190,731)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation Expense	10,108	-	3,924	147,345	9,625	-	171,002
Changes in assets and liabilities:							
Customer Receivables	-	15,688	1,072	1,736	-	1,417	19,913
Accounts payable - supplier	(670)	78,045	(72,450)	12,117	5,255	13,630	35,927
Other accrued payables	-	-	2,568	(2,944)	-	-	(376)
Compensated absences	-	-	14,190	-	-	-	14,190
Other postemployment health benefits and related deferred	-	-	2,944	-	-	-	2,944
Net cash provided (used) by operating activities	<u>\$ 13,925</u>	<u>\$ (733,109)</u>	<u>\$ (72,137)</u>	<u>\$ (45,364)</u>	<u>\$ 11,163</u>	<u>\$ (121,609)</u>	<u>\$ (947,131)</u>

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

STATISTICS AND DIAGRAMS

GALLATIN COUNTY, STATE OF MONTANA
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2009	2010	2013	2014	2015	2016	2017	2018	2019
Governmental activities									
Investment in capital assets, net of related debt	69,632	89,086	94,609	94,357	94,046	90,225	91,771	94,356	99,522
Restricted	1,588	815	-	17,260	16,826	26,890	16,211	18,878	19,213
Unrestricted	59,486	43,467	43,114	28,346	11,862	12,014	22,057	19,398	20,657
Total governmental activities net position	130,706	133,368	137,723	139,963	122,734	129,130	130,039	132,632	139,392
Business-type activities									
Investment in capital assets, net of related debt	8,130	8,646	7,889	9,015	9,463	9,482	9,527	9,679	11,526
Restricted	2,189	2,339	2,115	2,115	2,161	2,329	2,503	2,689	2,762
Unrestricted	6,126	6,723	10,507	10,098	6,692	8,089	9,150	9,625	10,406
Total business-type activities net position	16,444	17,707	20,510	21,227	18,316	19,900	21,180	21,993	24,694
Primary government									
Investment in capital assets, net of related debt	77,762	97,732	102,498	103,372	103,509	99,707	101,298	104,035	111,048
Restricted	3,777	3,154	2,115	19,375	18,987	29,220	18,714	21,567	21,975
Unrestricted	65,612	50,190	53,621	38,444	18,554	20,103	31,207	29,023	31,064
Total primary government net position	147,150	151,076	158,233	161,190	141,050	149,030	151,219	154,625	164,086

GALLATIN COUNTY, STATE OF MONTANA
CHANGE IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2009	2010	2014	2015	2016	2017	2018	2019
Expenses								
Governmental activities:								
General government	9,916	10,046	10,139	10,200	10,027	12,529	12,324	13,423
Public safety	12,400	14,183	17,621	17,954	17,293	20,488	21,131	22,476
Public works	8,236	8,735	17,215	12,192	5,629	13,396	10,138	9,273
Public health	3,224	3,315	3,597	3,899	4,179	5,268	5,540	5,794
Social and economic	439	536	492	471	472	537	518	551
Culture and recreation	1,683	2,763	2,000	1,972	1,976	2,446	2,609	2,818
Housing & Comm. Dev.	73	3,316	156	108	490	1,161	436	561
Conservation of Nat. Res.	81	118	147	114	132	127	62	113
Miscellaneous / Unallocated	63	8	-	-	-	-	-	-
Interest on long-term debt	1,620	2,185	2,082	1,975	3,559	1,708	1,546	1,430
Total governmental activities	37,735	45,205	53,449	48,885	43,758	57,660	54,303	56,437
Business-type activities:								
Gallatin county landfill	2,646	2,941	3,041	2,708	2,581	2,814	3,052	2,663
Rest home	5,169	5,426	5,921	5,978	6,112	6,064	6,871	6,987
West Yellowstone Refuse	823	756	992	949	979	1,182	1,126	1,195
Total business-type activities	8,638	9,122	9,953	9,635	9,672	10,060	11,049	10,844
Total primary government expenses	46,373	54,327	63,402	58,520	53,429	67,720	65,352	67,281
Program Revenues								
Governmental activities:								
Charges for services:								
General government	1,806	2,043	2,342	2,828	3,657	3,611	4,403	3,480
Public safety	2,525	1,639	3,981	3,760	2,845	4,139	2,275	2,424
Public works	587	329	101	80	102	74	77	47
Public health	270	303	441	480	614	612	1,111	990
Social and economic	64	68	-	-	-	-	-	-
Culture and recreation	475	612	588	570	643	752	859	801
Housing & Comm. Dev.	226	193	487	537	589	592	2	-
Conservation of Nat. Res.	125	87	95	85	70	63	61	89
Operating Grants and contributions	5,369	5,232	5,573	5,465	7,017	6,451	6,258	10,432
Capital grants and contributions	804	4,414	6,658	3,046	147	190	830	492
Total governmental activity revenue	12,251	14,921	20,266	16,851	15,686	16,484	15,876	18,755
Business-type activities								
Charges for services:								
Gallatin county landfill	4,014	3,637	3,823	4,254	4,444	4,738	5,286	5,699
Rest home	5,352	5,725	5,227	4,827	5,211	5,398	5,506	5,818
West Yellowstone Refuse	874	789	863	804	770	789	947	828
Operating Grants and contributions	75	91	180	141	208	222	253	224
Total business-type activity revenue	10,315	10,241	10,092	10,026	10,633	11,147	11,991	12,569
Total primary government revenue	22,565	25,162	30,358	26,877	26,319	27,631	27,868	31,324
Net (expense) revenue								
Governmental activities:	(25,484)	(30,285)	(33,184)	(32,034)	(28,072)	(41,176)	(38,426)	(37,682)
Business-type activities	1,676	1,119	139	391	961	1,087	942	1,726
Total primary government (expense) revenue	(23,808)	(29,166)	(33,044)	(31,643)	(27,110)	(40,089)	(37,484)	(35,957)

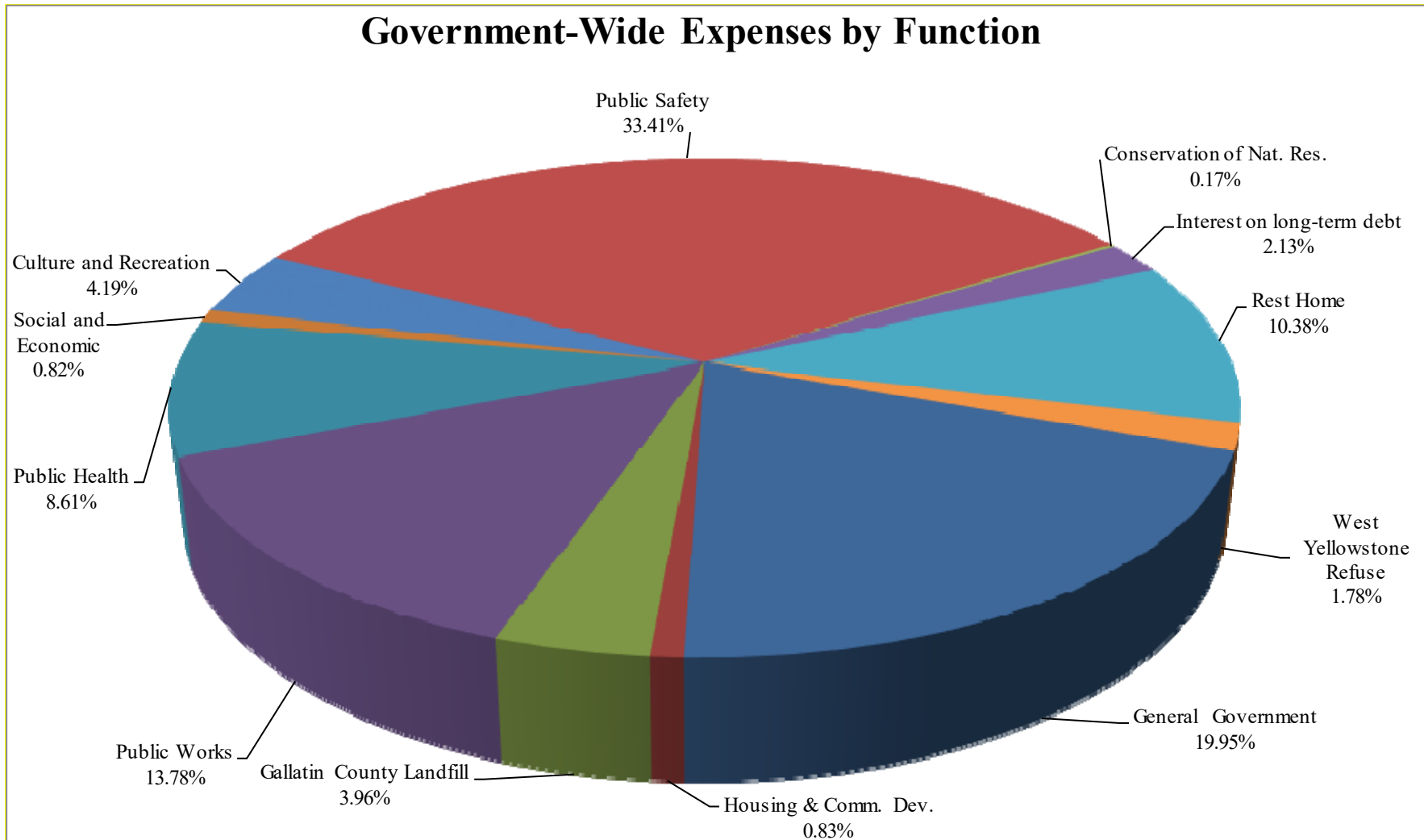
GALLATIN COUNTY, STATE OF MONTANA
CHANGE IN NET POSITION (CONTINUED)
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2009	2010	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position								
Governmental activities:								
Taxes								
Property Taxes	24,914	29,436	32,028	33,425	34,018	35,674	37,073	40,552
Local option tax	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-
Unrestricted grants/contributions	2,072	2,148	2,692	3,009	3,185	3,189	3,199	7
Investment earnings	975	837	628	527	628	262	394	1,725
Miscellaneous	600	262	104	(20)	2,531	3,002	2,795	3,364
Sale/disposal of Fixed assets	7	6	11	18	53	(41)	(105)	(895)
Other	-						(9)	(311)
Total governmental activities	28,569	32,689	35,464	36,959	40,415	42,086	43,346	44,442
Business-type activities:								
Taxes	65	-	1	-	2	-	-	296
Unrestricted grants/contributions	-	-	-	84	214	242	65	-
Investment earnings	240	157	276	162	190	59	79	523
Miscellaneous / Other							20	447
Sale/disposal of Fixed assets	-	(13)	261	39	217	(108)	(2)	(290)
Total business-type activities	305	144	538	285	622	193	163	976
Total primary government expense:	28,874	32,833	36,002	37,244	41,038	42,279	43,509	45,418
Change in Net Position								
Governmental activities:	3,085	2,405	2,280	4,925	12,343	910	4,920	6,760
Business-type activities	1,981	1,263	677	676	1,584	1,280	1,105	2,701
Total primary government	5,066	3,668	2,957	5,601	13,927	2,190	6,025	9,461

GALLATIN COUNTY, STATE OF MONTANA
 GOVERNMENT-WIDE EXPENSES BY FUNCTION
 (accrual basis of accounting)
 (amounts expressed in thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Government	9,473	9,838	10,139	10,200	10,027	12,529	12,324	13,423
Housing & Comm. Dev.	90	414	156	108	490	1,161	436	561
Gallatin County Landfill	3,159	3,019	3,041	2,708	2,581	2,814	3,052	2,663
Public Works	9,496	11,043	17,215	12,192	5,629	13,396	10,138	9,273
Public Health	3,392	3,606	3,597	3,899	4,179	5,268	5,540	5,794
Social and Economic	486	495	492	471	472	537	518	551
Culture and Recreation	1,823	1,899	2,000	1,972	1,976	2,446	2,609	2,818
Public Safety	16,489	16,934	17,621	17,954	17,293	20,488	21,131	22,476
Conservation of Nat. Res.	201	146	147	114	132	127	62	113
Interest on long-term debt	2,376	2,638	2,082	1,975	3,559	1,708	1,546	1,430
Rest Home	5,736	5,813	5,921	5,978	6,112	6,064	6,871	6,987
West Yellowstone Refuse	829	859	992	949	979	1,182	1,126	1,195
	<u>53,549</u>	<u>56,705</u>	<u>63,402</u>	<u>58,520</u>	<u>53,429</u>	<u>67,720</u>	<u>65,352</u>	<u>67,281</u>

GALLATIN COUNTY, STATE OF MONTANA
 GOVERNMENT-WIDE EXPENSES BY FUNCTION (CONTINUED)
 (accrual basis of accounting)
 (amounts expressed in thousands)



GALLATIN COUNTY, STATE OF MONTANA
 FUND BALANCES OF GOVERNMENTAL FUNDS
 (accrual basis of accounting)
 (amounts expressed in thousands)

	2009	2010	2014	2015	2016	2017	2018	2019
General fund								
Nonspendable	-	-	131	129	137	112	118	97
Restricted	-	-	488	563	702	710	833	777
Unrestricted								
Committed	1,112	1,106	3,078	3,753	4,285	4,420	4,946	5,323
Assigned	-	-	306	477	628	548	588	619
Unassigned	-	-				-	-	-
Total general fund	1,112	1,106	4,003	4,922	5,752	5,790	6,485	6,817
All other governmental funds								
Nonspendable	181	217	65	70	67	1,075	64	45
Restricted	1,588	815	9,233	9,212	18,751	8,195	11,257	12,226
Unrestricted								
Committed			21,760	26,163	23,555	33,714	34,581	34,433
Assigned	33,569	15,482	36	76	160	84	81	227
Unassigned	16,938	17,618	-	-	-	-	-	-
Total all other governmental funds	52,276	34,132	31,094	35,521	42,533	43,068	45,983	46,931
Total all governmental funds	53,388	35,238	35,097	40,443	48,285	48,858	52,468	53,748

GALLATIN COUNTY, STATE OF MONTANA
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 (accrual basis of accounting)
 (amounts expressed in thousands)

	2009	2010	2014	2015	2016	2017	2018	2019
Revenues:								
Taxes/assessments	25,730	27,226	32,635	34,705	33,775	35,876	37,574	41,047
Licenses and permits	274	244	300	316	390	384	378	353
Intergovernmental	7,982	11,280	14,845	11,402	9,637	10,222	11,401	10,924
Charges for services	3,626	3,800	6,405	6,996	7,329	7,010	6,606	6,877
Fines and forfeitures	1,271	409	598	664	728	669	701	607
Miscellaneous	997	1,548	538	271	2,923	3,002	2,847	3,364
Interest earnings	878	762	509	411	558	237	372	1,517
Contributions/donations	773	38	102	22	90	65	16	7
Total revenues	41,531	45,306	55,931	54,787	55,429	57,465	59,895	64,695
Expenditures:								
General government	8,965	8,778	9,139	9,625	10,027	10,537	10,611	12,048
Public safety	11,663	12,717	15,498	16,490	17,293	17,959	19,088	20,288
Public works	4,457	5,667	13,342	8,247	5,629	7,777	5,820	6,898
Public health	3,209	3,059	3,410	3,866	4,179	4,745	5,113	5,686
Social and economic	442	473	447	461	472	529	512	545
Culture and recreation	1,571	2,629	1,854	1,835	1,976	2,261	2,400	2,621
Housing & Comm. Dev.	77	3,211	74	86	490	1,128	406	536
Conservation of Nat. Res.	81	102	134	110	139	110	47	102
Miscellaneous	63	8	-	-	-	-	-	-
Debt Service								
Principal	2,169	2,091	3,693	3,946	3,559	4,397	3,776	4,644
Interest	1,620	2,185	2,082	1,975	4,062	1,874	1,704	1,588
Capital outlay	15,509	24,784	3,224	2,698	4,677	6,822	5,628	6,713
Total expenditures	49,826	65,704	52,897	49,339	52,503	58,139	55,105	61,670
Excess of revenues over (under) expenditures	(8,294)	(20,399)	3,034	5,448	2,926	(674)	4,790	3,025
Other financing source (uses)								
Transfers in	894	1,165	2,904	3,024	2,336	3,941	2,635	3,033
Transfers out	(1,712)	(1,946)	(3,851)	(3,911)	(3,384)	(4,750)	(3,816)	(4,796)
Proceeds from long-term debt	38,504	2,765	1,150	765	5,807	1,863	-	-
Proceeds from sale of capital asset:	8	6	11	-	-	-	1	17
Gain (Loss) on sale of investments	407	1	20	20	156	193	-	-
Total other financing sources (uses)	38,101	1,990	233	(102)	4,915	1,247	(1,180)	(1,746)
Net Change in fund balances	29,807	(18,408)	3,267	5,346	7,842	573	3,610	1,279
Debt service as a percentage of noncapital expenditures	11.04%	10.45%	11.63%	12.69%	15.93%	12.22%	11.08%	11.34%

**GALLATIN COUNTY, STATE OF MONTANA
 ASSESSED PROPERTY VALUES, TAXABLE PROPERTY VALUES, AND MARKET VALUES**

**GALLATIN COUNTY, MONTANA
 ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY**
 (amounts expressed in thousands)

FISCAL YEAR	REAL PROPERTY	PERSONAL PROPERTY	MOBILE HOMES	CENTRALLY ASSESSED	TAX INCREMENT DISTRICT	TOTAL TAXABLE ASSESSED VALUE
2006	145,197	6,977	1,361	15,380	(854)	168,061
2007	155,176	7,635	1,383	18,000	(884)	181,310
2008	167,823	8,627	1,380	20,308	(1,035)	197,103
2009	179,273	9,314	1,340	20,557	(1,223)	209,262
2010	194,498	9,661	1,216	19,991	(2,870)	222,497
2011	200,807	8,990	1,138	23,104	(3,120)	230,919
2012	205,442	8,279	1,048	23,139	(3,283)	234,625
2013	211,386	6,533	973	24,302	(3,708)	239,486
2014	218,776	6,533	973	24,302	(4,013)	246,571
2015	224,256	6,729	983	25,031	(4,035)	252,964
2016	210,529	2,775	945	28,052	(4,224)	238,077
2017	216,023	2,861	995	34,583	(4,344)	250,118
2018	253,159	3,069	1,121	34,644	(5,030)	286,963
2019	286,997	3,161	1,078	35,121	(5,478)	300,723

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

Source: Department of Revenue Montana Certified Values - Online CSV

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

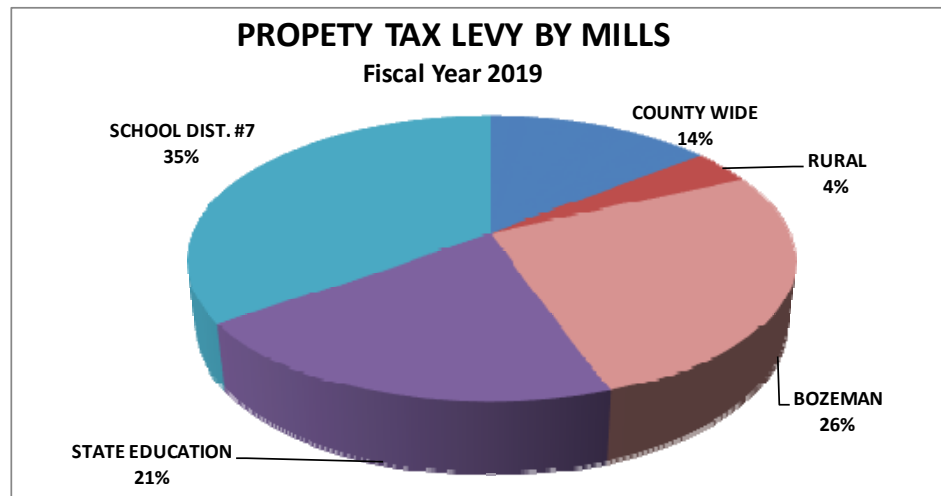
FISCAL YEAR	TOTAL COUNTY MARKET VALUE	TOTAL COUNTY TAXABLE VALUE	COUNTY OPEN SPACE TAXABLE VALUE
2006	5,004,202,230	166,681,835	160,125,399
2007	5,526,323,702	181,081,364	174,462,565
2008	6,105,440,980	196,866,339	190,388,900
2009	6,641,798,174	209,638,913	203,197,000
2010	7,303,040,362	223,244,509	217,532,000
2011	7,779,879,169	230,919,537	225,562,849
2012	8,272,189,432	235,791,352	231,490,476
2013	8,722,835,096	239,468,735	235,497,392
2014	9,286,890,790	250,638,591	242,436,871
2015	9,864,130,849	252,967,865	249,046,843
2016	15,030,549,843	237,835,957	234,985,893
2017	15,409,943,054	248,044,610	244,626,407
2018	18,137,153,478	286,963,165	283,501,505
2019	18,969,273,499	295,801,912	292,702,092

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

Source: Department of Revenue Montana Certified Values - Online CSV

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

FISCAL YEAR	GALLATIN COUNTY							OVERLAPPING LEVIES			TOTAL DIRECT & OVERLAPPING LEVIES
	GENERAL FUND	DEBT SERVICE	PUBLIC SAFETY	OTHER LEVIES	SUBTOTAL COUNTY WIDE LEVIES	RURAL (Road/ Library) Levies	TOTAL DIRECT	CITY OF BOZEMAN	STATE EDUCATION LEVIES	SCHOOL DISTRICT NO. 7	
2005	12.43	4.60	28.54	27.54	73.11	23.68	96.79	169.99	143.36	167.32	577.46
2007	10.49	6.59	27.20	32.75	77.03	24.68	101.71	161.42	141.64	182.74	587.51
2008	12.26	4.71	36.87	32.25	86.09	24.68	110.77	154.18	143.05	183.85	591.85
2009	11.06	5.15	40.51	27.69	84.41	25.47	109.88	169.16	183.85	212.53	675.42
2010	14.07	5.81	34.94	36.18	91.00	25.23	116.23	168.19	140.02	199.54	623.98
2011	15.92	11.45	39.07	23.50	89.94	25.39	115.33	166.75	141.74	223.05	646.87
2012	19.62	11.09	41.76	16.22	88.69	25.48	114.17	164.75	141.61	196.89	617.42
2013	20.56	14.89	41.01	15.83	92.29	26.34	118.63	164.75	142.47	203.26	629.11
2014	21.53	14.12	41.08	16.55	93.28	26.44	119.72	171.08	147.28	218.41	656.49
2015	21.03	14.09	40.01	18.37	93.50	26.29	119.79	186.76	145.94	216.67	669.16
2016	21.25	14.63	41.89	27.03	104.80	30.04	134.84	208.16	149.35	227.91	720.26
2017	21.07	14.89	44.31	26.00	106.27	30.31	136.58	205.30	151.39	232.06	725.33
2018	19.89	13.27	41.07	22.13	96.36	27.30	123.66	187.33	145.67	220.02	676.68
2019	19.39	12.86	43.09	28.22	103.56	27.75	131.31	191.24	148.44	251.58	722.57

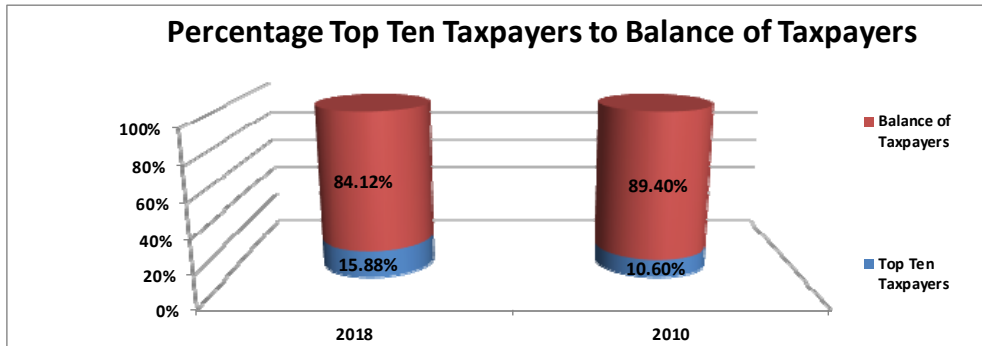


**GALLATIN COUNTY, STATE OF MONTANA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT TAX YEAR AND EIGHT YEARS PREVIOUS**

TAXPAYER	2018			2010		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF COUNTY TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF COUNTY TAXABLE ASSESSED VALUE
Northwestern Energy	27,234	1	9.49%	14,755	1	6.61%
Qwest Corporation and or Centurylink Inc.	11,778	2	4.10%	-	-	-
Montana Rail Link	1,597	3	0.56%	1,457	4	0.65%
Verizon Wireless/Cellco	1,234	4	0.43%	-	-	-
Charter Communications and or Bresnan	805	5	0.28%	-	-	-
GCC Three Forks LLC or Holnam Inc.	737	6	0.26%	-	-	-
Luzenac America, Inc.	731	7	0.25%	906	5	0.41%
Yellowstone Pipeline	533	8	0.19%	-	-	-
D & G Investments LLLP	457	9	0.16%	-	-	-
NB Stadium View DST	461	10	0.16%	-	-	-
Holcim, Inc.			0.00%	1,008	3	0.45%
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			0.00%	590	9	0.26%
Harry Daum			0.00%	524	10	0.23%
	<u>45,567</u>		<u>15.88%</u>	<u>23,673</u>		<u>10.60%</u>
County Taxable Value	286,963			223,245		

Source: Gallatin County Treasurer

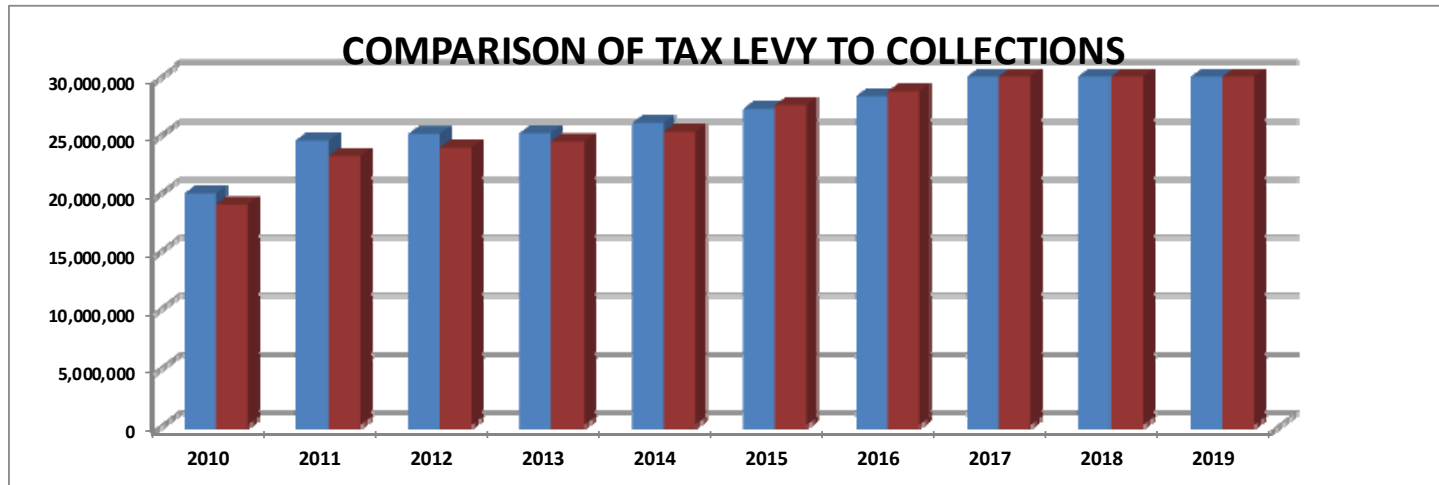
	2018	2010
Top Ten Taxpayers	15.88%	10.60%
Balance of Taxpayers	84.12%	89.40%



GALLATIN COUNTY, STATE OF MONTANA
 REAL PROPERTY TAXES AND COLLECTIONS
 GOVERNMENTAL FUND TYPES
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30	TOTAL TAX LEVY FOR FISCAL YEAR (1)	COLLECTION WITHIN THE FISCAL YEAR OF THE LEVY		TOTAL COLLECTIONS FOR YEAR		
		AMOUNT COLLECTED	PERCENTAGE OF LEVY	DELINQUENT TAX COLLECTIONS	TOTAL TAXES RECEIVED	PERCENTAGE OF LEVY (1)
2010	19,915,058	18,904,174	94.92%	40,569	18,944,743	95.13%
2011	24,479,020	23,112,451	94.42%	26,005	23,138,456	94.52%
2012	25,058,721	23,822,021	95.06%	35,893	23,857,914	95.21%
2013	25,103,215	24,357,848	97.03%	31,843	24,389,691	97.16%
2014	25,997,048	25,163,044	96.79%	68,096	25,231,140	97.05%
2015	27,212,974	26,652,121	97.94%	888,759	27,540,880	101.20%
2016	28,299,020	28,107,443	99.32%	609,982	28,717,425	101.48%
2017	30,133,188	29,381,709	97.51%	699,510	30,081,219	99.83%
2018	31,473,112	30,847,587	98.01%	571,469	31,419,056	99.83%
2019	33,031,093	32,223,211	97.55%	733,719	32,956,930	99.78%

SOURCE: Gallatin County Finance Department



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

Fiscal Year	General Obligation Bonds	Less: Amount Available in Debt Service Funds	Total	% of Taxable Value ¹	Per Capita ²
2010	46,511	35	46,475	20.13%	\$ 51.92
2011	44,710	129	44,581	19.00%	\$ 48.83
2012	42,825	417	42,408	17.71%	\$ 45.84
2013	43,099	495	42,604	17.28%	\$ 45.12
2014	41,872	344	41,528	16.42%	\$ 42.80
2015	39,410	440	38,970	16.37%	\$ 38.84
2016	38,953	278	38,675	16.24%	\$ 37.16
2017	35,435	278	35,157	14.06%	\$ 32.61
2018	33,270	198	33,072	11.52%	\$ 29.65
2019	30,275	228	30,047	9.99%	\$ 26.06

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

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

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

Source for Amount Available is from Trial Balance from CAFR for Fund 3040 and 3050

GALLATIN COUNTY, STATE OF MONTANA
 LEGAL DEBT MARGIN CALCULATIONS
 LAST TEN FISCAL YEARS
 (amounts expressed in thousands)

Fiscal Year	2009	2010	2013	2014	2015	2016	2017	2018	2019
Calculation of Legal Debt Margins									
Assessed Value	6,104,449	6,641,798	8,712,241	9,834,392	9,834,392	15,030,550	15,409,943	18,137,153	18,969,273
Allowed debt percentage	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Debt Limit	152,611	166,045	217,806	245,860	245,860	375,764	385,249	453,429	474,232
Outstanding debt applicable to limit	55,626	54,968	49,151	47,114	43,691	41,457	39,372	39,740	35,159
Legal Debt margin	96,985	111,077	168,655	198,746	202,169	334,307	345,877	413,689	439,073
Outstanding debt applicable to limit as a percentage of debt limit	36.45%	33.10%	22.57%	19.16%	17.77%	11.03%	10.22%	8.76%	7.41%

(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, STATE OF MONTANA
RURAL SPECIAL DISTRICT ASSESSMENTS BILLING AND COLLECTIONS

FISCAL YEAR	RID ASSESSMENTS BILLING	RID SPECIAL ASSESSMENT COLLECTIONS	RID CURRENT YEAR DELINQUENCY	%
2010	524,629	489,624	35,005	6.67%
2011	1,024,305	863,567	160,738	15.69%
2012	937,779	820,131	117,648	12.55%
2013	895,739	784,296	111,443	12.44%
2014	871,471	792,179	79,291	9.10%
2015	860,503	790,909	69,593	8.09%
2016	812,634	762,740	49,894	6.14%
2017	886,947	816,613	70,334	7.93%
2018	824,153	834,597	(10,444)	-1.27%
2019	807,467	728,652	78,815	9.76%

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

STATEMENT OF CHANGES IN FUND BALANCE – RSID REVOLVING FUND

	Audited 2014/15	Audited 2015/16	Audited 2016/17	6/30/2018 2017/18	6/30/2019 2018/19
Beginning Balance July 1	\$ 1,078,923	\$ 1,099,311	\$ 1,088,017	\$ 1,092,817	\$ 1,099,973
Property Taxes	7	-	-	-	-
Investment Earnings	8,329	9,701	11,662	14,665	16,943
Transfer In, Bond Proceeds	38,250	5,350	18,150	-	-
Expenditures	26,198	26,345	25,012	7,509	25,446
Receipts Over Disbursements	20,388	(11,294)	4,800	7,156	(8,503)
Ending Balance - June 30	\$ 1,099,311	\$1,088,017	\$ 1,092,817	\$ 1,099,973	\$ 1,091,470
Assets:					
Cash / Investments	\$ 1,098,133	\$ 1,088,016	\$ 1,090,382	\$ 1,096,521	\$ 1,089,282
Receivables	1,178	1,788	2,527	3,334	2,072
Total Assets	\$ 1,099,311	\$1,089,804	\$ 1,092,909	\$ 1,099,855	\$ 1,091,354
Total Liabilities	\$ -	\$ 1,788	\$ 93	\$ 83	\$ -
Fund Balance (Restricted)	1,090,503	1,090,503	1,090,503	1,099,772	1,090,503
Fund Balance (Committed)	8,808	(2,487)	2,313	-	-
TOTAL FUND BALANCE	1,099,311	1,088,016	1,092,816	1,099,772	1,090,503
TOTAL LIABILITIES/FUND BALANCE	\$ 1,099,311	\$1,089,804	\$ 1,092,909	\$ 1,099,855	\$ 1,090,503

No Rural Improvement District Bonds were issued in FY 2019

GALLATIN COUNTY, STATE OF MONTANA
SUMMARY OF OUTSTANDING RURAL SPECIAL IMPROVEMENT DISTRICTS
June 30, 2019

Bond Issue	Original Issue	Maturity Date	Bonds Issued	Bonds Outstanding	Cash Balance	Assessments Outstanding	Delinquent Assessments
RSID 378	2001	2021	1,188,000	120,000	58,619	-	6,233
RSID 387	2005	2020	180,000	20,000	10,166	-	143
RSID 391	2006	2026	395,000	140,000	31,079	121,324	747
RSID 393	2007	2028	900,000	370,000	58,295	350,061	4,947
RSID 395	2010	2030	1,765,000	1,160,000	224,416	1,094,415	9,487
RSID 396	2010	2030	4,715,000	3,325,000	115,774	3,182,295	58,665
RSID 605	2015	2035	610,000	547,217	50,712	512,185	1,135
RSID 606	2015	2035	155,000	139,009	13,733	124,945	270
RSID 607	2016	2032	107,000	99,529	13,703	91,443	-
RSID 608	2017	2031	243,000	216,416	17,884	198,111	226
RSID 609	2017	2031	74,000	65,905	5,749	61,730	-
RSID 610	2017	2031	46,000	40,968	4,799	38,373	-
TOTAL			<u>10,378,000</u>	<u>6,244,044</u>	<u>604,930</u>	<u>5,774,882</u>	<u>81,853</u>

GALLATIN COUNTY, STATE OF MONTANA
DEMOGRAPHIC AND ECONOMIC ACTIVITY
LAST TEN FISCAL YEARS

DEMOGRAPHIC ACTIVITY

FISCAL YEAR	ESTIMATED POPULATION	BIRTHS (b)	DEATHS (b)	ESTIMATED PER CAPITA PERSONAL INCOME (e)	PERSONAL INCOME (e) (in thousands)
	(a)			(e)	
2010	89,513	1,072	482	35,174	3,152
2011	91,295	1,079	525	36,735	3,357
2012	92,506	1,117	479	35,293	3,225
2013	94,421	1,133	544	35,356	3,231
2014	97,029	1,305	504	38,079	3,480
2015	100,334	1,368	515	40,159	3,670
2016	104,072	1,391	592	40,237	3,677
2017	107,810	1,207	510	40,738	3,723
2018	111,548	1,261	566	51,220	4,680
2019	115,286	1,239	606	56,140	5,130

BUSINESS ACTIVITY

FISCAL YEAR	YELLOWSTONE PARK - RECREATION	BUILDING PERMITS (in thousands)	AIRLINE PASSENGERS (Deboardings)	ELECTRICAL CONNECTIONS	NATURAL GAS CONNECTIONS
	2010	3,640,185	101,000	362,828	617
2011	3,394,326	144,000	398,288	530	259
2012	3,447,729	159,000	433,288	747	464
2013	3,188,030	201,000	442,120	994	678
2014	3,513,484	235,000	483,832	1,263	694
2015	4,097,710	216,000	509,423	1,438	891
2016	4,257,177	222,000	553,134	1,558	962
2017	4,116,524	315,000	599,176	1,631	1,051
2018	4,115,000	345,563	671,367	1,529	852
2019	4,020,288	331,206	788,154	1,535	923

Source: irma.nps.gov

SCHOOLS

EMPLOYMENT STATISTICS

FISCAL YEAR	PUBLIC SCHOOL ENROLLMENT	PRIVATE/HOME SCHOOL ENROLLMENT	UNIVER-SITY ENROLL-MENT	EMPLOYED	UNEMPLOY-MENT RATE
	2005	10,149	1,300	12,003	45,172
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	58,128	3.00%
2016	12,635	1,731	16,440	60,568	2.80%
2017	13,073	1,856	16,703	62,443	2.80%
2018	13,431	1,854	16,902	64,429	2.70%
2019	13,745	1,853	16,766	67,205	2.70%

Source: Financial Trend Analysis page 26.

SINGLE AUDIT SECTION

GALLATIN COUNTY, STATE OF MONTANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 June 30, 2019

Federal Grantor/Pass-Through	CFDA Number	Contract Number	Federal Expenditures	Awards to Subrecipients
U.S. Department of Agriculture				
<i>Passed through the State Department of Public Health and Human Services</i>				
Special Supplement Food Program - WIC BFPC 10/01/17-09/30/18	10.557	18-07-5-21-009-0	\$ 4,550	\$ -
Special Supplement Food Program - WIC 10/01/17-09/30/18	10.557	18-07-5-21-009-0	14,833	-
Special Supplement Food Program - WIC BFPC 10/01/18-09/30/19	10.557	19-07-5-21-009-0	8,996	-
Special Supplement Food Program - WIC 10/01/18-09/30/19	10.557	19-07-5-21-009-0	261,443	-
Total Passed through the State Department of Public Health and Human Services			289,822	-
<i>Passed through the U.S. Forest Service</i>				
Western States Wildland Urban Interface - DNRC - Big Sky Fuels Mitigation	10.664	WSF-17-001	34,387	-
Western States Wildland Urban Interface - DNRC - Livingston Fuels Mitigation	10.664	WSF-17-002	18,143	-
Total Passed through the U.S. Forest Service			52,530	-
<i>Passed through the State Department of Administration</i>				
Schools and Roads - Grants to State - Forest Reserve - (Note 4)	10.665	n/a	183,540	-
Total Passed through the State Department of Administration			183,540	-
Total U.S. Department of Agriculture			525,892	-
U.S. Department of Housing and Urban Development				
<i>Passed through the State Department of Commerce</i>				
Community Development Block Grant - Gallatin Gateway Water Sewer District CDBG Grant - (Note 6)	14.228	MT-CDBG-12PF-02	300,882	277,463
Total U.S. Department of Housing and Urban Development			300,882	277,463
U.S. Department of Health and Human Services				
<i>Passed through MT DPHHS to Yellowstone City-County Health Dept/Riverstone</i>				
<i>Health to Gallatin County</i>				
Ryan White C Outpatient STD/HIV Early Intervention Services	93.917	19-07-4-51-105-0	11,841	-
Total Passed through Yellowstone City/County Health Dept/Riverstone Health			11,841	-

The notes to schedule of expenditures of federal awards are an integral part of this statement.

GALLATIN COUNTY, STATE OF MONTANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
June 30, 2019

Federal Grantor/Pass-Through	CFDA Number	Contract Number	Federal Expenditures	Awards to Subrecipients
U.S. Department of Health and Human Services (Continued)				
<i>Passed through the State Department of Public Health and Human Services:</i>				
Immunization Cooperative Agreements - Immunization Action Plan - IAP	93.268, 93.539	19-07-4-31-116-0	38,932	-
Linking Actions for Unmet Needs in Children's Health - LAUNCH - (Note 6)	93.243	1802PROS0254	215,668	144,935
Linking Actions for Unmet Needs in Children's Health - LAUNCH - (Note 6)	93.243	1902PROS0254	415,222	290,707
	93.898, 93.800,			
Montana Cancer Control Programs - MCCP	93.435	19-07-3-01-007-0	136,872	-
Maternal & Child Health Services Block Grant - MCH	93.994	19-07-5-017-0	90,966	-
Maternal, Infant & Early Childhood Home Visiting Infrastructure				
Development - MIECHV	93.87	19-07-5-41-174-0	605,128	-
Public Health Emergency Preparedness - PHEP	93.074	19-07-6-11-021-0	128,828	-
Preventative Health and Health Services Block Grant - Public Health				
System Improvement (CHIP) - (Note 5)	93.758	19-07-1-01-187-0	42	-
Preventative Health and Health Services Block Grant - Public Health				
System Improvement (PHSI/Promotoras) - (Note 5)	93.758	18-07-1-01-175-0	12,098	-
Total Passed through the State Department of Public Health and Human Services			1,643,756	435,641
Total U.S. Department of Public Health and Human Services			1,655,597	435,641
U.S. Department of Homeland Security				
<i>Passed through the Montana Disaster & Emergency Services</i>				
Homeland Security Grant Program - Situational Analyst Montana Project	97.067	EMW-2018-SS-00021	69,874	-
Federal Emergency Management Agency (FEMA) - Hazard Mitigation Plan	97.047	PDMC-PL-08-MT-2016-001	1,029	-
Emergency Management Performance Grant - Emergency Services	97.042	EMD-2018-EP-00005-S01	98,485	-
Emergency Management Performance Grant - Reverted Funds	97.042	EMD-2017-EP-00003	45,000	-
Passed through the Montana Disaster & Emergency Services			214,388	-
Total U.S. Department of Homeland Security			214,388	-

The notes to schedule of expenditures of federal awards are an integral part of this statement.

GALLATIN COUNTY, STATE OF MONTANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
June 30, 2019

Federal Grantor/Pass-Through	CFDA Number	Contract Number	Federal Expenditures	Awards to Subrecipients
U.S. Department of Justice				
<i>Direct Programs:</i>				
COPS I Hiring Grant	16.71	DIRECT	116,940	-
COPS II Hiring Grant	16.71	DIRECT	52,476	-
Total direct programs			<u>169,416</u>	<u>-</u>
<i>Passed through the State Department of Justice - Montana Board of Crime Control:</i>				
CIT Coordinator Program	16.745	16-CP01-92032	3,153	-
Operation Freedom from Fear	16.588	18-W02-92252	113,000	-
Crime Victim Assistance	16.575	16-V88-92065	197,326	-
Operation Freedom from Fear (VOCA Non-Compete Grant)	16.575	18-V44-92298	8,314	-
Operation Freedom from Fear (VOCA Equipment Award)	16.575	15-V44-92298	6,949	-
Edward Byrne Memorial Justice Assistance Grant - Missouri River Drug Task Force - (Note 6)	16.738	17-G01-92318	218,594	160,101
Total Passed through the State Department of Justice - Montana Board of Crime Control			<u>547,336</u>	<u>160,101</u>
Total U.S. Department of Justice			<u>716,752</u>	<u>160,101</u>
U.S. Department of Transportation				
<i>Passed through the State Department of Transportation:</i>				
Montana Department of Transportation - Highway Traffic Safety STEP Overtime	20.600, 20.616,			
	20.608	109550	3,597	-
Montana Department of Transportation - Highway Traffic Safety STEP Overtime	20.600, 20.616	110126	8,606	-
Total Passed through the State Department of Transportation			<u>12,203</u>	<u>-</u>
<i>Direct Programs:</i>				
Federal Aviation Administration - Pogreba Airport Airfield Pavement & Electrical Rehabilitation	20.106	DIRECT	17,703	-
Total direct programs			<u>17,703</u>	<u>-</u>
Total U.S. Department of Transportation			<u>29,906</u>	<u>-</u>
Total Federal Assistance			<u>\$ 3,443,417</u>	<u>\$ 873,205</u>

The notes to schedule of expenditures of federal awards are an integral part of this statement.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2019

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, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. SCHOOLS AND ROADS - FOREST RESERVE

\$183,540 was reported in the Road Fund and represents 66 2/3 percent of the total amount of \$275,310 received by the County. The remaining \$91,770, which represents 33 1/3 percent, was distributed directly to the countywide school levy funds as required by state statute.

NOTE 5. PREVENTATIVE HEALTH AND HEALTH SERVICES BLOCK GRANT - PUBLIC HEALTH SYSTEM IMPROVEMENT (CHIP)

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

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
June 30, 2019

NOTE 6. SUBRECIPIENTS

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

Program	CDFA	Subrecipient	Amount
LAUNCH FFY18 1802PROS0254	93.243	Child Care Connections, Inc.	\$ 39,861
LAUNCH FFY18 1802PROS0254	93.243	Community Health Partners	20,197
LAUNCH FFY18 1802PROS0254	93.243	Greater Gallatin United Way	26,525
LAUNCH FFY18 1802PROS0254	93.243	Park County Community Foundation	14,431
LAUNCH FFY18 1802PROS0254	93.243	Thrive	15,491
LAUNCH FFY18 1802PROS0254	93.243	Bozeman Health Foundation	28,430
LAUNCH FFY19 1902PROS0254	93.243	Child Care Connections, Inc.	89,706
LAUNCH FFY19 1902PROS0254	93.243	Community Health Partners	47,684
LAUNCH FFY19 1902PROS0254	93.243	Greater Gallatin United Way	20,750
LAUNCH FFY19 1902PROS0254	93.243	Thrive	56,856
LAUNCH FFY19 1902PROS0254	93.243	Park County Community Foundation	4,300
LAUNCH FFY19 1902PROS0254	93.243	Bozeman Health Foundation	71,410
Total LAUNCH program payments to subrecipients			<u>435,641</u>
DOJ Edward Byrne Memorial - Missouri River Drug Task Force	16.738	City of Bozeman	67,683
DOJ Edward Byrne Memorial - Missouri River Drug Task Force	16.738	City of Helena	27,676
DOJ Edward Byrne Memorial - Missouri River Drug Task Force	16.738	Lewis & Clark County SO	37,108
DOJ Edward Byrne Memorial - Missouri River Drug Task Force	16.738	Park County SO	27,634
Total DOJ Edward Byrne Memorial - Missouri River Drug Task Force program payments to subrecipients			<u>160,101</u>
Community Development Block Grant (CDBG)	14.228	Gallatin Gateway Water Sewer District	277,463
Total payments to subrecipients on CDBG program			<u>277,463</u>
Total payments to subrecipients			<u>\$ 873,205</u>

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 were engaged to 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, 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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon as of July 28, 2021. Our report disclaims an opinion on such financial statements because we were unable to satisfy ourselves by other accounting procedures concerning cash balances.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as findings #2019-001 and #2019-002, which we consider to be material weaknesses.

Compliance and Other Matters

In connection with our engagement to audit the financial statements of the County, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items #2019-003. Additionally, if the scope of our work had been sufficient to enable us to express opinions on the basic financial statements, other instances of noncompliance or other matters may have been identified and reported herein.

Gallatin County's Response to Findings

The County's response to the findings identified in our engagement 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 engagement to audit 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 Zurmuehlen + Co, P.C.

Bozeman, Montana
July 28, 2021

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, 2019. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each 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, 2019.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item #2019-003. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance 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.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-003 that we consider to be a material weakness.

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 Zurmuehlen + Co, P.C.

Bozeman, Montana
July 28, 2021

GALLATIN COUNTY, STATE OF MONTANA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Fiscal Year Ended June 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Disclaimer
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?	Yes

Federal Awards

Internal control over major programs:	
Material weakness identified?	Yes
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)	Yes

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 (LAUNCH)
#93.870	Maternal, Infant, and Early Childhood Home Visiting Grant (MIECHV)

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	No
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GALLATIN COUNTY, STATE OF MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Fiscal Year Ended June 30, 2019

Section II – Financial Statement Findings

#2019-001 *Cash Reconciliation*

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

Condition: The County’s processes and systems for recording cash transactions are insufficient to ensure timely and accurate reconciling of cash transactions. The County was unable to reconcile its cash balances between the Treasurer’s office and the general ledger accounting records.

Context: The County has six deposit accounts in local banks, with balances totaling approximately \$21 million as of June 30, 2019.

Effect: Cash balances between the Treasurer’s office and general ledger accounting records were unable to be reconciled as of June 30, 2019.

Cause: The County utilizes software to record cash receipts. This software is not utilized for reconciling cash balances. The County also enters all cash receipts into spreadsheets used to summarize cash position. The extensive use of spreadsheets in an entity’s financial reporting process and control structure increases the risk of manual errors. Spreadsheets can be modified, may contain formula errors, lack an audit trail, and may not have adequate access controls. The process to ensure completeness of cash transactions is insufficient to meet the reporting objectives for cash. High volume, reliance on spreadsheets, complexity of transactions, existing systems, and heavy workload all contributed to difficulties in reconciling the cash balances between the Treasurer’s office and the general ledger accounting records in a timely manner. In addition, the County converted its general ledger software in October 2019, which may be part of the problem.

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

GALLATIN COUNTY, STATE OF MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Fiscal Year Ended June 30, 2019

Section II – Financial Statement Findings (Continued)

#2019-002 *Financial Reporting*

Criteria: The financial statements should be complete and accurate in all material aspects. Montana Code Annotated (MCA) 7-6-611 requires that the audit report be submitted to the Local Government Services Bureau within 12 months of the end of the audited period.

Condition: There was one material adjustment related to the accrual of payroll for the pay period ended June 30, 2019, which was paid on July 15, 2019. The payroll was treated as if it had been paid as of June 30, 2019 in the general ledger. The audit report was not completed until approximately 24 months after the end of the audited period.

Context: The entire payroll for the pay period ended June 30, 2019 was not accrued in the accounting system. The late audit applies to the entire set of financial statements.

Effect: Cash and accrued payroll payable were understated by \$1,203,804 across all of the funds. The late audit submissions caused the County to be out of compliance with MCA 2-7-503 and MCA 7-6-611.

Cause: The County's conversion to its new accounting system caused delays in being able to complete the audit in a timely manner and created errors in the payroll accounting process. The finding identified above (#2019-001) related to the reconciliation of cash also caused the filing of the late audit submission.

Recommendation: We recommend that the County implement procedures to ensure that the general ledger is complete and accurate through proper review and reconciliation of year-end journal entries and account balances. We also recommend that year-end audit documentation be reviewed and reconciled to the general ledger prior to being submitted to the auditors. These procedures should make it so that the audit report is able to be submitted within the 12 month deadline.

GALLATIN COUNTY, STATE OF MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Fiscal Year Ended June 30, 2019

Section III – Federal Awards Findings

#2019-003 *Late Submission of the Single Audit Reporting Package and Data Collection Form to the Federal Audit Clearinghouse (“FAC”)*

Criteria: Under Uniform Guidance (2 CFR section 200.512), the single audit reporting package and data collection form should be submitted to the FAC thirty days after receipt of the auditor’s report, or 9 months after the end of the fiscal year, whichever comes first.

Condition: Submission of the single audit reporting package and data collection form was not performed within the timeframe required under the Uniform Guidance. Major programs affected by the late filing are as follows:

United States Department of Agriculture passed through Montana State Department of Administration: #10.665 – Schools and Roads – Grants to States (the County’s award date is April 1, 2019);

United States Department of Health and Human Services (HHS) passed through the Montana State Department of Public Health and Human Services: #93.243 – Substance Abuse and Mental Health Services – Projects of Regional and National Significance (LAUNCH) (the County’s award dates are December 15, 2017 and October 9, 2018); and

United States Department of Health and Human Services (HHS) passed through the Montana State Department of Public Health and Human Services: #93.870 – Maternal, Infant, and Early Childhood Home Visiting Grant (MIECHV) (the County’s award date is May 29, 2019).

Context: The audit report was not completed until approximately 24 months after the end of the audited period, causing a late submission of the single audit reporting package and data collection form. We noted that the single audit reporting package and data collection form for the fiscal year ended June 30, 2019 is expected to be submitted to the FAC in July 2021.

Effect: Late filing will result in noncompliance for timely submission of financial information to granting agencies.

Cause: Management did not have adequate procedures in place to ensure the timely filing of the single audit reporting package and data collection form to the FAC

GALLATIN COUNTY, STATE OF MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Fiscal Year Ended June 30, 2019

Section III – Federal Awards Findings (Continued)

#2019-003 *Late Submission of the Single Audit Reporting Package and Data Collection Form to the Federal Audit Clearinghouse (“FAC”) (Continued)*

Recommendation: We recommend that the County implement procedures to ensure that the general ledger is complete and accurate through proper review and reconciliation of year-end journal entries and account balances. We also recommend that year-end audit documentation be reviewed and reconciled to the general ledger prior to being submitted to the auditors. These procedures should make it so that the single audit reporting package and data collection form is able to be submitted in a timely manner.

Section IV – Gallatin County’s Response to Findings

#2019-001 *Cash Reconciliation*

Response: Gallatin County transitioned to new financial accounting software in November of 2018. One of the benefits of the new software is the cash reconciliation functionality within the system. Unfortunately, implementation issues between the Treasurer’s Office software and the new accounting software restricted the ability to use that functionality. On May 4, 2021, the Board of Commissioners passed resolution 2021-050 delegating the financial duties of the Treasurer’s Office to the Board of Commissioners. Those duties were subsequently assigned to the Finance Department. This transition will move transactions into the new financial accounting software, allowing Gallatin County to take advantage of the functionality and allow for completion of reconciliations in a timely manner with limited reliance on spreadsheets. The transition of duties also decreases the workload on the Treasurer’s Office allowing them to focus on tax billing and collections. Three additional staff have been authorized for the Finance Department to handle the financial duties.

The transition to new financial accounting software was a further complication to reconciling cash. Gallatin County has hired an independent forensic auditor to investigate the source of the cash reconciliation error. When the source of the error is discovered, we will reissue the FY 2019 audit.

GALLATIN COUNTY, STATE OF MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Fiscal Year Ended June 30, 2019

Section IV – Gallatin County’s Response to Findings (Continued)

#2019-002 *Financial Reporting*

Response: Gallatin County is committed to excellence in financial reporting. The transition to new financial accounting software in November 2018 was part of that commitment and was intended to move our financial practices and procedures forward. While this was accomplished in several ways, the implementation issues experienced were far more disruptive than ever anticipated. The largest impact was on our ability to integrate the Treasurer’s Office system with the new software. This limited functionality in both systems, forced manual completion of previously automated processes and increased workloads in both the Treasurer’s Office and the Finance Department until the integration issues could be resolved. Through commitment from both teams, solution have been found to resolve the integration issue and are in the final stages of implementation.

With the implementation issues largely resolved, Gallatin County is now working towards meeting deadlines for financial reporting. While this will not be possible for the annual financial report for FY 2020, it is anticipated that FY 2021 will be issued on time.

#2019-003 *Late Submission of the Single Audit Reporting Package and Data Collection Form to the Federal Audit Clearinghouse (“FAC”)*

Response: The financial accounting software transition did not affect our ability to track and reconcile grants in any significant way. The single audit section of the annual financial report was the first area that was completed and ready for review by our external auditors. Unfortunately, the delays in completing the remainder of the annual financial report impacted our ability to submit the single audit reporting package and data collection form to the Federal Audit Clearinghouse.

GALLATIN COUNTY, STATE OF MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Fiscal Year Ended June 30, 2019

Section V – Status of Prior Audit Finding

#2018-001 *Cash Reconciliation*

Summary: The County’s processes and systems for recording cash transactions were insufficient to ensure timely and accurate reconciling of cash transactions. Cash balances between the Treasurer’s office and the general ledger accounting records were not reconciled until eight months after year-end, which is not considered timely for detecting errors. We recommend that the County review the functionality of its cash receipts software to determine if it is sufficient to support the financial reporting objectives related to cash. The system for recording and reconciling cash should be reviewed for efficiency to ensure that transactions can be recorded timely, and reviewed for completeness at the end of the reporting period.

Status: See current year finding #2019-001.