The City and County of
Butte-Silver Bow, State of Montana

Comprehensive Annual Financial Report
for the Year Ended June 30, 2016

City and County of Butte-Silver Bow,
State of Montana

Comprehensive Annual Financial Report
For Fiscal Year Ended June 30, 2016

Prepared by:
Office of Finance and Budget Administration

BUTTE-SILVER BOW

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City and County of Butte-Silver Bow
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016

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Introductory

Section

BUTTE-SILVER BOW

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Office of Finance and Budget Administration
City-County of Butte-Silver Bow, Montana
155 West Granite Street
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December 30, 2016

To the Honorable Chief Executive, Council of Commissioners, and the Citizens of the City-County of Butte-Silver Bow, Montana:

The Comprehensive Annual Financial Report of the City-County of Butte-Silver Bow, Montana, for the fiscal year ended June 30, 2016, is hereby submitted. State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the City-County of Butte-Silver Bow, Montana local government. 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, management of the Butte-Silver Bow Government has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Butte-Silver Bow Government's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Butte-Silver Bow Government's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City-County's financial statements have been audited by Newland and Company, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City-County of Butte-Silver Bow for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City-County of Butte-Silver Bow's financial statements for the fiscal year ended June 30, 2016, are fairly presented in

conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City-County of Butte-Silver Bow was part of a broader, federally uniform administrative requirements, cost principles, and audit requirements for federal awards (Uniform Guidance) to meet the special requirements of federal grantor agencies. The standards governing Uniform Guidance engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The single audit section, in conformity with Government Auditing Standards and the uniform guidance from the Office of Management and Budget's Super-Circular 2 CFR Part 200, Uniform Administrative Requirements, includes a schedule of federal financial assistance, the independent auditor's report on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs.

GAAP requires that management 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 MD&A and should be read in conjunction with it. The Butte-Silver Bow Government's MD&A can be found immediately following the report of the independent auditors.

CITY-COUNTY OF BUTTE-SILVER BOW PROFILE

The City-County of Butte-Silver Bow is located in southwestern Montana atop the Continental Divide at an elevation of 5,530 feet above sea level. Butte is the county seat of Silver Bow County, the smallest in area of Montana's 56 counties. Silver-Bow County is ranked eighth in total population and second in population density, with 48 persons per square mile. The city is ranked fifth by population within the city boundaries. Butte-Silver Bow encompasses 718 square miles and has a population of 34,606 as estimated by the U.S. Bureau of the Census, July 2015.

The city of Butte was incorporated on April 7, 1879. In November, 1976, the voters of Silver Bow County inclusive of the voters of Butte, but excluding the Town of Walkerville, approved a new charter for a consolidated City-County form of government. The charter became effective May 2, 1977. It provides for a Chief Executive Officer and a twelve member Council of Commissioners. The Chief Executive is elected at large for a four-year term and is responsible for carrying out Council policies and administering the offices of the local government. One of the chief duties of the Chief Executive is to recommend the preliminary annual operating budget to the Council of Commissioners for their approval. In addition to the Chief Executive, the executive branch of Butte-Silver Bow is comprised of all other elected officials with the exception of the Council of Commissioners.

Butte-Silver Bow is divided into twelve districts with one commissioner elected from each district for a four-year term. The terms of the commissioners are staggered with at least 6 commission seats elected every two years. The twelve commissioners constitute the Legislative Branch of Butte-Silver Bow. Per the National Association of Counties, www.naco.org, there are currently 34 city-county consolidated governments across the United States. The City-County first consolidated to address the many financial challenges faced by government. The Management, Elected Officials, and employees of the City-County continue toward assuring that cost savings, while offering increased efficiency and accountability, are being achieved by the consolidated form of government.

The government provides a wide range of services including police and fire protection, water utility and metro sewer treatment and maintenance, solid waste disposal, building and code enforcement, zoning enforcement, planning, animal control, construction and maintenance of roads and streets and other infrastructure, recreational activities, cultural and recreational opportunities, health and community enrichment, superfund and remedial activities, and general administrative services. Water, sewer and solid waste services are provided through separate departments of the City-County and therefore are included as integral parts of the City-County's financial statements. The City-County, as a primary government, is supported or works closely with certain entities to provide these services to the citizens of Butte-Silver Bow. Of these entities, the Port Authority is considered a component unit subject to the requirements for inclusion as a discretely presented component unit.

BUDGET DEVELOPMENT PROCESS

The budget of the City-County of Butte-Silver Bow serves several different purposes. For the citizens of the City and County, it presents a picture of the city-county government operations and intentions for the year. For the Council of Commissioners, it serves as a policy tool and structure for goals and objectives. For the management, of Butte-Silver Bow it is used as an operating guide and budget control tool. All departments of Butte-Silver Bow are required to submit preliminary annual operating budgets including performance measures and goals and objectives to the Chief Executive by the end of February of each year. The Chief Executive recommends an Executive Budget to the Council by the first week in July and the Council adopts the preliminary operating budget by the end of July. Many public hearings, presentations, and work sessions are held throughout the budget process in order to gather public participation and input. These meetings allow for the Chief Executive, Finance & Budget Director, and department staff to review the budget recommendations and offer justification for the requests. After the adoption of the preliminary budget, the Council of Commissioners initiates the formal public hearing process on the adoption of the final budget. The hearing may be continued from day to day, but must be concluded and the budget finally approved and adopted by resolution by the later on the first Thursday in August or within 30 calendar days of receiving certified taxable values from the State of Montana Department of Revenue.

The appropriated budget is prepared by fund, function and department. Budgetary control is maintained with the encumbrance of approved estimated purchase amounts prior to release to vendors. All unexpended appropriations lapse at fiscal year-end.

Beginning with fiscal year 2015, the budget process included a performance budget mechanism. Performance budget preparation and adoption emphasize the performance management, allowing decisions about allocations of resources to be made, in part, on the efficiency and the effectiveness of service delivery. Performance budgeting occurs when management uses data derived from performance measurement systems to support decisions encompassing the budgets. In the future, with the use of these tools, the annual budget process timeline will include the adoption of the budget prior to the start of the fiscal year or shortly thereafter. The overall goal of the City-County financial policy is to establish and maintain effective management of its financial resources.

The City-County has a five year capital improvement plan. Each budget cycle, the Chief Executive makes recommendations on capital expenditures to the Council of Commissioners. These recommendation are based on the on the five year capital improvement plan. Prior to making these recommendations the Chief Executive, Finance and Budget Director, and Department heads review and make improvements or adjustment to the CIP for the annual expenditures based on finances and priorities of the Department.

The local government budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriation has been made. For the general fund and major special revenue funds, this comparison is presented on pages 54-57. For governmental funds, other than the general fund and the major special revenue funds, this comparison is presented in the supplementary information section for governmental funds of this report, which starts on page 178.

The mission of the Finance and Budget Office is to ensure that the city and county's financial resources are protected through sound financial management including allocation of resources consistent with community goals and providing timely, accurate, and reliable information that will assist in making informed decisions.

ECONOMIC CONDITIONS AND OUTLOOK

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Butte-Silver Bow Government operates.

Local economy

The Butte-Silver Bow economy has historically been based on mining and mineral extraction and the industries spawned by these activities. However, the economy has diversified over the years and, in the past few years, has experienced some significant changes. Butte-Silver Bow serves as the regional trade center for southwestern Montana and is unique from a transportation infrastructure standpoint in that it is the only location in the state that is at the intersection of the interstate highway system (I-90 and I-15) and is the only area in the state that is served by two railroads, the Union Pacific and Burlington Northern & Santa Fe.

NorthWestern Energy, a leading energy company in the area, continues to play a vital role as a major employer with over 500 employees in the Butte area. The company operates its Montana headquarters out of Butte. It also operates the Data and Customer Contact Center, its Grid Operations Control Center, the Butte and Southwest Montana Division Office, Relay Station, and other facilities in Butte. In January, 2016 NorthWestern Energy employees moved into the new $25 million corporate general office building in uptown Butte. With the construction of the building, NorthWestern Energy management announced that Butte will continue to serve as the company's Montana headquarters.

Montana Resources (MR), Inc, one of the Washington Companies, has operated the Butte mine since 1985, continuing the mining tradition. MR is a major employer and corporate taxpayer in Butte-Silver Bow, operates a large open pit copper and molybdenum mine in Butte-Silver Bow and currently employees 350 people. The gross proceeds tax and other related property taxes generated from the mine operations represent an estimated 18%-20% of the market value of property in the city-county. The operations are comprised of the Continental mine, crushers and a concentrator facility where tons of raw ore are processed into high quality metal concentrates. The gross proceeds tax, generated from mining, heavily influences the tax base of the local government. This tax is driven by the price of the commodities mined at this operation. There was a 3.9% increase in the assessed value for gross proceeds between fiscal year 2015 and fiscal year 2016.

Montana Tech of the University of Montana has two campus locations in the city-county. The north campus serves the as the location for the undergraduate and graduate programs. It has earned a reputation as one of the finest science, engineering, and technical colleges in the world. Students focus on education and research in minerals, energy engineering, natural science, the environment, technology, nursing, liberal studies, technical communication, and business-economic development. The south campus is home of the Highlands College of Montana Tech. Highlands College serves the region by offering associate degrees and certificate programs, continuing education, and customized training. Montana Tech of the University of Montana continues to show growth in the number of students enrolled and continues to add staffing to cover the additional degrees and programs offered at the University and Highlands College. Placement rates for Tech graduates have averaged 97 percent for the past five years. Since its founding in 1900, Montana Tech has been a key pillar of the community.

In August, the Bert Mooney Airport Authority held a groundbreaking on a new 27,000 square foot terminal and runway infrastructure upgrade. The cost of the project is estimated to be $13 million. The City-County contributed $1 million from the Hard Rock Trust funds to this project.

Additional new construction in the City and County of Butte-Silver Bow consists of the extensive renovation of Fairmont Hot Springs Resort in 2015-2016, the new Fairfield Inn Motel to open in 2017, and over $8 million in renovation and new construction to be completed at the former Copper King Inn Hotel and Convention Center to be completed in the spring of 2017. In July, 2016, Montana Precision Products, an industrial and aerospace-parts manufacturer located west of Butte in the Ramsay TIFID, announced intentions to grow by 80 to 100 employees by 2020. The Ramsay TIFID (Montana Connection Business Development Park) also added two new manufacturers. SepticNET and Blacklock Block Manufacturing are located in a new 12,000 square-foot manufacturing complex. SepticNet, established in 2006, has two patents involving decreasing nitrate levels in septic systems. Blacklock Block manufactures concrete blocks and decorative pavers. In November, 2016, an 84-room Fairfield Inn & Suites opened in midtown of the Butte. Also during 2016, construction has begun on a remodel of the Copper King Hotel and Convention Center, which will include a chain restaurant. The projected is anticipated to cost over $8 million with the expectations of bringing back the 50 jobs lost from the closure.

The City and County of Butte-Silver also has many major projects under construction. These projects make significant contributions to the economy of the community. The $34 million Waste Water Treatment Plant improvements will be completed by October, 2016; $30 million Basin Creek Water Filtration Plant (funded by the State of Montana Department of Natural Resource & Conservation) will be completed in 2017; construction on a $7.4 million parking facility began in August, 2016; and construction on a $7.2 million pool will begin in the spring of 2017.

Additional Economic Information

The Bureau of Business and Economic Research (BBER) is the research and public service branch of the University of Montana's School of Business Administration. The Bureau is regularly involved in a wide variety of activities, including economic analysis and forecasting. Excerpts from the Bureau's forecasts contained in the spring 2016 issue of the Montana Business Quarterly relating to Silver Bow County are restated below.

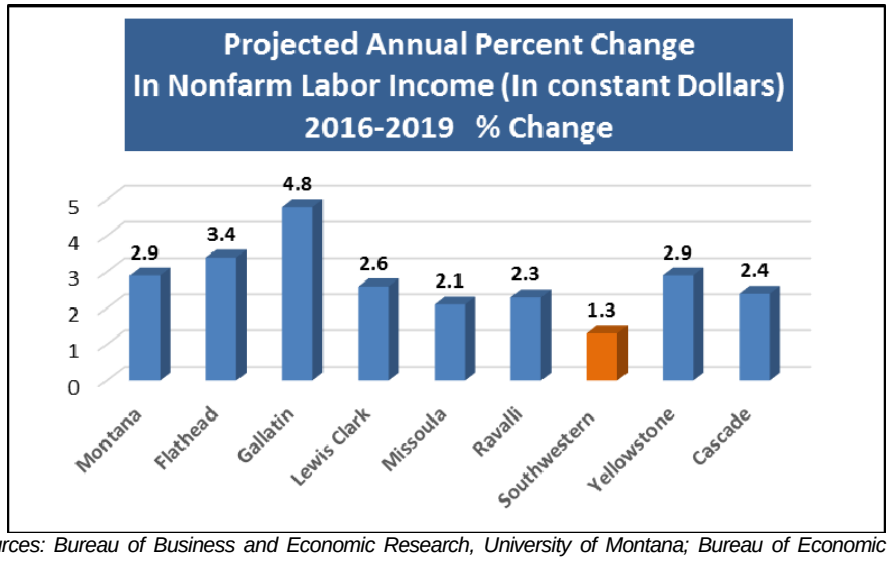
The economies of Butte and Anaconda have long been intertwined. Copper used to be the connecting link; it was mined in Silver Bow County and refined in Deer Lodge County. But now the connection is workers. Each day about 700 people travel from Deer Lodge County to a job in Silver Bow County. In addition, there is the reverse flow of about 450 workers who live in Silver Bow County but work in Deer Lodge County.

The Silver Bow-Deer Lodge economy also provides jobs to others living in southwestern Montana. Every day, almost 400 commute from Jefferson County, roughly 350 travel from Beaverhead County, around 300 come from Powell County and about 160 from Madison County.

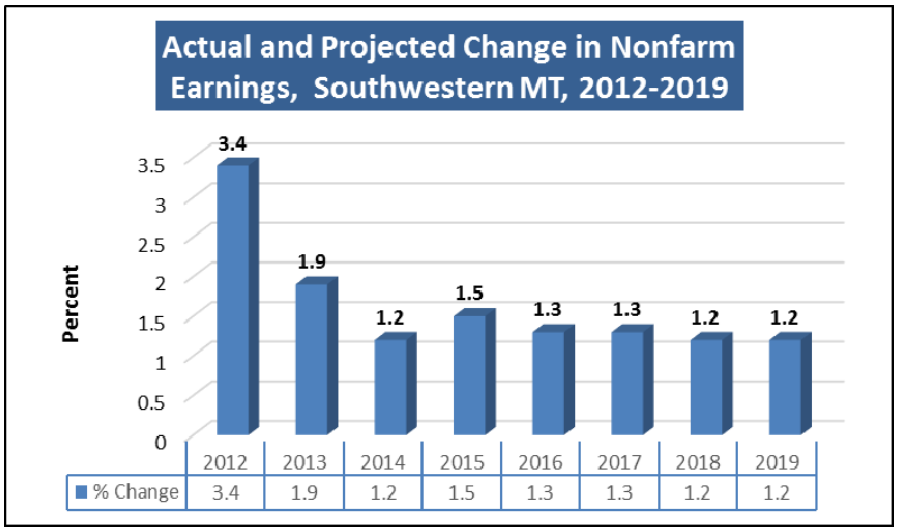
The largest basic industry is mining, accounting for roughly 23 percent of the local economic base. State government is second at 22 percent; it includes Montana Tech in Butte and the state hospital at Warm Springs. The utility industry represents about 13 percent of the economic base and mostly consists of the headquarters of Northwestern Energy with selected manufacturing representing about 10%. Manufacturing is on the rise in Silver Bow County with seven percent of the local economic base coming from this sector.

The state government and utility industries are traditionally relatively stable and help to buffer volatility in other basic industries. The bright spots around Montana and true for Silver Bow County is manufacturing, tourism, and health care. Locally, mining employment has remained stable since the mid-2000s, but worker earnings may be reflective of the bonuses paid (or not paid) depending on world metals prices. Non-farm Earnings grew by 1.50% in 2015 and is projected to grow by 1.3 percent in 2016 and 2017.

Future growth rates in the Silver Bow-Deer Lodge economy depend on the price of copper and other commodities. The bureau indicated that a forecast of roughly 2.2 to 2.5 percent growth from 2014 to 2017 may be optimistic because of the commodity markets.



Sources: Bureau of Business and Economic Research, University of Montana; Bureau of Economic Analysis, U.S. Department of Commerce



Sources: Bureau of Business and Economic Research, University of Montana; Bureau of Economic Analysis, U.S. Department of Commerce (Years 2012-2015 are actual numbers and Years 2016-2019 are projected)

CONTINUED PROJECTS AND SIGNIFICANT CHANGES DURING FISCAL YEAR 2016

Continued construction

Many projects initially commenced in fiscal year 2015 and construction continued during fiscal year 2016. Those projects include the following:

Water Utility Division Basin Creek Filtration Plant Project

Maintenance and expansion of the community's general infrastructure also remains a significant focal point for the government. Major projects are accomplished on a continual basis to upgrade and improve the community's water system and sanitary and storm sewer systems. On December 5, 2014, Butte-Silver Bow broke ground on the Basin Creek Water Treatment Plant project. The treatment plant is being constructed in response to Butte-Silver Bow's loss of a filtration waiver on one of the major watersheds for the area. Once completed, the new plant will offer state of the art treatment technology utilizing membrane filtration methods. The project, estimated to total over $35 million, is being funded by the State of Montana Natural Resource Damage Program grant funds. Completion is slated to occur in March, 2017.

Metro Sewer Plant upgrade

In fiscal year 2015, Butte-Silver Bow also broke ground on the Metro Sewer Phase 2 MBR Project. This upgrade entails installing membrane bioreactor technology to achieve new discharge standards which ensure the health of Silver Bow Creek. Some of the plant upgrades and buildings were functional in fiscal year 2016. The grand opening for the facility was held in September, 2016. This $35 million project is being funded by $30.268 million

in revenue bonds issued through the Montana State Revolving Fund (SRF) and a $4.36 million grant from the Montana Department of Environmental Quality, Montana Pole Settlement Account. All bonds will be for a period of 25 years with a fixed rate of 2.50 percent. In October, 2014 and May, 2015 the City-County issued $10 million in bonds for the project. The final bonds $10.268 million in bonds were issued in February, 2016.

American Legion Baseball Field

In March of 2015, the City and County of Butte-Silver Bow received $1,000,000 from the Dennis and Phyllis Washington Foundation and Montana Resources (MR), $50,000 from the Butte American Legion, and $25,000 from NorthWestern Energy to begin construction on the $2 million Legion Baseball facility to be located at the Copper Mountain Park. Construction began in May, 2015. Construction continued during fiscal year 2016. This facility will be used will be ready for play in May 2017. It will be one of the states' most prestigious Legion Baseball fields

Community and Economic Development

Butte-Silver Bow will continue community enhancement by leveraging state and federal funds in the areas of: (1) Housing and Neighborhood Rehabilitation, (2) Public Facilities, and (3) Economic Development. The City-County will continued the $1 million Neighborhood Stabilization Program in cooperation with the National Affordable Housing Network.

Public Works – Road

Road and bridge systems continue to be one the highest priorities of the local government. Additional program and tax funds were diverted to the Road Department in fiscal year 2016 to allow for another $600,000 to be allocated for road improvements.

Continued work on Transparency and Engaging Citizen Participation in Budget Process

The local government's goal to increase transparency and accountability continued to be a goal for fiscal year 2016. The Chief Executive, Finance & Budget Director, Commissioners, and Department Heads held several public forums to gather citizen input on the budget and to explain the current budget projections. The forums also included the priorities of the Chief Executive and the Council of Commissioners. Justification was given for the budget requests and public comment was encouraged. The local government also conducted an on-line survey to gain feedback on the budget priorities. The goal of the City-County is to continue to welcome community involvement. During the fiscal year 2016 budget process, $75,000 was allocated to enable living streaming of Council meetings or ability to view at a later date. This projected was completed in the fall of 2016

Significant Changes during fiscal year 2016

The Montana Property Tax System

Property taxes constitute a large source of revenue for City-County general fund purposes. Property taxes constitute approximately 46% of the City-County's general fund budget. As a general rule, all real and personal property in the State of Montana is subject to taxation by the State and its counties, municipalities and other political subdivisions. This rule is subject to exceptions in the case of specified classes of exempt property. Property is classified according to its use and character and different classes of property are taxed at different percentages of their market valuation. Property valuations are based on comprehensive appraisals of all taxable property performed by the Department of Revenue. The 2015 Legislature of Montana enacted new laws which made several changes to the reappraisal process and the tax rates applied to several classes of property. Prior to January 1, 2015, Class Three, Four and Ten property was reappraised every six years and all other property was reappraised annually. Senate Bill 157 ("SB 157"), adopted by the 2015 Legislature, changed the reappraisal process for Class Three and Four property to a two-year cycle, changed certain tax rates, and eliminated certain exemptions utilized under prior law. Class Ten property remains on a six-year reappraisal cycle. The next reappraisal for Class Three and Four property will have an effective date of January 1, 2017 for the 2017/18 and 2018/19 fiscal years (tax years 2017 and 2018). Class Ten property remains on a six-year reappraisal cycle with any increases in market value phased-in at a rate of 16.66% per year for six years until commencement of the next six-year period (commencing January 1, 2021). The DOR is required to appraise all other classes of property annually. Among the goals of SB 157 were to simplify the State's property tax system and to set tax rates for Classes Three, Four and Ten property so that the overall taxable value for these types of properties stays the same on a statewide basis. The gap in reappraisal did not capture the shifts in actual market conditions. It was determined that the six-year gap caused shifts in market value and did not level out the property taxes collected by local governments. The laws enacted significantly reduced tax rates, but eliminated exemptions, which were previously applied to the market value before the tax rate. In fiscal year 2015, the Commercial tax rate was 2.47% and 21.50% exemption and the real property tax rate was 2.47% and 47% exemption. In fiscal years 2016 and 2017, the tax rate for commercial property is 1.89% and the tax rate for real property is 1.35%.

The State Legislature meets on a biennial basis, with the next session commencing in January 2017. Changes to the State's assessment schedule, tax classifications, exemptions and tax rates may be enacted during the legislative session.

Passage of $7.2 million General Obligation Bond-Pool Project

At an election duly called and held on June 7, 2016, the electors of the City-County authorized the City-County to issue and sell $7,200,000 principal amount of general obligation bonds (the "Bonds") for the purpose of paying all or a portion of the costs of constructing and renovating an aquatics and recreation complex at the Stodden Park in the City-County (the "2016 Project") and paying costs associated with the sale and issuance of the Bonds. The bonds were issued and sold in December, 2016. The rating completed by S&P Global Rating raised the underlying rating (SPUR) from "A+" to "AA-"while affirming the stable outlook.

Information Technology

During fiscal year 2016, the City-County allocated approximately $1 million in capital and an additional staffing to the Information Technology Department. This was the first major allocation made to the Department in over 20 years. These funds are to be used in Phase I of the plan to revamp technology within the local government. During fiscal year 2016, upgrades to core network completed, additional staffing was hired, and data room was moved to more conducive environment, secured environment. The local government also began the process of updating security and looking at options to better serve the staff and the community.

LONG-TERM FINANCIAL PLANNING AND FUTURE PROJECTS

The construction and maintenance of the community's infrastructure and the provision of essential governmental services necessary to provide a favorable business environment are both short-term and long-term goals of the local government. Butte-Silver Bow also aggressively pursues economic development opportunities using a wide variety of tools and incentives making our community an attractive place in which to conduct business.

The government has established several tax increment districts, both commercial and industrial, to provide a financing vehicle to construct public infrastructure, beneficial for commercial and industrial projects.

Road and Street Improvements

Streets and roads have been identified as the most needed infrastructure within Butte-Silver Bow by the citizens, Council of Commissioners, and Chief Executive. The fiscal year 2016 budget contained an additional $600,000 for road paving and chip sealing, $130,000 for bike lanes and restriping of streets, and $200,000 in a Federal Lands Access Program (FLAP) grant to study and design road improvements on the Moulton Reservoir Road
Also, during fiscal year 2016, the City-County joined the Montana Infrastructure Coalition as a voting member. The goal of the Coalition is to help drive constructive dialogue in Montana about the importance of investment in public infrastructure. The Coalition is working on developing funding and financing options for infrastructure investment to meet ongoing construction and maintenance needs, to meet increasing health and safety standards, and to accommodate growth.

***Building Restoration and Preservation*:**

The City-County will continue efforts in the restoration and preservation of local government facilities. These projects reconstruction of the retaining wall and courtyard improvements at the Courthouse. In the fiscal year 2017 budget, $300,000 was allocated to begin a study and analysis of the needed improvements of the larger facilities owned by the City-County with major focus on the Courthouse.

Urban Renewal District #2 Parking Structure

In uptown Butte, the URA (Urban Revitalization Agency) and RRA (Renovation Rehabilitation Agency) have partnered with several businesses to enhance and renovate historic buildings through a combination of grants and loans. In August, 2016, the City-County issued and sold $8 million in Tax Increment Urban Renewal Bonds to cover the construction costs of a 248 space parking structure. The debt service on the parking structure will be from the tax increment derived from the $25 million NorthWestern Energy general corporate office building. The City-County estimates the tax increment from the District will be at least $962,000 each year based on tax increment of $546,595 received by the City-County in fiscal year 2016 and tax increment of $1,196,797 (based on estimates from the State of Montana Department of Revenue) expected to be received by the City-County in fiscal year 2017.

Information Technology (IT) Upgrades

In July, 2015, Butte-Silver Bow formed a citizens' based Information Technology Advisory Committee to analyze the IT structure and functionality. The Committee made recommendations for gaps in staffing, structure, practices, and equipment. The IT Project will be rolled-out across the local government in phases.

In fiscal year 2016, $300,000 was expended on the upgrades to the core network at the Courthouse. In addition to infrastructure, a network position was added during fiscal year 2016 with an additional position added to support the help desk functions in fiscal year 2017.

Projects under design and review

In fiscal year 2016, funds were appropriated to study and review the feasibility of locations to move the City-County Public Works shops as a part of the Superfund activities. This process was still on-going at the date of this report.

FINANCIAL POLICIES

The overall mission of the City-County is to be dedicated to serving the needs and well-being of our citizens by providing quality public services based on sound municipal leadership and progressive planning. The overall goal

of the City-County financial policy is to establish and maintain effective management of its financial resources. The City-County manages and accounts for its financial activity in accordance with Generally Accepted Accounting Principles (GAAP), as set forth by the Governmental Accounting Standards Board (GASB).

The City-County of Butte-Silver Bow has adopted financial and budgetary policies that accomplish the following:

- Demonstrate to the citizens of Butte-Silver Bow, the investment community, and the credit rating industry that Butte-Silver Bow is committed to strong financial management and fiscal integrity;
- Set forth guidelines against which current budgetary performance can be measured;
- Provide precedents for future policy makers and financial managers for financial goals and strategies;
- Improve Butte-Silver Bow's fiscal stability by helping officials plan fiscal strategy with a consistent approach;
- Encourage fair presentation and full disclosure of the City and County's financial position and results of operations in conformity with GAAP.

Long-term debt is limited to capital improvements that cannot be financed through the use of current resources. The repayment of debt must be made within a period that does not exceed the expected useful life of the project. If it is known that certain assets will retire during the life of the project, a capital reserve fund must be established to ensure the entire asset is functional. Butte-Silver Bow does not use long-term debt for financing current operations. The Finance and Budget Director, Chief Executive, and Council of Commissioners is obligated to insure compliance with SEC Rule 15c2-12 relating to the continuing disclosure requirements for all bond issues. As outlined in the procedures adopted by the Council of Commissioners, relevant City-County employees and elected officials will have annual training on Rule 15c2-12 and specific training when appropriate. Not less than every two years, the Finance and Budget Director shall provide the Council of Commissioners, with a review and update of any rule changes and necessary amendments to Butte-Silver Bow's procedures.

Internal accounting controls are designed to provide reasonable (not absolute) assurance of the safeguarding of assets against loss, theft, or misuse. The controls are used to support the reliability of financial records. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits derived. The cost and benefit analysis requires judgment on the part of various levels of management. We are in the process of reviewing internal controls throughout the local government. We believe it is good management to review and update the internal control documentation to assure that processes are up-to-date and complete. We believe the internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The city and county continues on a solid financial path by planning and developing community partnerships and good financial stewardship. The Chief Executive and the Finance and Budget Department recommended a 16%

average reserve for all tax and user fee supported funds, and the necessary internal controls to assure financial stability and good governance to be approved by the Council of Commissioners in the final budget resolution. The reserves are critical for cash flow between payment dates, for bridge financing on reimbursable grant projects, to cover protested taxes or delinquencies, and to establish a source of funds in the event of an emergency. The local government has additional financial policies such as asset management and capital planning, investment, issuance of debt, and grant administration oversight

Debt Repayment Record

The City-County has never defaulted on a payment of principal or interest on any of its indebtedness. Furthermore, the City-County has never issued refunding bonds for the purpose of avoiding an impending default on its general obligation debt.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City-County of Butte-Silver Bow for its comprehensive annual financial report for the year ended June 30, 2015. This was the 27th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the comprehensive annual financial report, on a timely basis, was made possible by the dedicated service of the entire staff of the Office of Finance and Budget Administration. They have my sincere appreciation for their contributions made in the preparation of this report. Also, the Chief Executive and the Council of Commissioners have my appreciation for their leadership, commitment and support without which the development of this report would not have been possible.

Respectfully submitted,

Danette L. Gleason

Danette L. Gleason
Finance and Budget Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City and County of Butte-Silver Bow

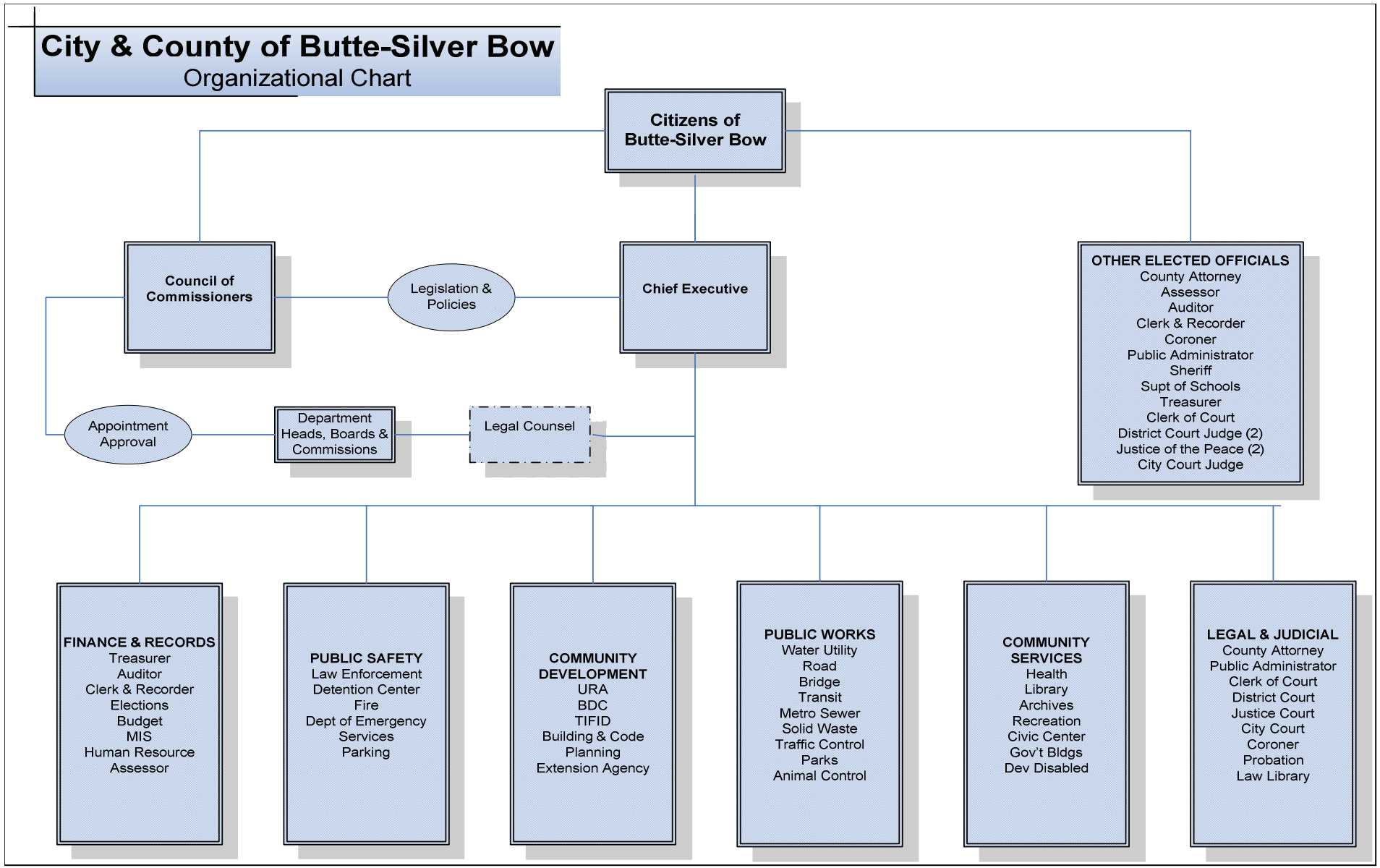
Montana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

City & County of Butte-Silver Bow
Organizational Chart



City & County of Butte-Silver Bow
Elected Officials and Department Heads
June 30, 2016

Title	Name
Chief Executive	Matt Vincent
Council of Commissioners	
Council Chair-District No.11	Cindi Shaw (Chair)
Council Member-District No. 1	Cindy Perdue-Dolan
Council Member-District No. 2	Sheryl Ralph
Council Member-District No.3	John P. Morgan
Council Member-District No.4	John Sorich
Council Member-District No.5	Dennis Henderson
Council Member-District No.6	Jim Fisher
Council Member-District No.7	Bud Walker
Council Member-District No.8	Brendan McDonough
Council Member-District No.9	Dan Foley
Council Member-District No.10	Bill Andersen
Council Member-District No.12	Dave Palmer
Department Staff	
Finance & Budget Director	Danette Gleason
Human Resource Director	Leslie Clark
Planning Director/Superfund Coord.	Jon Sesso
Civic Center Manager	Bill Melvin
Fire Coordinator	Jeffery Miller
Public Works Director	Dave Schultz
Health Director	Karen Sullivan
URA/Community Develop. Director	Karen Byrnes
Manager of Information Technology	Mike McKillips
Elected Officials	
County Attorney	Eileen Joyce
Treasurer	Patrick Callaghan
Sheriff	Ed Lester
Clerk & Recorder	Sally Hollis
Clerk of Courts	Lori Maloney
Auditor	Danette Harrington
Superintendent of Schools	Cathy F Maloney
Coroner	Lee LaBreche
Public Administrator	Jeanne Joki Tanner
Assessor	Dan Fisher

Financial

Section

BUTTE-SILVER BOW

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THE RICHEST HILL ON EARTH

MONTANA

Newland and Company
A Professional Corporation

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Butte, Montana 59702
(406) 494-4754
FAX: (406) 494-4958
Website: newlandandcompany.com

212 Missouri Avenue
Post Office Box 850
Deer Lodge, Montana 59722
(406) 846-3733
FAX: (406) 846-3735

INDEPENDENT AUDITOR'S REPORT

Council of Commissioners
Butte-Silver Bow
Butte, Montana 59701

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Butte-Silver Bow, Montana, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City-County's basic financial statements as listed in the table of contents.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation,

and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Butte-Silver Bow, Montana, as of June 30, 2016, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Arco Redevelopment Fund and the Ramsay TIFID for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and on pages 23 through 42 and the Schedules of Proportionate Share of Net Pension Liability and Schedule of Contributions on pages 142 through 156 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 Butte-Silver Bow, Montana's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, schedules of budgetary comparison, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The introductory and statistical sections 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 December 29, 2016 on our consideration of Butte-Silver Bow, Montana's internal control over financial reporting and 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 or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Butte-Silver Bow, Montana's internal control over financial reporting and compliance.

Newland and Company

NEWLAND AND COMPANY
A Professional Corporation

Butte, Montana
December 29, 2016

BUTTE-SILVER BOW

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THE RICHEST HILL ON EARTH

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City-County of Butte-Silver Bow, Montana's (the City-County) comprehensive annual financial report, the City-County's management is pleased to provide this narrative discussion and analysis of the financial activities of the City-County for the fiscal year ended June 30, 2016. We discuss and analyze the City-County's financial performance within the context of the accompanying financial statements and disclosures following this section. The MD&A is intended to serve as an introduction to the City-County's basic financial statements, which have the following components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The MD&A is designed to (a) assist the reader in focusing on significant financial matters, (b) provide an overview of the City-County's financial activities, (c) identify any material changes from the original budget, and (d) highlight individual fund matters. The following presentation is by necessity highly summarized, and in order to gain a thorough understanding of the City-County's financial condition, the following financial statements, notes and required supplementary information should be reviewed in their entirety

Financial Highlights

- The City-County's assets exceeded its liabilities by $235,098,054 (net position) for the fiscal year reported. There is 9.86% increase in net position in fiscal year 2016 over fiscal year 2015.

- Total net position are comprised of the following:

  (1) Net investment in capital assets is $176,239,483, which includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of these capital assets.
  (2) Net position of $58,737,460 is restricted by constraints imposed from outside the City-County such as debt covenants, grantors, laws, or regulations.
  (3) The unrestricted net position is $121,111. The unrestricted net position includes the adjustments required under GASB Statement No. 68, which the City-County implemented in fiscal year 2015. The Net Pension Liability was $25,712,456 and the Deferred Inflows from pension was $2,761,166 on June 30, 2016. The $28,473,622 in adjustments is reduction in the restricted net position.

- The City-County's governmental funds reported total ending fund balance of $67,338,655 this year. This compares to the prior year ending fund balance of $71,724,010 showing a decrease of $4,385,355 (6.11%) during the current fiscal year. Total net uunassignedd fund balance of $5,818,679 at June 30, 2016 shows an $833,450 (16.72%) increase from the prior year. The Restricted ending fund balances decreased by $6,061,697 (9.44%) from the prior year. The Assigned fund balances increased by $842,892 (33.77%) from the prior year.

- At the end of the current fiscal year, unassigned fund balance for the general fund was $6,416,643 which was a 9.01% increase over the balance for fiscal year 2015. The unassigned general fund balance of $6,416,643 is 21.19% of total general fund expenditures in fiscal year 2016. The percentage at June 30, 2015 was 20.9%,

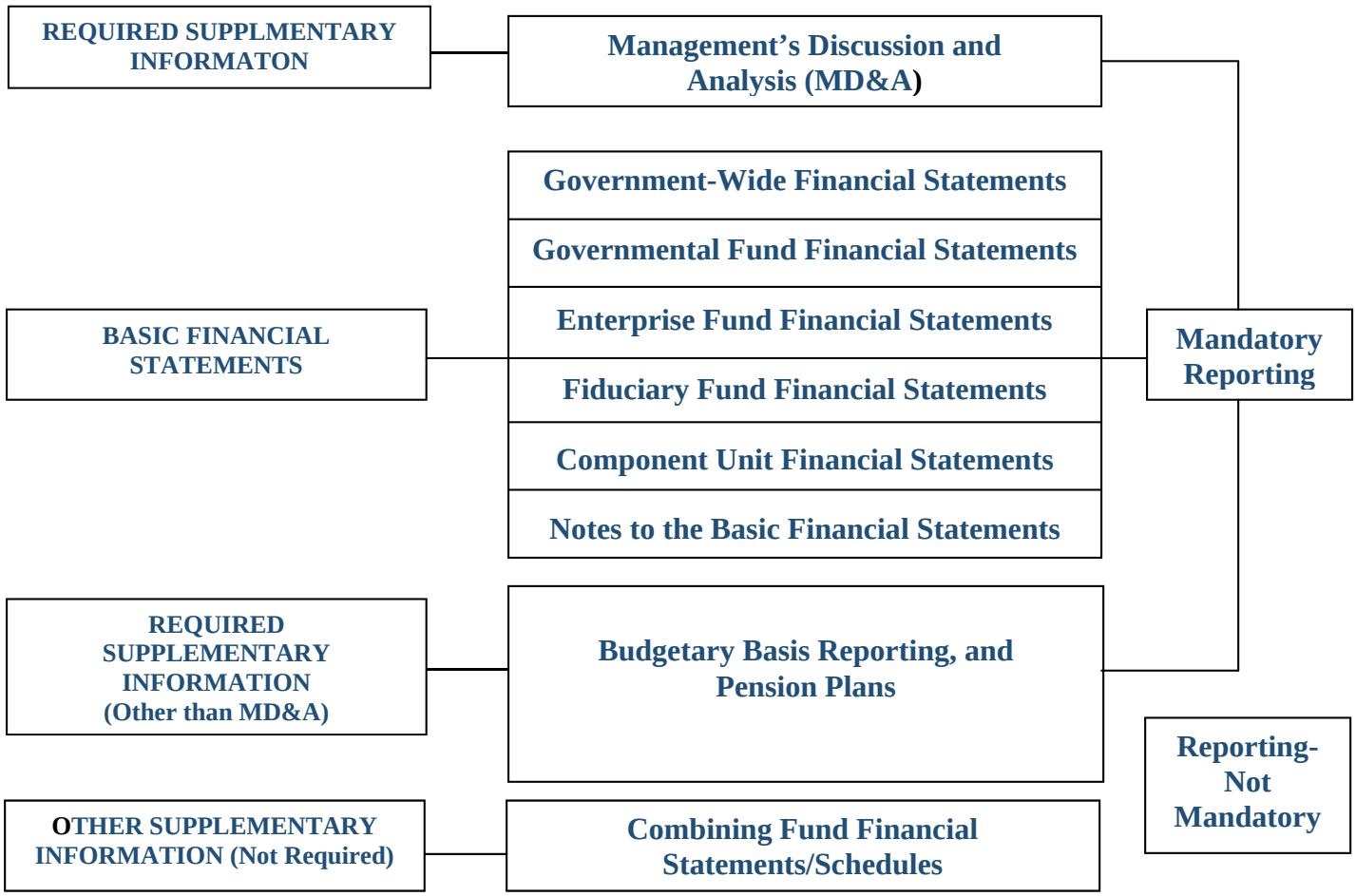
- Overall, the City-County continues to maintain a strong financial position, in spite of a somewhat depressed, although recovering, economy.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

The annual report consists of a series of financial statements and supplementary information. This Management Discussion and Analysis document introduces the City-County's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City-County also includes in this report additional information to supplement the basic financial statements.

Illustrated below is the layout and relationship of the financial statements and supplementary information:



Government-wide Financial Statements

The City-County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City-County's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position.* This is the government-wide statement of position presenting information that includes all of the City-County's assets and liabilities, with the difference reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City-County as a whole is improving or deteriorating. Evaluation of the overall health of the City-County would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City-County infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities,* which reports how the City-County's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when we receive or

pay out cash. An important purpose of the design of the statement of activities is to show the financial reliance of the City-County's distinct activities or functions on revenues provided by the City-County's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City-County that are principally supported by property taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, public health, social and economic services, housing and community development and culture and recreation. Business-type activities primarily include the water, sewer and solid waste.

The internal service funds are reported with governmental activities at the government-wide financial reporting level.

The government-wide financial statements include one discretely presented component unit, the Port of Montana Port Authority. This Authority issued separate financial statements and a copy is available from the City and County.

The government-wide financial statements are presented on pages 47 & 48 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City-County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City-County's most significant funds, rather than the City-County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The City-County has three kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City-County's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The budgetary comparison statements are included as "basic financial information" for the general fund and two major special revenue fund, the Ramsay TIFID Fund and the ARCO Redevelopment Trust Authority Fund.

The basic governmental fund financial statements are presented on pages 50-53 of this report.

Individual fund information for nonmajor governmental funds is found in combining statements in a later section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the City-County charges customers a fee. The City-County proprietary funds are classified as enterprise funds and internal service funds. These enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City-County for a variety of services, primarily utility services. The basic enterprise fund financial statements are presented on pages 59-63 of this report.

Fiduciary funds are classified as Agency Funds and Investment Trust Funds. These funds are reported on pages 66-67 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 70 of this report.

Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the City-County's budget presentations. Budgetary comparison schedules for the nonmajor special revenues funds and the other governmental funds can be found in the supplementary section of this report. These schedules demonstrate compliance with the City-County's adopted and final revised budget. The City-County also includes on RSI on the pensions reported under GASB Statement No. 68.

In addition, schedule of proportionate share of the net pension liability and schedule of contributions, combining statements and schedules for nonmajor funds, including budgetary schedules, are presented in this section of this report beginning on page 142.

Financial Analysis of the City-County as a Whole

The City-County's net position at fiscal year-end is $235,098,054. The following table provides a summary of the City-County's net position comparing June 30, 2016 with June 30, 2015.

Summary of Net Position
(dollars in thousands)

	Governmental Activities		Business-Type Activities		Total		% of Total	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Assets:								
Current assets and Other Assets	$ 74,246	$ 77,248	$ 25,287	$ 16,226	$ 99,533	$ 93,474	31%	32%
Capital assets	99,359	99,361	125,285	101,747	224,644	201,108	69%	68%
Total assets	$ 173,605	$ 176,609	$ 150,572	$ 117,973	$ 324,177	$ 294,582	100%	100%
Deferred outflows of resources	2,794	1,905	403	344	3,197	2,249		
Liabilities:								
Current liabilities	7,219	7,794	6,128	4,621	13,347	12,415	15%	16%
Long-term liabilities	42,985	45,510	33,184	18,966	76,169	64,476	85%	84%
Total liabilities	$ 50,204	$ 53,304	$ 39,312	$ 23,587	$ 89,516	$ 76,891	100%	100%
Deferred inflows of resources	2,352	5,031	409	1,070	2,761	6,101		
Net position:								
Net investment in capital assets	$ 79,254	$ 71,867	$ 96,986	$ 84,460	$ 176,240	$ 156,327	75%	73%
Restricted	56,951	64,243	1,787	1,213	58,738	65,456	25%	31%
Unrestricted	(12,361)	(15,778)	12,482	7,987	121	(7,791)	0%	-4%
Total net position	$ 123,844	$ 120,332	$ 111,255	$ 93,660	$ 235,099	$ 213,992	100%	100%

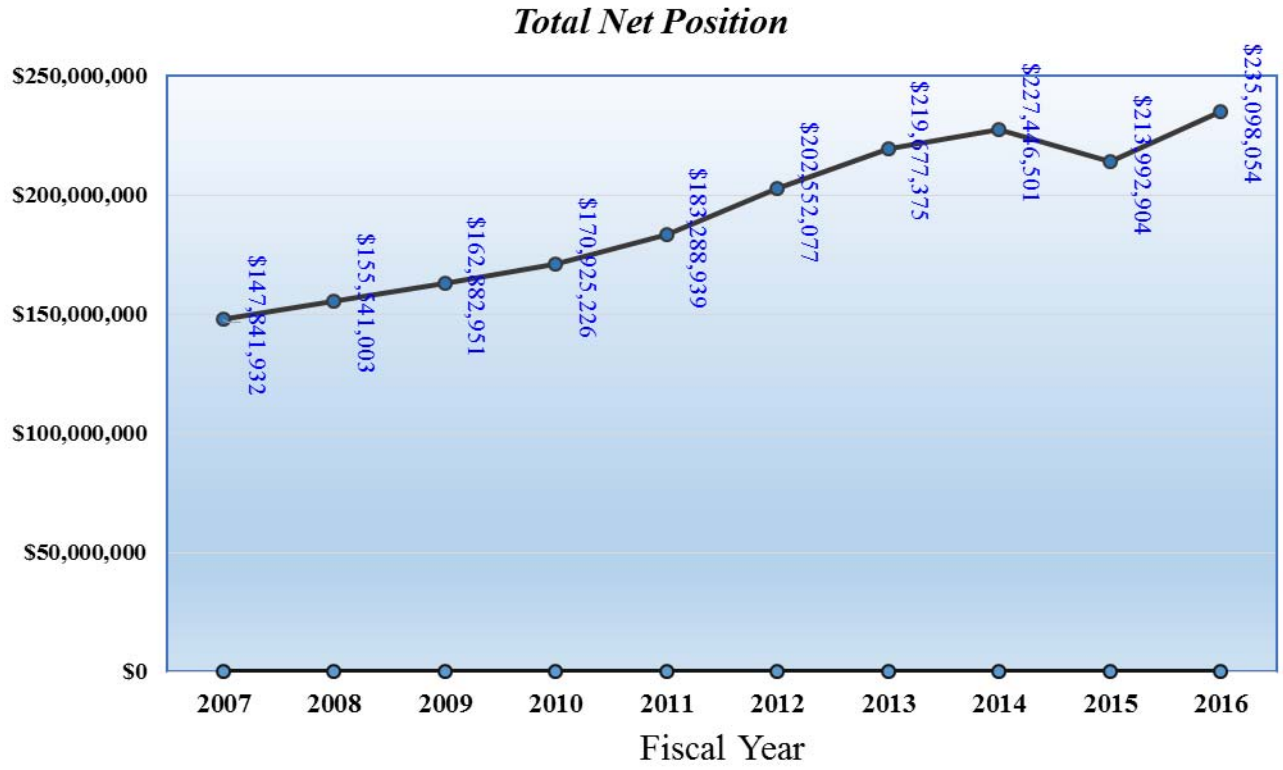
The City-County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 13.77 to 1 (as compared to 9.9 to 1 at June 30, 2015) and 3.75 to 1 (as compared to 3.5 to 1 at June 30, 2015) for business type activities. For the City-County overall, the current ratio is 7.28 to 1 (as compared to 7.5 to 1 at June 30, 2015). These ratios are strong.

The City-County reported positive balances in total net position for both governmental and business-type activities. Net position for governmental activities increased $3,511,006 in this fiscal year as compared to an $8,271,010 increase in fiscal year 2015 (before prior adjustment of $21,298,092). In business-type activities, net position increased $17,594,144 (before prior period adjustment of $5,001,770). The City-County's overall financial position improved during fiscal year 2016 by $21,105,150.

Note that approximately 56.33% of the governmental activities' total assets are within capital, which is the comparable, the same (53.3%) for June 30, 2015. The City-County uses these capital assets to provide services to its citizens. However, with business type activities, the City-County has spent approximately 83% of its total assets on capital. Capital assets in the business-type activities provide utility services, and they generate revenues for these funds.

The following chart reports the total net position balances from fiscal year 2007 to 2016.

Note that over the last ten years, total net position continues to increase, which is a positive financial indicator. In fiscal year 2015, the City-County implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions requiring a prior period adjustment to Net Position of $26,299,862.



The following table presents the details of the changes in net position for fiscal years 2016 and 2015.

Summary of Changes in Net Assets
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
Revenues:						
Program:						
Charges for services & fines	$ 9,900	$ 9,938	$ 18,869	$ 17,538	$ 28,769	$ 27,476
Operating grants	14,698	14,117	124	121	14,822	14,238
Capital grants	2,810	7,447	17,686	6,214	20,496	13,661
General:						
Taxes	31,295	30,565	-	-	31,295	30,565
Investment earnings	951	255	47	26	998	281
Other	894	597	47	118	941	715
Total revenues	60,548	62,919	36,773	24,017	97,321	86,936
Program expenses:						
General government	16,037	14,930	-	-	16,037	14,930
Public safety	16,958	17,500	-	-	16,958	17,500
Public works	8,444	8,069	-	-	8,444	8,069
Public health	4,395	4,353	-	-	4,395	4,353
Social and economic services	307	288	-	-	307	288
Culture and recreation	4,658	4,379	-	-	4,658	4,379
Housing and community development	6,036	4,548	-	-	6,036	4,548
Interest	759	1,023	-	-	759	1,023
Water Utility Division	-	-	9,393	10,899	9,393	10,899
Metro Sewer Operations	-	-	5,708	4,565	5,708	4,565
Solid Waste	-	-	2,749	2,774	2,749	2,774
Other enterprise activities	-	-	772	762	772	762
Total expenses	57,594	55,090	18,622	19,000	76,216	74,090
Excess	2,954	7,829	18,151	5,017	21,105	12,846
Transfers	557	442	(557)	(442)	-	-
Change in net position	3,511	8,271	17,594	4,575	21,105	12,846
Beginning net position,	120,332	133,360	93,660	94,087	213,992	227,447
Prior perod adjustment	-	(21,299)	-	(5,002)	-	(26,301)
Ending net position, restated	$ 123,843	$ 120,332	$ 111,254	$ 93,660	$ 235,097	$ 213,992

GOVERNMENTAL REVENUES

The City-County is heavily reliant on property taxes to support governmental operations. Taxes (including property tax franchise taxes, and motor fuel taxes) equal 52% of the revenues for governmental activities, as compared to 48.53% in fiscal year 2015.

Operating grant revenue for general government includes the following major sources:

Project	Grantor	Amount
Payment in in Lieu of Taxes (PILT)	United State Department of Interior	$ 584,491
FEMA - Disaster and Emergency Service Operating Grant	United States Department of Homeland Security	104,310
Ramsay TIFID allocation to taxing jursidictions	Ramsay TIFID	703,513
State of Montana DUI Grants	State of Montana Department of Administration	44,406
State of Montana Metal Mines License Tax	State of Montana Department of Revenue	550,503
State of Montana Entitlement Share Payments'	State of Montana Department of Revenue	4,822,939
State of Montana Earmarked Alcohol Funds	State of Montana Department of Revenue	56,506
Family Drug Court	United Sates Department of Justice	44,895
State of Montana Pension behalf payments	State of Montana	132,700
Southwest Montana Juvenile Detention Grant	State of Montana -Board of Crime Control	75,459

General government major capital grants, relates to the following major sources:

Greenway Service District Trials	State of Montana Department of Natural Resource and Damages Program	$ 1,156,506
Mine Yard Restoration Projects	State of Montana Department of Natural Resource and Conservation	50,617
Sidewalk projects & Landscape & Beautification Proj	U.S. Dept of Transportation-Community Transportation and Enhancement Program	77,338

In the Public works function, the following relates major capital grants:

ARCO Stormwater Improvements	Atalantic Richfield Settlement agreeement	$ 332,257
Grant to purcahse two street sweepers	Department of Envirnonment Quality-Air Quality Grant	417,157

The City-County was able to increase investment earnings by $695,247 in fiscal year 2016. In the Arco Redevelopment Trust Authority Fund, a major special revenue fund, the interest earning increased by $185,434 because of legislation passed in 2015, which allows local governments under certain circumstances, to invest in the State of Montana Board of Investments Long Term Trust Fund Investment Pool. The additional $509,813 was a result of the increased in reserve funds available to invest. Because of the City-County's healthy financial position, we have been able to earn $950,574 in investment earnings to support governmental activities. Program revenues cover 47.59% of governmental operating expenses. This compares to 57% in fiscal year 2015. The decrease of $4,093,414 in program revenues is attributed to the receipt of a $4,528,398 State of Montana Department Transportation for a bridge and road project in fiscal year 2015. The City-County will not have another Department of Transportation grant until fiscal year 2017 or 2018.

The high percentages in program revenues means that the government's taxpayers and the City-County are other general revenues fund only 52.8% of the governmental activities in fiscal year 2016.

GOVERNMENTAL FUNCTIONAL EXPENSES

Public safety costs comprise 29.4% of the total governmental expenses, as compared to 31.7% in fiscal year 2015. These public safety costs decreased by 2.32% or by approximately $542,528 at the government-wide financial reporting level. General government expenses make up 27.8% of the total governmental expenses, as compared to 27.1% in fiscal year 2015. Public works is the third largest costly function, totaling over $8 million or 14.66% of total expenses, as compared to 14.64% in fiscal year 2015.

The following table presents the cost of each of the City-County's functions, including the net costs (i.e., total cost less revenues generated by the activities).

The net costs illustrate the financial burden that was placed on the City-County's taxpayers by each of these functions.

Governmental Activities

	Fiscal Year 2016		Fiscal Year 2015	
	Total Cost of Services	**Net Cost of Services**	**Total Cost of Services**	**Net Cost of Services**
General government	$ 16,037,269	$ (68,865)	$ 14,929,889	$ (495,365)
Public safety	16,957,453	14,886,322	17,499,981	14,556,872
Public works	8,443,986	3,570,816	8,069,104	3,017,156
Public health	4,395,311	1,444,616	4,353,244	1,602,714
Social and economic services	307,358	244,982	287,730	246,725
Culture and recreation	4,657,932	3,510,500	4,379,444	3,921,742
Housing and community development	6,035,926	5,838,187	4,548,435	(284,108)
Interest	759,486	759,486	1,023,475	1,023,475
Total	$ 57,594,721	$ 30,186,044	$ 55,091,302	$ 23,589,211

As indicated, we finance a large percentage of the City-County's costs through program revenues. Of the net costs to taxpayers, public safety makes up over 49.3% of the total amount as compared to 61.7% in fiscal year 2015.

As a change in accounting principles, the City-County was required in fiscal 2015 to report a portion of the unfunded pension liability. For governmental activities, a liability was recorded of $21,298,092, which reduced our net position by the same amount. In fiscal year 2016, the liability was recorded at $21,007,292, for a reduction in the pension expense of $290,800.

BUSINESS-TYPE ACTIVITIES

In total, the enterprise funds reported a $17,594,144 increase in net position. This year the City-County reported a total operating gain of $863,691 as compared to $782,858 in fiscal year 2015. Operating revenues are up $1,272,985 over fiscal year 2015 or 7.2%. Operating expenses were $1,192,152 more than fiscal year 2015, or 7.07%. The explanations for these changes are highlighted in the proprietary fund section below.

Financial Analysis of the City-County's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $67,338,655. Of this year-end total, just $5,818,679 is unassigned indicating availability for continuing City-County service requirements. Legally restricted fund balances include $16.46 million for economic development and $14.89 million for superfund activities.

The total ending fund balances of governmental funds show a decrease of $4,385,355 or 6.11% from the prior year. The decrease relates to the activities within the Ramsay TIFID fund or $5.7 million reduction in the fund balance. The Ramsay TIFID fund collects the taxes for the TIFD. During the year, funds are transferred from the Ramsay TIFID, Major Special Revenue fund, to the debt service funds to cover the bi-annual debt service payments for the Tax Increment Industrial Infrastructure Development Revenue Bonds Series 2010 and Series 2011. During fiscal year 2016, an additional $4,625,000 of the Series 2011 bonds were advanced refunded.

Major Governmental Funds

The General Fund **-** The general fund is the City-County's primary operating fund and the largest source of day-to-day service delivery. The general fund's fund balance decreased slightly by $153,311 or 1.97%. In fiscal year 2015, the fund balance decreased by $1,948,019 from the prior year.

The general fund's ending unassigned fund balance of $6,416,643 is considered adequate, representing the equivalent of 21.56% of annual expenditures. This percentage compares to 20.9% at June 30, 2015. Maintaining an unassigned fund balance in the general fund is necessary in order to provide for cash flow problems and provide resources for unforeseen emergency expenditures. Management has adopted policy statement that unassigned fund balance shall be at least 16%. In addition to the policy statement, during the annual budget process the Council of Commissioners adopt the Budget Resolution that contains a section stating the unassigned fund balance should be at least 16%.

Total revenues decreased by $678,728 or 2.2% during fiscal year 2016. In fiscal year 2015, total revenues increased 14.6%. Real property tax revenues decreased by $330,310 or 2.1% from the prior year.

Fines and forfeitures increased by $35,427 or 10.6% due to management improvement of processes and controls between the City Court and Law Enforcement agency related to issuance of tickets. Charges for services decreased $101,384 or 3.9% over fiscal year 2015. Intergovernmental revenues increased by $167,345 or 3.11% from fiscal year 2015. The Statement of Montana Entitlement share allows for an inflation adjust. This adjustment accounted for the increase in the intergovernmental revenue within the General Fund.

In addition, the allocation for the local option motor vehicle tax was changed during fiscal year 2016 resulting a decrease of $341,963 or 25.66% from the prior year revenue to the General fund. The funds were allocated to the Road fund for to allow for additional chip seal and paving projects.

Health insurance premium revenue increased by $118,419. The increase was due to a slight premium increase in fiscal year 2016.

Private grants and donations decreased by $386,315. Miscellaneous revenues decreased $9,962. Most other general fund revenues were comparable to fiscal year 2015 amounts.

The expenditures side reports an increase of $1,422,602 or 4.9% over the prior year. Last year the expenditures increased $2,468,635 or 9.6% over the June 30, 2014 amounts. General government expenditures increased $807,230 or 6.8%. The major increase was due to the increase in Salaries and Benefits. Salaries increased by 1.5% or $225,000 and benefits increased by $117,000 for total increase of $342,000. Capital expenditures increased by $877,261, and utilities increased by

$125,000. The capital expenditures relate to the construction of a Legion Baseball field at Copper Mountain Park. The Legion field was funded by $1,000,075 in private grants and donations, which was received late in fiscal year 2015. The field will be complete for the 2017 season. The other expenditures increases were covered through the slight increase in administrative charges to grant funds and enterprise funds.

Most other functional expenditures were similar to those amounts reported in fiscal year 2015.

Other Major Governmental Funds - The City-County maintains a large number of individual funds, either because they are legally mandated or considered necessary to track the costs of certain programs. The City-County reports two major governmental fund (besides the general fund) as described briefly below:

Ramsay TIFID Industrial Fund – This fund accounts for the tax collection and economic development activities of the tax increment financing industrial district, located just southwest of the intersection of I-90 and I-15 near the town of Ramsay.

The revenues consist primarily of property taxes totaling $4.2 million. Property taxes decreased $748,334 or 15% below those of fiscal year 2015. During fiscal year, the properties located within the Ramsay TIFID were reappraised by the State of Montana Department Revenue. This reappraisal resulted in a decrease in the increment value. The increment value decreased by $768,390 or 11%.

Before transfers out, this fund incurred expenditures of $2,751,936. The majority of these expenditures relate to:

- The TIFID Board granted an allocation back to the taxing jurisdiction, including the State of Montana, Schools, and local government for $2,000,000 in fiscal year 2016.
- $294,932 relates administrative costs to operate the district. This includes the salary for staffing, supplies, outdoor advertising, professional services and printing of marketing materials.
- $151,600 relates to a grant to for infrastructure work at Seacast Inc.
- Capital outlay expenditures totaled $284,501. This expenditure are for construction in process of a warehouse/manufacturing building within the TFID.

Transfers out of $7,376,597, consisted of $6,562,220 transferred to the Debt Service Fund. The transfer is to cover annual debt service payments for $1,937,220 an additional $4,625,000 was transferred to complete the advanced refunding on the Series 2011 bonds; $255,185 to the General Fund for administrative and overhead charges; $144,192 to Fire Services per contract agreement for Fire Service; and $400,000 to the Ramsay TIFID District revolving loan fund.

The fund balance in this fund decreased by $5,658,654. The ending fund balance in this fund totals $14,443,173. The TIFID will sunset in fiscal year 2022.

ARCO Redevelopment Trust Authority Fund – An appointed Authority of citizens of the City-County has been appointed to direct, manage, and distribute the Redevelopment Trust funds in a manner that complies with the provisions set forth in the "Allocation and Settlement Agreement and Mutual Release of Claims" by and between the City-County of Butte-Silver Bow and Atlantic Richfield Company. The objective of the Redevelopment Trust Authority is to promote the redevelopment of land on the Butte Hill and re-use properties that have been remediated and reclaimed from past mining impacts. In compliance with the Agreement, funds shall be directed to infrastructure projects, maintenance and protection programs, and general development activities that serve the public interest and general welfare More specifically, the funds are to be used as follows: (1) Development of Mine Waste Source Areas with at least $2,000,0000 allocated to these projects; (2) Historic Preservation projects consist of at least $1,0000,000; (3) Development of Open Space and Recreation Areas at least $1,000,000; (4) Health Initiatives at least $1,000,000 (5) minimum of $500,000 on Festivals; (6) $1,000,000 on Silver Lake Water System Improvements, and (7) the remaining funds can be allocated to Community and Economic Development activities or allocated back to the funds previously stated. The Chief Executive, in fiscal year 2015, appointed SARTA, to oversee the expenditures within this fund. SARTA is a citizen's advisory group made up of eleven at large voting members and four Ex-Officio member.

The revenue in this fund is $200,022 in investment earnings and $346,855 adjustment of investments to fair market values as of June 30, 2016. Expenditures totaled $221,634. The ending fund of this fund totaled $14,413,450. These funds are to be invested for future redevelopment and maintenance of the sites within the Butte Priority Soils Operable Unit.

Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The City-County maintain eight such funds, with the three major funds being the Water Utility Division, the Metro Sewer Operations and the Solid Waste program. During the year, these three funds transferred cash to the General Fund in the amounts of $271,221, $180,873 and $119,648, respectively. These transfers relate to numerous administrative services including accounting, legal, planning, GIS, investment and other treasury functions provided by the General Fund.

As a change in accounting principles, the City-County was required in fiscal 2015 to report a portion of the unfunded pension liability. For business-type activities, a liability was recorded of $5,001,770, which reduced our net position by the same amount. In fiscal year 2016, the net position increased by $17,594,144.

Water Utility Division **-** The operating revenues in fiscal year 2016 increased by $40,528 or .47% from the prior fiscal year. The increase is a result of additional metered revenues.

This fund recognized capital grants as follows:

Project	Grantor	Amount
Basin Water Treatment Plant Constrution Project. This is a $36 million project funded by the Montana Department of Natuarl Resource and Damages Program	State of Montana Department of Natural Resource & Damages Program (NRPDP)	$ 13,255,526

Operating expenses increased by $469,610 or 5.3% over the fiscal year 2015. The increase in operating costs was due to an increase in salaries and benefits $311,678 for and an additional $100,000 in overtime within the Transmission and Distribution Department. The Water Utility Division has all experienced in salaries and operating supplies as the Division prepares to the bring the Basin Creek Plant on line in early 2017. The operating loss for this fund is $595,029 as compared $165,947 in fiscal year 2015. Management is in the process of developing cost estimates for current operations and the additional plant. In early 2017, the Water Utility Division will be requesting the Council of Commissioners approval of a rate increase.

The Net Investment in capital assets is $73,121,627 or 17.02% increase over fiscal year 2015. The unrestricted net position of this fund is $2,358,449 compared to ($514,826) for fiscal year 2015.

Metro Sewer Operations – Operating revenues increased $687,547 or 11.82% over the fiscal year 2015. Effective July 1, 2015, the Metro Sewer rates increased by 10% per unit. The rate increase, was approved by Council Resolution No.13-40 in the spring, 2013, was the third increase of four approved increases. The rate increases are required to meet the bond debt service and covenants on the $34 million plant upgrades.

This fund recognized capital grants as follows:

Project	Grantor	Amount
Metro Waste Water Treatement Plant Upgrades to assist the City-County with meeting Federal Water Pollution Control Act.	State of Montana Department of Environmental Quality-Montana Pole Remeidal Action Account	$ 4,430,540

Operating expenses increased $736,830 or 16.44%. Salaries and Benefits increased by $158,279 or 8.28% and Operating costs related to the purchase of additional chemicals and power to test the new plant increased by $103,228 or 6.88% over fiscal year 2015.

The fund reported a total increase in net position of $5,103,523. At June 30, 2016, this fund reported $21,919,936 in net position compared to $16,816,413 in the prior year.

Solid Waste Program – The operating revenue in fiscal year 2016 was up $602,278 or 26.2% from the prior fiscal year. The increase in operating revenue was a result of an agreement with a remedial company to accept additional soils and waste from Deer Lodge County. Operating expenses decreased by $25,734 or 1% from fiscal year 2015 amount. An operating income of $150,382 is recognized. Total net position increased by $58,621 from fiscal year 2015 amount. The Solid Waste Department entered into a 56-month contract for garbage collection within the Solid Waste District. The agreement was effective November 1, 2015. The monthly cost of the contract is $112,770, which is an increase of $178,908 annually from the prior agreement. The agreement also includes additional services of recycling drop-off sites. The rates were adjusted $20 annually to cover the increased cost.

General Fund Budgetary Highlights

The total revenue budget was amended upward $28,346 and the total expenditure appropriation was amended upward by $44,431.

In total, revenues realized were $646,950 or 2.17% under the projected revenues. Real property taxes were $204,185 or 1.49% below the final budget amount and personal property and motor vehicle taxes were $39,342 or 3% less than the final budget. Property taxes are budgeted assuming 100% collection with reserve funds established to cover the delinquent or protested taxes.

Licenses and permits were $125,328 or 14.64% over budget. The licenses and permits increased for the major construction of commercial permits for motels and restaurants and the Town Pump Inc., corporate office. The remaining increase is a result of the increase in residential and multi-family building permits issued in fiscal year 2016.

Intergovernmental revenues were over projected by $456,783. This includes $102,549 less in Metal Mines Licensing Tax revenue, $111,882 over projected on Homeland Security Grant, $250,000 in State of Montana Department of Natural Resource Grant for the Legion Field. The grants are reimbursable upon the completion of the purchase and installation of equipment. The expenditures and grant revenue will be recognized in fiscal year 2017. The Metal Mines Licensing Tax is primarily based on the commodity prices of copper and molybdenum and the operation costs associated with the extraction of the metals. The rapid decline in the metal market, mainly related to copper, was not anticipated.

Grants and contributions were $40,888 below the final budget.

On the expenditure side, only 88.08% of the budget was expended. The general government function was $555,875 or 4.22% below the appropriation. In the general governmental function, professional services and other purchased services were $324,966 under budget. The variance being a result in the expenditures related to the DUI Grant in the Justice Court and the delay in the engineering on the Transportation Plan Update.

Public safety costs were $818,116 or 7.09% below the final appropriation. In the Public Safety costs, salaries and benefits were over projected by $291,026. The over projection was within the general law enforcement budget. The Officer can bank

comp time and choose to take paid leave or receive compensation for the time. Management uses prior history to anticipate the cash-out. In fiscal year 2016, the budget projection was over by $98,171 for this pay code. The overtime budget was over projected by $47,057. In addition, during fiscal year 2016 an officer was granted extended unpaid leave. The major discrepancy was the calculation on PERS on behalf payments. The State of Montana contributes to the various pension plans on behalf of the local governments. In fiscal year 2016, Management projected $404,242 over the actual contribution. The budget error was a result of using a budget system to isolate the various pay codes. The on behalf code was improperly applied to all employees within law enforcement. The higher contribution rate should have only been applied to the officers.

Capital Assets and Debt Administration

Capital Assets

The City-County's investment in capital assets for governmental and business-type activities as of June 30, 2016 and 2015, were $224,643,906 and $198,131,725 respectively. The investment in the governmental activities remained the same with a slight decrease of $1,867 and the business-type activities increased approximately $27 million as compared to the June 30, 2015 balances. See Note 3-D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

The following table provides a summary of capital assets at June 30, 2016 and 2015.

Capital Assets

	Governmental Activities		Business Activities		Total	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
Non-depreciable assets:						
Land	$ 4,249,347	$ 4,249,347	$ 1,332,721	$ 1,332,721	$ 5,582,068	$ 5,582,068
Construction in progress	2,432,329	456,038	28,317,285	20,797,663	30,749,614	21,253,701
Total non-depreciable	6,681,676	4,705,385	29,650,006	22,130,384	36,331,682	26,835,769
Depreciable assets:						
Buildings	38,243,486	37,802,034	46,438,768	31,984,047	84,682,254	69,786,081
Improvements other than buildings	10,132,116	9,751,867	104,084,184	103,111,252	114,216,300	112,863,119
Machinery and equipment	27,582,174	26,502,918	18,779,927	1,295,091	46,362,101	27,798,009
Infrastructure	95,377,825	92,996,018	2,575,116	10,823,627	97,952,941	103,819,645
Total depreciable assets	171,335,601	167,052,837	171,877,995	147,214,017	343,213,596	314,266,854
Less accumulated depreciation	78,658,193	72,397,271	76,243,179	70,573,627	154,901,372	142,970,898
Book value - depreciable assets	92,677,408	94,655,566	95,634,816	76,640,390	188,312,224	171,295,956
Percentage depreciated	46%	43%	44%	48%	45%	45%
Total capital assets net	$ 99,359,084	$ 99,360,951	$ 125,284,822	$ 98,770,774	$ 224,643,906	$ 198,131,725

At June 30, 2016, the depreciable capital assets for governmental activities were 46% depreciated compared to 43% on June 30, 2015. Within the City-County's business type activities, 44% of the asset values were depreciated at June 30, 2016 compared to 48% at June 30, 2015. In both instances, the minimal change in the percentage depreciated is a positive indicator.

The construction in progress amount for governmental activities includes:

American Legion Baseball Complex at Copper Moutain Park	$ 1,135,178
Meyers Dam screen house improvements	84,424
(2) Street Sweepers-not received and place in service until Fiscal year 2017	481,818
Additional work on German Gulch Road	202,368
CTEP Gateway and Landsape Improvements	9,370
CTEP At-Grade Crossing Project & Pedestrian Bridge	17,962
At-Grade Crossing Project	50,081
CTEP - Sidewalk Improvement Project	61,071
Homeland Security Grant-911 backup system	73,118
Engine #4 Chassis - progress payment	312,231
Signage for Archives	4,708
	$ 2,432,329

The major increase in the governmental activities buildings capital asset costs relate to:

Transfer of assets-five pole barns to the City-County from State of Montana	$ 330,625
Georgetown Pump House Roof replacement	12,582
Building for Big Butte Volunteer Fire Department	71,265
Building improvements at the Racetrack Fire Volunteer Fire Dept	26,981
	$ 441,453

The major increase in the governmental activities improvements other than buildings capital asset costs relate to:

Monumental sign at Montana Connections Business Development Park	$ 127,800
Electrical and Pluming upgrades at the Clark Chateau	59,161
IT Department Secuity system install	16,774
Accounts Receivable softare module	9,424
Brick retaining wall at Sunset Cemetery	9,727
Irrigation Project at Belmont Mine and Park area	50,617
Thompson Park Improvements	17,414
Electrical Upgrades at Stodden Park	48,802
Boiler Replacement at Motherlode	22,922
Archives signage	4,708
Skyline Park Imrpovements-Fencing	12,900
	$ 380,249

The major increase in the governmental activities machinery and equipment capital asset costs relate to:

Air condition for IT Department	$	8,916
Two utility trailers for hauling larger mowers and equipment-Superfund		12,784
Trencher-Road		10,500
Power washer for mechanic shop		8,000
2005 Backhoe-Road Department		90,545
Reader board sign and installation-Civic Center		46,901
FEMA Work-out Equipment for Fire Dept (Fit for Duty Grant)		14,118
Pipe Bender		10,185
2015 Gator-Parks & Recreation Dept		7,249
Tractor/Groomer for Parks & Recreation		38,075
Gold mining analyzer - Superfund activities		26,969
2009 Compactor Roller - Road Dept		79,500
Three police vehicle		111,258
Shelving and Storage Equipment for Public Archives		10,598
Dump Truck-Superfund activities		48,154
Hydraulic jack for Mechanic Shop		26,549
IT core network project - Courthouse		216,612
Mini Excavator - Superfund		80,883
Track Loader		71,805
Scoreboards for Civic Center		88,975
20 SCBA units - Fire Department		108,300
Well pump and system improvements at Stodden Park		9,294
	$	1,151,170

The major increase in the governmental activities infrastructure capital asset costs relate to:

Road and Street Infrastructure Improvements	$	933,445
Superfund Infrastructure Improvements to Stromwater		332,257
Expansion of Greenway Trail System		1,116,168
	$	2,381,870

The construction in progress amount for business-type activities includes:

Construction of Basin Creek Water Treatment	$	18,452,724
Big Hole Transmission Line		1,296,552
Big Hole pressure pumps		48,245
Metro lift station at Montana Tech		94,054
Water Utility Southside pump station		254,347
Telemetry Upgrades at Water Treatment Plants		337,126
Water Line Replacement Projects		120,307
Boiler replacement at Business Development Center		66,942
TSEP Waster Water main replacements		44,480
Metro Sewer Phase 2 MBR Project - Plant Upgrades		7,602,508
	$	28,317,285

The major additions to the business-type activities machinery and equipment relate to:

Five Trucks	$	87,610
Roll-off bins for landfill		16,913
Generator for TV/Camaera Van for Metro		10,036
Waste Water Treatment Plant MBR Equipment		4,493,999
Waste Water Treatment Plant Equip-Pumps, Slide gates, compressors, odor controls, and mixers		2,318,309
UV Disinfection Equipment		301,906
Waste Water Treatment Plant Fine Screen Turbo Compressors		741,183
Caterillar Compactor for Water Utility Division		-
	$	7,969,956.00

The major increase in the business-type activities building capital asset costs relate to:

Waste Water Treatment Plant Upgrades-Underground Tanks	$	116,901
Waste Water Treatment Plant Upgrades-Yard piping connecting buildings		787,739
Waste Water Treatment Plant Upgrades-Plumbing, electrical, concrete work to existing UV Building		68,291
	$	972,931

The major increase in the business-type activities building capital asset costs relate to:

Waste Water Treatment Plant - Turbo Building	$ 2,855,838
Waste Water Treatment Plant - West Biorecator Building	2,821,927
Waste Water Treatment Plant - Membrane Building	8,076,422
Waste Water Treatment Plant - Septage Building	111,496
Waste Water Treatment Plant - Administration Building	555,938
Water Utility Division - Administration Building Roof & masonary	33,100
	$ 14,454,721

The major increase in the business-type activities infrastructure capital asset costs relate to:

Water Line Replacement Infrastructure	$ 784,242
Metro Sewer Line Replacements	478,495
Stormwater Improvements	495,783
	$ 1,280,025

Long-term Debt

At the end of the fiscal year, the City-County had total long-term debt outstanding of $48,408,652. Of this amount, $13,073,893 is backed by the full faith and credit of the City-County (general obligation bonds and notes) with debt service fully funded by voter-approved property taxes. The other major component is $6,780,000 supported by tax increment financing.

The following schedule includes the June 30, 2016 and 2015 outstanding long-term debt.

Outstanding Borrowings

	Governmental Activities		Business-type Activities		Totals		% Change
	2016	2015	2016	2015	2016	2015	
General obligation bonds	$ 12,418,069	$ 13,702,268	$ -	$ -	$ 12,418,069	$ 13,702,268	-9.4%
Tax increment debt	6,780,000	12,775,000	-	-	6,780,000	12,775,000	-46.9%
Revenue bonds	-	-	28,299,032	14,310,779	28,299,032	14,310,779	97.7%
General obligation notes	655,824	851,252	-	-	655,824	851,252	-23.0%
SID bonds	-	-	-	-	-	-	-
Capital leases	251,499	165,236	4,227	7,398	255,726	172,634	48.1%
Net pensiom liability	21,007,292	18,062,850	4,705,164	4,132,214	25,712,456	22,195,064	15.8%
Post closure	-	-	423,009	384,188	423,009	384,188	10.1%
OPEB	353,841	391,719	-	-	353,841	391,719	-9.7%
Compensated absences	4,047,420	3,610,878	866,156	859,415	4,913,576	4,470,293	9.9%
Total	$ 45,513,945	$ 49,559,203	$ 34,297,588	$ 19,693,994	$ 79,811,533	$ 69,253,197	15.2%

See Note 3-H for additional information about the City-County's long-term debt.

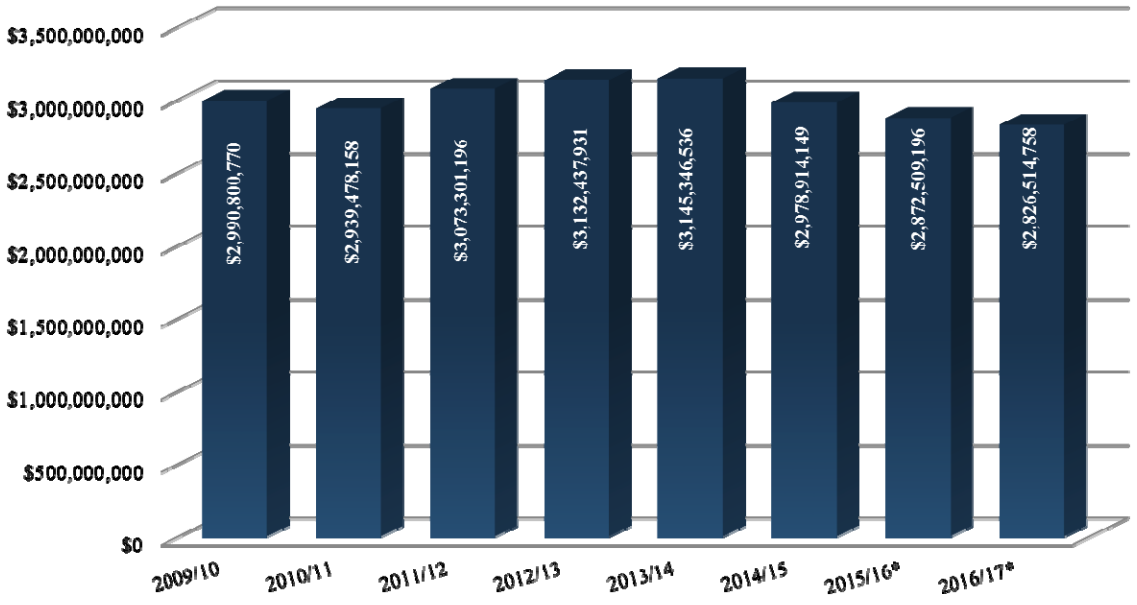
Economic Conditions Affecting the City and County

In May 2, 1977, the City-County government consolidated (excluding the Town of Walkerville) pursuant to a home rule charter (the "Charter"). The economy of the area has historically been based on mining and mineral extraction and the industries spawned therefrom. However, the economy has diversified in recent years. Today, the economy of the City-County is notably impacted by the contributions of technology- and transportation-based businesses and trade center activities**.**

The City-County is located in southwestern Montana with Butte being the county seat. Our county is the smallest county in the state in square miles. The City-County had a 2015 U.S. Census Bureau population of 34,606 as July 1, 2015 slightly up from the 2010 census of 34,200. The City-County is situated near the junction of Interstate 90 and Interstate 15, which it unique from a transportation infrastructure standpoint in that is the only location in the state that is at the intersection of two interstate highways and it is the only area in the state that is served by two railroads, the Union Pacific and the Burlington Northern & Santa Fe.

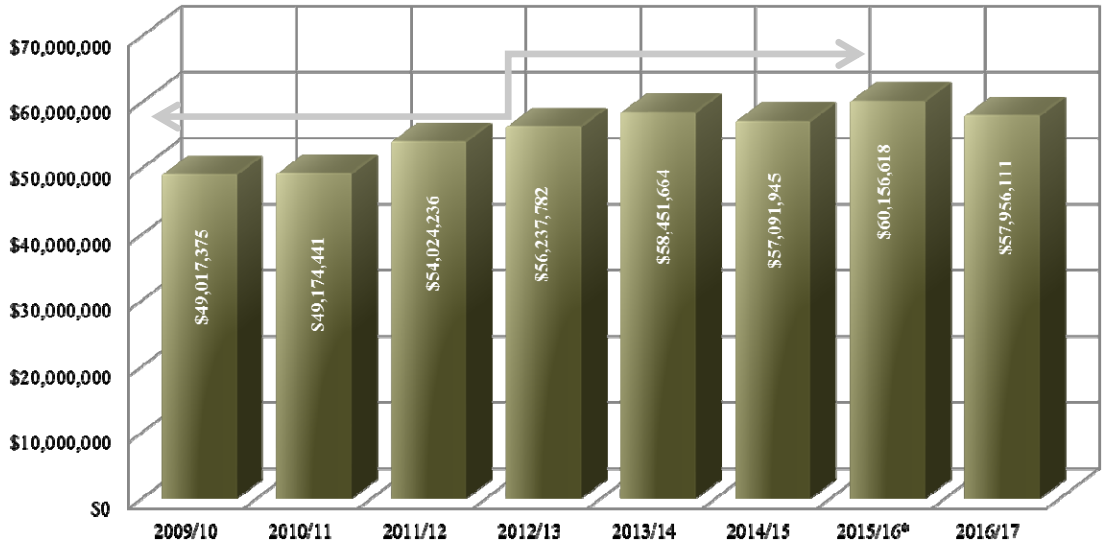
In November, 2016, the City-County of Butte-Silver Bow, engaged S&P Global Ratings, to complete a review of the general obligation bond ratings. On December 5, 2016 the City-County was notified by S&P Global Ratings, that based on their review, they raised the underlying rating (SPUR) from "A+" to "AA-" while affirming the stable outlook. The rating was applied to current and future general obligation bond issues.

The graph below shows the total assessed valuations for the past eight years including the most recent assessment for tax year 2016, fiscal year 2017.



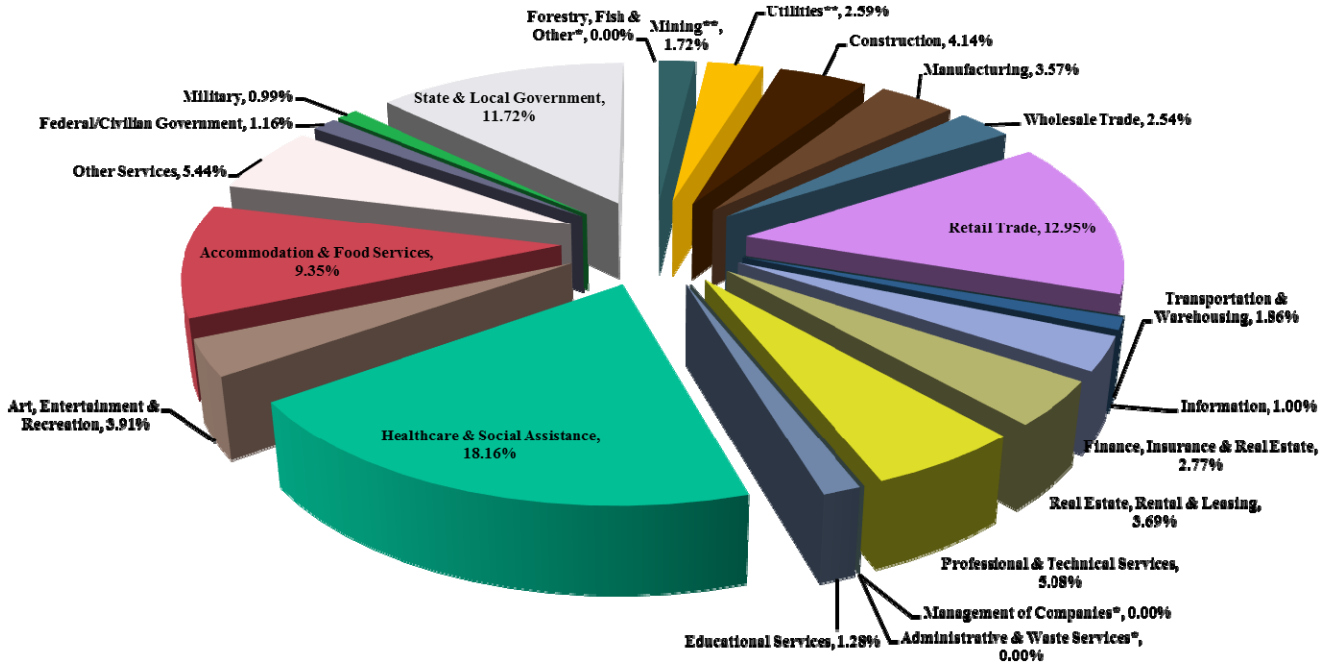
*The assessed valuations for the fiscal years 2015 and 2016 are based on the most recent reappraisal effective January 1, 2015. For the prior six-year reappraisal cycle, the full reappraisal values were effective January 1, 2009.

Trends in Taxable Valuations are listed below for the last eight years of available data:

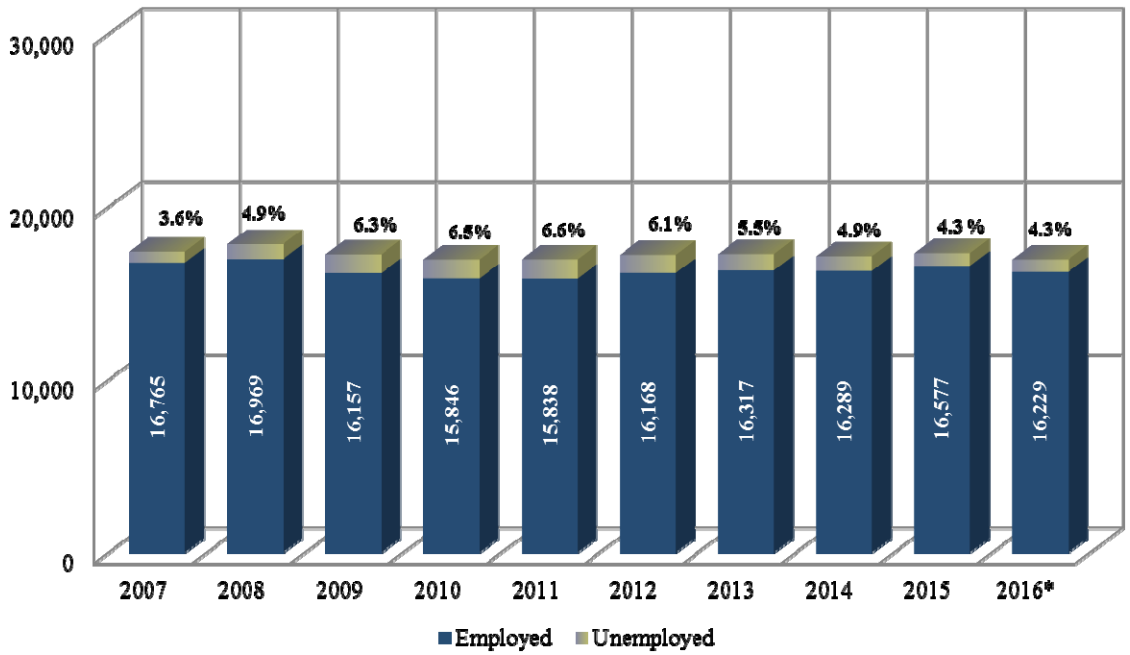


The taxable values have remained consistent for the past 5 fiscal years.

The composition of the employment base for the City-County is shown in the following pie chart. The major private with the major private employers being NorthWestern Energy, St. James Healthcare, Acadia, Montana Resources, Rec, Town Pump Corporation, Community Counseling & Correctional Services, Genesis Health Butte Health Center, and Southwest Montana Community Health.



The City-County Labor force tends show a better than national average for unemployment and slightly higher than the State of Montana average as of August 2016. State of Montana and National averages were 3.9% and 5.0% respectively.



Additional Economic Information

The building permits for the local government continue to increase for new construction of multi-housing complexes and residential properties. Like many communities across Montana, the housing prices are recovering across all markets for 2013-2016. In April 2016, NorthWestern Energy held the grand opening of its $25 million corporate office building, which is located in the uptown business district. Additional new construction in the City and County of Butte-Silver Bow consists of the extensive renovation of Fairmont Hot Springs Resort in 2015-2016, the new Fairfield Inn Motel to open in 2017, and over $8 million in renovation and new construction to be completed at the former Copper King Inn Hotel and Convention Center to be completed in the spring of 2017. In July, 2016, Montana Precision Products, an industrial and aerospace-parts manufacturer located west of Butte in the Ramsay TIFID, announced intentions to grow by 80 to 100 employees by 2020. Montana Tech of the University of Montana continues to show growth in the number of students enrolled and continues to add staffing to cover the additional degrees and programs offered at the University and Highlands College. In August, the Bert Mooney Airport Authority will hold a groundbreaking on a new 27,000 square foot terminal and runway infrastructure upgrade. The cost of the project is estimated to be $13 million. The City and County of Butte-Silver also has many major projects under construction or ground will be broken within the next year. These projects make significant contributions to the economy of the community. The $34 million Waste Water Treatment Plant improvements will be completed by October, 2016; $30 million Basin Creek Water Filtration Plant (funded by the State of Montana Department of Natural Resource & Conservation) will be completed in 2017; construction on a $7.4 million parking facility will begin in the fall of 2016; and construction on a $7.2 million pool will begin in the spring of 2017.

Contacting the City-County's Financial Management

This financial report is designed to provide a general overview of the City-County's finances, comply with finance-related laws and regulations, and demonstrate the City-County's commitment to public accountability. If you have, questions about this report or would like to request additional information, contact the City-County's Finance and Budget Director at the Butte-Silver Bow Courthouse, Butte, Montana or call (406) 497-6323.

BUTTE-SILVER BOW

M

THE RICHEST HILL ON EARTH

MONTANA

Basic Financial Statements

BUTTE-SILVER BOW

M

THE RICHEST HILL ON EARTH

MONTANA

City and County of Butte-Silver Bow, Montana
Statement of Net Position
June 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Port of Montana Port Authority
Assets				
Current Assets				
Cash and cash equivalents (Note 3A)	$ 15,459,255	$ 4,308,499	$ 19,767,754	$ 3,180,909
Investments	36,498,143	9,054,018	45,552,161	-
Receivables (Note 3B):				
Accounts	1,901,911	7,094,851	8,996,762	184,076
Property taxes	2,241,591	-	2,241,591	14,516
Special assessments	269,535	1,446,218	1,715,753	-
Notes	5,214,408	-	5,214,408	-
Interfund	(68,757)	68,757	-	-
Primary government	-	-	-	47,314
Inventory (Note 1-E-4)	16,412	-	16,412	-
Prepaid items (Note I-E-4)	-	222	222	44,817
Restricted assets (Note 1-E-5)	12,713,561	977,703	13,691,264	123,325
Total Current Assets	74,246,059	22,950,268	97,196,327	3,594,957
Non-Current Assets				
Restricted cash and cash equivalents (Note 1-E-5)	-	2,167,384	2,167,384	-
Restricted investments (Note 1-E-5)	-	169,980	169,980	-
Capital assets (Note 3C)				
Nondepreciable	6,681,676	29,650,009	36,331,685	353,253
Depreciable, net	92,677,408	95,634,813	188,312,221	4,523,622
Total Non-Current Assets	99,359,084	127,622,186	226,981,270	4,876,875
Total Assets	173,605,143	150,572,454	324,177,597	8,471,832
Deferred Outflow of Resources				
Deferred outflows from pensions	2,793,850	402,678	3,196,528	15,115
Total deferred outflows of resources	2,793,850	402,678	3,196,528	15,115
Liabilities				
Current Liabilities				
Vouchers payable	1,710,472	3,258,276	4,968,748	-
Accounts payable	216,541	965,138	1,181,679	15,049
Due to others	231,416	-	231,416	6,710
Accrued wages and benefits payable	940,563	268,819	1,209,382	17,585
Customer deposits	-	135,753	135,753	-
Accrued interest payable - customer deposits	-	14,554	14,554	-
Performance bonds payable	134,158	-	134,158	-
Accrued interest payable	370,237	304,972	675,209	12,564
Unearned revenue	114,895	66,489	181,384	7,230
Claims payable	971,088	-	971,088	-
Revenue bonds payable	-	942,101	942,101	29,222
Closure and postclosure care payable	-	38,821	38,821	-
Compensated absences payable	607,113	129,923	737,036	40,000
General obligation bonds payable	1,310,214	-	1,310,214	-
General obligation notes payable	191,866	-	191,866	-
Tax increment bonds payable	345,000	-	345,000	-
Capital leases payable	74,939	3,171	78,110	-
Total Current Liabilities	7,218,502	6,128,017	13,346,519	128,360
Noncurrent Liabilities (net of current portion):				
Closure and postclosure care payable	-	384,188	384,188	-
Revenue bonds payable	-	27,356,931	27,356,931	593,799
Compensated absences payable	3,440,307	736,232	4,176,539	17,710
General obligation bonds payable	11,107,855	-	11,107,855	-
General obligation notes payable	463,958	-	463,958	-
Tax increment bonds payable	6,435,000	-	6,435,000	-
Capital leases payable	176,560	1,057	177,617	-
Other post-employment benefits	353,841	-	353,841	-
Net pension liability	21,007,292	4,705,164	25,712,456	234,420
Total Noncurrent Liabilities	42,984,814	33,183,572	76,168,385	845,929
Total Liabilities	50,203,316	39,311,589	89,514,905	974,289
Deferred Inflow of Resources				
Deferred inflows from pensions	2,352,129	409,037	2,761,166	44,227
Total Deferred inflow of resources	2,352,129	409,037	2,761,166	44,227
Net Position				
Net investment in capital assets (Note 3J)	79,253,693	96,985,790	176,239,483	4,253,854
Restricted for:				
General government	3,987,461	-	3,987,461	-
Public safety	1,600,474	-	1,600,474	-
Public works	17,683,463	-	17,683,463	-
Social and economic services	31,546	-	31,546	-
Cultural and recreation	514,683	-	514,683	-
Housing and community development	19,277,479	-	19,277,479	-
Economic development - ceased mining operations	8,265,974	-	8,265,974	-
Debt service - bond restrictions	1,514,149	1,787,067	3,301,216	123,325
Capital projects	3,550,930	-	3,550,930	-
Self funded health insurance	524,234	-	524,234	-
Unrestricted	(12,360,537)	12,481,649	121,111	3,091,252
Total Net Position	$ 123,843,549	$ 111,254,506	$ 235,098,054	$ 7,468,431

See accompanying notes to the basic financial statements

City and County of Butte-Silver Bow, Montana
Statement of Activities
For the Fiscal Year Ended June 30, 2016

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			
Function/Program	**Expenses**	**Charges for Services and Sales and Fines**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**	**Component Unit**
Primary Government								
General government	$ 16,037,269	$ 7,615,849	$ 7,175,510	$ 1,314,775	$ 68,865	$ -	$ 68,865	$ -
Public safety	16,957,453	73,576	1,924,439	73,118	(14,886,321)	-	(14,886,321)	-
Public works	8,443,986	1,483,640	2,052,363	1,337,167	(3,570,816)	-	(3,570,816)	-
Public health	4,395,311	216,475	2,734,220	-	(1,444,616)	-	(1,444,616)	-
Social and economic services	307,358	2,294	60,082	-	(244,982)	-	(244,982)	-
Cultural and recreation	4,657,932	488,795	573,214	85,423	(3,510,500)	-	(3,510,500)	-
Housing and community development	6,035,926	19,846	177,892	-	(5,838,187)	-	(5,838,187)	-
Interest	759,486	-	-	-	(759,486)	-	(759,486)	-
Total Governmental Activities	57,594,721	9,900,475	14,697,720	2,810,483	(30,186,044)	-	(30,186,044)	-
Business-Type Activities:								
Community facilties	59,814	39,397	-	-	-	(20,417)	(20,417)	-
Small business incubator	199,880	81,524	1,093	-	-	(117,263)	(117,263)	-
Water utility division	9,392,674	8,714,267	71,041	13,255,526	-	12,648,160	12,648,160	-
Metro sewer operations	5,707,749	6,489,265	42,379	4,430,540	-	5,254,435	5,254,435	-
Solid waste	2,748,446	2,879,140	9,839	-	-	140,533	140,533	-
Storm water system project	194,537	344,802	90	-	-	150,355	150,355	-
Silver lake water system	225,924	320,513	15	-	-	94,604	94,604	-
MR infrastructure project	92,680	-	-	-	-	(92,680)	(92,680)	-
Total Business-Type Activities	18,621,704	18,868,908	124,457	17,686,066	-	18,057,727	18,057,727	-
Total - Primary Government	$ 76,216,425	$ 28,769,383	$ 14,822,177	$ 20,496,549	$ (30,186,044)	$ 18,057,727	$ (12,128,317)	$ -
Component Units								
Port of Montana Port Authority	$ 1,431,250	$ 1,390,089	$ 5,805	$ 13,900	-	-	-	$ (21,456)
		General Revenues						
		Property taxes levied for general purposes			30,260,583	-	30,260,583	204,513
		Franchise taxes			402,377	-	402,377	-
		Motor fuel taxes			632,035	-	632,035	-
		Investment earnings			950,574	46,626	997,200	39,753
		Gain on the sale of capital assets			20,000	-	20,000	(842)
		Miscellaneous			874,739	46,533	921,272	-
		Transfers			556,742	(556,742)	-	-
		Total General Revenues and Transfers			33,697,050	(463,583)	33,233,467	243,424
		Change in Net Position			3,511,006	17,594,144	21,105,150	221,968
		Net position, beginning of year			120,332,542	93,660,362	213,992,904	7,246,463
		Total Net Position, End of Year			$ 123,843,549	$ 111,254,506	$ 235,098,054	$ 7,468,431

See accompanying notes to the basic financial statements

Governmental Funds

Major Governmental Funds

General Fund

The general fund is used to account for resources traditionally associated with government, which are not required legally or by sound financial management to be accounted for in another fund. Principal sources of revenue are property taxes, state and local shared revenues, licenses and permits and charges for services provided to other funds. Principal expenditures in the general fund are made for public safety, public works and general government operations.

Ramsay Tax Increment Financing District (TIFID)

The Ramsay TIFID was established by resolution for a twenty-year period on May 20, 1992 to allow for the development of infrastructure to attract industrial development within the TIFID. The TIFID is located south of the city adjacent to the Port of Montana, Port Authority, an intermodal transportation facility, which has been reported within the financial statements as a discretely presented component unit. The major source of revenue is the property taxes generated from within the boundaries of the TIFID. All property tax with the exception of seven (7) mills exempt per state statue and Butte-Silver Bow ordinance is captured within this fund. The major expenditure is a transfer to the debt service fund for repayment of the debt with the remaining expenditures related to further development of infrastructure for economic development activities.

Arco Redevelopment Trust Authority Fund

The ARCO Redevelopment Fund is financed through a superfund settlement agreement between the City and County British Petroleum (BP), formally known as Atlantic Richfield Company (ARCO). These resources are being used for land management, time critical soils removal, the establishment of water quality testing, conduct health studies, study the municipal underground water system, and for the operation and maintenance of reclaimed mine site (source areas) and storm water structures.

City and County of Butte-Silver Bow, Montana
Balance Sheet
Governmental Funds
June 30, 2016

	General	Ramsay TIFID	ARCO Redevelopment Trust Authority Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 440,504	$ 4,504,924	$ 94,157	$ 9,265,059	$ 14,304,644
Investments	5,180,417	9,969,052	14,319,493	7,029,181	36,498,143
Restricted cash	201,907	-	-	2,839,467	3,041,374
Restricted investments	1,028,853	-	-	8,643,334	9,672,187
Receivables:					
Accounts	533,831	-	-	1,305,735	1,839,566
Property taxes	1,075,405	88,278	-	1,077,908	2,241,591
Special assessments	255	-	-	269,280	269,535
Loans	-	-	-	5,214,408	5,214,408
Interfund	1,931,906	-	-	973,800	2,905,706
Inventory	16,412	-	-	-	16,412
Total Assets	$ 10,409,490	$ 14,562,254	$ 14,413,650	$ 36,618,172	$ 76,003,566
Liabilities					
Vouchers payable	887,540	27,388	200	688,240	1,603,368
Accounts payable	137,241	-	-	79,300	216,541
Accrued salaries and benefits	527,288	3,415	-	348,242	878,945
Performance bonds payable	132,942	-	-	1,216	134,158
Due to others	1,416	-	-	230,000	231,416
Interfund payable	-	-	-	2,974,463	2,974,463
Total Liabilities	1,686,427	30,803	200	4,321,461	6,038,891
Deferred Inflow of Resources					
Unavailable revenue-escrow agreement	-	-	-	44,802	44,802
Unavailable revenue-lease agreements	-	-	-	70,092	70,092
Unavailable revenue-property taxes and specials assessments	1,075,660	88,278	-	1,347,188	2,511,126
Total Deferred inflow of resources	1,075,660	88,278	-	1,462,082	2,626,020
Fund Balances					
Restricted	1,230,760	14,443,173	14,413,450	28,093,770	58,181,153
Assigned	-	-	-	3,338,823	3,338,823
Unassigned	6,416,643	-	-	(597,964)	5,818,679
Total Fund Balances	7,647,403	14,443,173	14,413,450	30,834,629	67,338,655
Total Liabilities, Deferred Inflow and Fund Balances	$ 10,409,490	$ 14,562,254	$ 14,413,650	$ 36,618,172	$ 76,003,566

City and County of Butte-Silver Bow, Montana
Reconciliation of the Governmental Funds Balance Sheet to
The Government-wide Statement of Net Position
June 30, 2016

Total Governmental Fund Balances			$ 67,338,655
Amounts reported for *governmental activities* in the government-wide statement of net position are different because:			
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds (exclusive of internal service funds' capital assets).			
	Cost	$ 171,979,272	
	Less accumulated depreciation	(74,094,198)	97,885,074
Other noncurrent assets are not available to pay for current-period expenditures and therefore are deferred in the funds - special assessments sales, and property taxes.			2,511,125
The current acquisition of net assets that is applicable to future reporting periods related to pension liabilities.			2,689,801
The current consumption of the net asset is not applicable to current reporting period related to future pension obligations.			(2,244,284)
The internal service funds are used by management to charge the costs of the maintenance of the vehicle fleet, janitorial services, the personnel and payroll functions, computer operations, and the telephone and GIS to individual funds. The assets and liabilities of the internal service funds are included in governmental activities column on the government-wide statement of net position.			992,938
Interfund receivables and payables between governmental funds are reported on the governmental fund's balance sheet but eliminated on the government-wide statement of net position.			
	Interfund receivables	$ (2,405,706)	
	Interfund payables	2,405,706	-
Liabilities not due and payable in the current period and therefore are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net position. Net of bond prfemium and exclusive of internal service funds' long-term debt.			
	Long-term debt	$ (20,105,392)	
	Compensated absences	(3,738,008)	
	Claims	(971,088)	
	Accrued interest on long-term debt	(370,237)	
	Post-employment health benefits	(353,841)	
	Net pension liability	(19,791,194)	(45,329,760)
Net Position of Governmental Activities			$ 123,843,549

See accompanying notes to the basic financial statements

City and County of Butte-Silver Bow, Montana
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	General	Ramsay TIFID	ARCO Redevelopment Trust Authority Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	$ 14,817,667	$ 4,240,521	$ -	$ 10,756,587	$ 29,814,775
Special assessments	-	-	-	1,534,782	1,534,782
Licenses and permits	981,648	-	-	1,326	982,974
Intergovernmental	5,546,721	140,575	-	8,009,809	13,697,105
Charges for services	1,501,831	-	-	954,988	2,456,819
Self-funded health insurance contributions	4,900,205	-	-	-	4,900,205
Fines and forfeitures	366,637	-	-	122,832	489,469
Private grants and donations	766,747	-	-	3,676,386	4,443,133
Investment earnings	97,946	60,023	200,022	244,051	602,042
Increase(Decrease) in investments to fair market value	-	-	346,855	1,677	348,532
Rent	40,319	-	-	19,134	59,453
Miscellaneous	118,668	8,760	-	677,733	805,161
Total Revenues	29,138,389	4,449,879	546,877	25,999,305	60,134,450
Expenditures					
Current:					
General government	12,616,913	-	-	2,719,432	15,336,345
Public safety	10,710,764	-	-	5,718,765	16,429,529
Public works	555,330	-	-	6,409,132	6,964,462
Public health	1,578,552	-	78,315	2,643,284	4,300,151
Social and economic services	131,400	-	-	175,229	306,629
Cultural and recreation	2,773,355	-	8,963	1,477,553	4,259,871
Housing and community development	-	2,467,435	96,281	907,539	3,471,255
Capital Outlay	1,347,120	284,501	38,075	4,182,371	5,852,067
Debt Service:					
Principal	44,137	-	-	7,471,765	7,515,902
Interest	8,258	-	-	927,061	935,319
Total Expenditures	29,765,829	2,751,936	221,634	32,632,131	65,371,530
Excess (Deficiency) of Revenues Over (Under) Expenditures	(627,440)	1,697,943	325,243	(6,632,826)	(5,237,080)
Other Financing Sources (Uses)					
Insurance proceeds	11,231	-	-	-	11,231
Proceeds from the sale of capital assets	-	20,000	-	-	20,000
Issuance of general obligation notes	-	-	-	151,523	151,523
Superfund grant administration fee	107,934	-	-	-	107,934
Internal charges - Copy machine	14,295	-	-	-	14,295
Transfers in	850,925	-	3,856	7,765,966	8,620,747
Transfers out	(510,256)	(7,376,597)	-	(187,152)	(8,074,005)
Total Other Financing Sources (Uses)	474,129	(7,356,597)	3,856	7,730,337	851,725
Net Change in Fund Balances	(153,311)	(5,658,654)	329,099	1,097,511	(4,385,355)
Fund Balances, Beginning of Year	7,800,714	20,101,827	14,084,351	29,737,118	71,724,010
Fund Balances, End of Year	$ 7,647,403	$ 14,443,173	$ 14,413,450	$ 30,834,629	$ 67,338,655

See accompanying notes to the basic financial statements

City and County of Butte-Silver Bow, Montana
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances to the Government-wide Statement of Activities
For the Fiscal Year Ended June 30, 2016

Net Changes In Fund Balances - Total Governmental Funds			$ (4,385,355)
Amounts reported for governmental activities in the government-wide statement of activities are different because:			
Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.			
	Depreciation expense	$ (6,107,915)	
	Capital outlay	5,852,067	(255,848)
Governmental funds report asset disposals as sales of capital assets for the cash received. In the statement of activities, those gains and losses must be adjusted by the assets basis, net of depreciation.			(24,377)
Some revenues reorted in the statement of activities do not require the use of current financial resouces therefore, are not reported as revenue in governmental funds			-
Governmental funds do not report liability for other post-employment health benefits.	Balance @ 6/30/15	$ (391,719)	
	Balance @ 6/30/16	353,841	(37,878)
Certain special assessment revenues and property tax revenues in the government-wide statement of activities do not provide current financial resources and are not reported as revenues in the governmental fund operating statement.			
	Balance @ 6/30/15	$ (2,376,879)	
	Balance @ 6/30/16	2,511,125	134,246
Contributions to the pension plans in the current fiscal year are deferred outflows in the Statement of Net Position			855,979
Repayment of long-term debt principal is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the government-wide statement of net assets.			7,515,902
Accrued interest on long-term debt is reported in the government-wide statement of activities, but does not require the use of financial resources and therefore is not reported as reported as an expenditures in governmental funds.			
	Balance @ 6/30/15	$ 522,084	
	Balance @ 6/30/16	(370,237)	151,847
Compensated absences and comp time are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
	Balance @ 6/30/15	$ 3,382,606	
	Balance @ 6/30/16	(3,738,008)	(355,402)
Claims payable are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
	Balance @ 6/30/15	$ 516,727	
	Balance @ 6/30/16	(971,088)	(454,361)
Amortization of debt issuance costs, deferred bond refunding and debt premiums are not reported at the fund level but are reported in the government wide statement of activities.			23,986
The internal service funds used by management to charge the costs of the operation of the vehicle fleet, janitorial services, the personnel and payroll functions, computer operations, and the telephone and GIS to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.			342,267
Transfers between governmental funds are reported on the governmental fund operating statement but are eliminated on the government-wide statement of net position.			
	Transfers in	$ (8,049,005)	
	Transfers out	8,049,005	-
Change In Net Position Of Governmental Activities			$ 3,511,006

See accompanying notes to the basic financial statements

City and County of Butte Silver Bow, Montana
Statement of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes:				
Real property	$ 13,728,436	$ 13,728,436	$ 13,524,251	$ (204,185)
Personal property	284,626	284,626	272,805	(11,821)
Motor vehicle-Local Option Tax	1,018,000	1,018,000	990,479	(27,521)
Tax title and property tax sale	20,000	20,000	30,132	10,132
Total Taxes	15,051,062	15,051,062	14,817,667	(233,395)
Licenses and permits	856,320	856,320	981,648	125,328
Intergovernmental	5,975,158	6,003,504	5,546,721	(456,783)
Charges for services	1,337,284	1,337,284	1,501,831	164,547
Fines and forfeits	338,500	338,500	366,637	28,137
City/County and employee health insurance contributions	5,207,359	5,207,359	4,900,205	(307,154)
Investment earnings	68,500	68,500	97,946	29,446
Private grants and contributions	807,635	807,635	766,747	(40,888)
Rental	35,000	35,000	40,319	5,319
Miscellaneous	80,175	80,175	118,668	38,493
Total Revenues	29,756,993	29,785,339	29,138,389	(646,950)
Expenditures:				
Current:				
General government	13,139,541	13,172,788	12,616,913	555,875
Public safety	11,505,005	11,528,880	10,710,764	818,116
Public works	597,889	588,162	555,330	32,832
Public health	1,759,250	1,759,253	1,578,552	180,701
Social and economic services	155,660	155,660	131,400	24,260
Cultural and recreation	2,891,202	2,900,862	2,773,355	127,507
Capital Outlay	3,022,700	3,051,721	1,347,120	1,704,601
Debt Service				
Principal	210,421	168,833	44,137	124,696
Interest	24,956	24,956	8,258	16,698
Total Expenditures	33,306,624	33,351,115	29,765,829	3,585,286
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (3,549,631)	$ (3,565,776)	$ (627,440)	$ 2,938,336

(Continued)

City and County of Butte Silver Bow, Montana
Statement of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Other Financing Sources (Uses)				
Insurance reimburesements	$ -	$ -	$ 11,231	$ 11,231
Issuance of general obligation notes	851,999	851,999	-	(851,999)
Superfund grant administration fee	107,934	107,934	107,934	-
Internal charges - Copy machine	10,000	10,000	14,295	4,295
Transfers in:				
Metro Sewer	180,875	180,875	180,875	-
Solid Waste	104,648	104,648	104,648	-
Water Utility Division	271,221	271,221	271,221	-
Ramsay TIFID #2	255,185	255,185	255,185	-
Uptown Revitalization Agency fund	5,390	5,390	5,414	24
NRDP Greenway Project	50,000	50,000	27,275	(22,725)
Archives capital project fund	-	-	6,307	6,307
Transfers out:				
Public Archives	(395,644)	(395,644)	(395,644)	-
Community Development	(102,006)	(102,006)	(102,006)	-
Arco Redevelopment Trust	-	(3,856)	(3,856)	-
Crime Control fund	(8,750)	(8,750)	(8,750)	-
Total Other Financing Sources (Uses)	1,330,852	1,326,996	474,129	(852,867)
Net Change in Fund Balances	$ (2,218,779)	$ (2,238,780)	(153,311)	$ 2,085,469
Fund Balances Beginning of Year			7,800,714	
Fund Balances End of Year			$ 7,647,403	

See accompanying notes to the basic financial statements (Concluded)

City and County of Butte-Silver Bow, Montana
Ramsay TIFID Fund
Statement of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes - real property	$ 4,244,884	$ 4,244,884	$ 4,240,521	$ (4,363)
Intergovernmental	140,093	140,095	140,575	480
Interest revenue	9,323	9,323	60,023	50,700
Miscellaneous	-	-	8,760	8,760
Total Revenues	4,394,300	4,394,302	4,449,879	55,577
Expenditures				
Current:				
Housing and community development	6,008,206	6,008,206	2,467,435	3,540,771
Capital Outlay	9,716,000	9,716,000	284,501	9,431,499
Total Expenditures	15,724,206	15,724,206	2,751,936	12,972,270
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,329,906)	(11,329,904)	1,697,943	13,027,847
Other Financing (Uses)				
Proceeds from the sale of capital assets	-	-	20,000	20,000
Transfers out:				
General fund	(255,185)	(255,185)	(255,185)	-
ASiMI bond fund	(6,562,220)	(6,562,220)	(6,562,220)	-
Fire fund	(144,192)	(144,192)	(144,192)	-
TIFID revolving loan	(400,000)	(400,000)	(400,000)	-
Small business incubator	(15,000)	(15,000)	(15,000)	-
Total Other Financing (Uses)	(7,376,597)	(7,376,597)	(7,356,597)	20,000
Net Change in Fund Balances	$ (18,706,503)	$ (18,706,501)	(5,658,654)	$ 13,047,847
Fund Balances Beginning of Year			20,101,827	
Fund Balances End of Year			$ 14,443,173	

See accompanying notes to the basic financial statements

City and County of Butte-Silver Bow, Montana
Arco Redevelopment Trust Authority Fund
Statement of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental revenue	$ 14	$ 14	$ -	$ (14)
Investment earnings	20,000	20,000	200,022	180,022
Increase(Decrease) in investments to fair market value	-	-	346,855	346,855
Total Revenues	20,014	20,014	546,877	526,863
Expenditures				
Current:				
Public Health	123,000	123,000	78,315	44,685
Cultural and recreation	35,000	8,963	8,963	-
Housing and community development	475,000	462,962	96,281	366,681
Capital Outlay	-	38,075	38,075	-
Total Expenditures	633,000	633,000	221,634	411,366
Excess (Deficiency) of Revenues Over (Under) Expenditures	(612,986)	(612,986)	325,243	938,229
Other Financing (Uses)				
Transfers in:				
General fund	-	-	3,856	3,856
Total Other Financing (Uses)	-	-	3,856	3,856
Net Change in Fund Balances	$ (612,986)	$ (612,986)	329,099	$ 942,085
Fund Balances Beginning of Year			14,084,351	
Fund Balances End of Year			$ 14,413,450	

See accompanying notes to the basic financial statements

Proprietary Fund Financial Statements

Major Funds Business Type Activities-Enterprise Funds

Water Utility Division

The Water Utility Division accounts for the local government's activities of the construction and maintenance of the Butte-Silver Bow water system. Revenues are derived from user fees. The Water Utility Divisions average active connection in fiscal year 2015 was 12,554.

Metro Sewer Division

The Metro Sewer Division accounts for the local government's sewage treatment and disposal operations. Revenue is derived from special assessments. The metro sewer had 57,680 billable units in fiscal year 2015.

Solid Waste Division

The Solid Waste Division was established to account for the construction and operation of the County's landfill and solid waste collection activities. Revenues are derived from user fees and special assessments. The Solid Waste Department special assessment billing includes 12,548 units for collection and 22,495 units for disposal in fiscal year 2015. Citizens outside of the collection district are also assessed for disposal.

City and County of Butte-Silver Bow, Montana
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-type Activities Enterprise Funds					Governmental Activities
	Water Utility Division	Metro Sewer Operations	Solid Waste	Other Enterprise Funds	Total	Internal Service Funds
Assets						
Current Assets:						
Cash and cash equivalents	$ 1,895,335	$ 922,871	$ 376,497	$ 1,113,796	$ 4,308,499	$ 1,154,611
Investments	1,435,444	3,104,284	3,956,831	557,459	9,054,018	-
Restricted:						
Cash and cash equivalents	229,458	748,245	-	-	977,703	-
Receivables:						
Accounts	5,243,539	1,170,910	370,436	309,966	7,094,851	62,344
Special assessments	4,533	1,067,162	316,465	58,058	1,446,218	-
Interfund	-	373,008	195,749	-	568,757	-
Inventory	-	-	-	-	-	-
Prepaid expenses	222	-	-	-	222	-
Total Current Assets	8,808,531	7,386,480	5,215,978	2,039,279	23,450,268	1,216,955
Noncurrent Assets:						
Restricted investments	169,980	-	-	-	169,980	-
Restricted cash and cash equivalents	-	939,822	1,227,562	-	2,167,384	-
Capital assets:						
Nondepreciable	20,927,594	7,909,514	740,526	72,375	29,650,009	40,000
Depreciable, net	54,204,033	35,859,659	2,457,148	3,113,973	95,634,813	1,434,010
Total Noncurrent Assets	75,301,607	44,708,995	4,425,236	3,186,348	127,622,186	1,474,010
Total Assets	84,110,138	52,095,475	9,641,214	5,225,627	151,072,454	2,690,965
Deferred Outflows of Resources						
Deferred outflows from pensions	226,551	137,106	35,319	3,702	402,678	104,049
Total deferred outflows of resources	$ 226,551	$ 137,106	$ 35,319	$ 3,702	$ 402,678	$ 104,049

(Continued)

City and County of Butte-Silver Bow, Montana
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-type Activities Enterprise Funds					Governmental Activities
	Water Utility Division	Metro Sewer Operations	Solid Waste	Other Enterprise Funds	Total	Internal Service Funds
Liabilities						
Current Liabilities:						
Vouchers payable	$ 1,962,419	$ 1,196,076	$ 16,623	$ 83,158	$ 3,258,276	$ 107,104
Accounts payable	544,806	420,332	-	-	965,138	-
Accrued wages and benefits payable	143,931	88,889	29,647	6,352	268,819	61,618
Compensated absences payable	71,537	45,436	12,674	276	129,923	12,591
Accrued interest payable	30,150	274,822	-	-	304,972	-
Unearned revenue	66,489	-	-	-	66,489	-
Interfund payable	500,000	-	-	-	500,000	-
Customer deposits payable	135,753	-	-	-	135,753	-
Accrued interest payable-customer deposit	14,554	-	-	-	14,554	-
Closure and postclosure care payable	-	-	38,821	-	38,821	-
Capital lease payable	3,171	-	-	-	3,171	-
Revenue bonds payable	99,000	843,101	-	-	942,101	-
Total Current Liabilities	3,571,810	2,868,656	97,765	89,786	6,628,017	181,313
Noncurrent Liabilities (net of current portion):						
Closure and postclosure care payable	-	-	384,188	-	384,188	-
Compensated absences payable	405,378	257,469	71,818	1,567	736,232	296,821
Capital lease payable	1,057	-	-	-	1,057	-
Revenue bonds payable	1,911,000	25,445,931	-	-	27,356,931	-
Net pension liability	2,645,957	1,601,948	413,941	43,318	4,705,164	1,216,098
Total Noncurrent Liabilities	4,963,392	27,305,348	869,947	44,885	33,183,572	1,512,919
Total Liabilities	8,535,202	30,174,004	967,712	134,671	39,811,589	1,694,231
Deferred Inflow of Resources						
Deferred inflows from pensions	222,411	138,641	43,810	4,175	409,037	107,845
Total Deferred inflow of resources	222,411	138,641	43,810	4,175	409,037	107,845
Net Position						
Net Investment in capital assets (Note 3J)	73,121,627	17,480,141	3,197,674	3,186,348	96,985,790	1,474,010
Restricted for debt service	99,000	1,688,067	-	-	1,787,067	-
Unrestricted	2,358,449	2,751,728	5,467,337	1,904,135	12,481,649	(481,072)
Total Net Position	$ 75,579,076	$ 21,919,936	$ 8,665,011	$ 5,090,483	$ 111,254,506	$ 992,938

See accompanying notes to the basic financial statements (Concluded)

City and County of Butte-Silver Bow, Montana
Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Business-type Activities Enterprise Funds					Governmental Activities
	Water Utility Division	**Metro Sewer Operations**	**Solid Waste**	**Other Enterprise Funds**	**Total**	**Internal Service Funds**
Operating Revenues						
Charges for services	$ 8,714,267	$ 6,489,265	$ 2,879,140	$ 746,839	$ 18,829,511	$ 3,247,138
Rent revenue	-	-	-	39,397	39,397	-
Miscellaneous	3,296	16,176	19,688	7,373	46,533	10,125
Total Operating Revenues	8,717,563	6,505,441	2,898,828	793,609	18,915,441	3,257,263
Operating Expenses						
Personal services	3,415,352	2,069,691	694,530	179,504	6,359,077	1,818,013
Operation and maintenance	2,309,886	1,602,756	1,702,951	393,871	6,009,464	978,411
Depreciation	3,587,354	1,545,430	350,965	199,460	5,683,209	200,131
Amortization	-	-	-	-	-	-
Total Operating Expenses	9,312,592	5,217,877	2,748,446	772,835	18,051,750	2,996,555
Operating Income (Loss)	(595,029)	1,287,564	150,382	20,774	863,691	260,708
Non-Operating Revenues (Expenses)						
Interest expense	(69,291)	(489,872)	-	-	(559,163)	-
Bond debt forgiven	-	-	-	-	-	-
Insurance reimbursement	-	-	-	-	-	-
Gain(loss) on disposal of an asset	-	-	-	-	-	-
Investment earnings	12,432	13,785	18,048	2,361	46,626	-
Intergovernmental	71,041	42,379	9,839	1,198	124,457	88,244
Total Non-Operating Revenues (Expenses)	14,182	(433,708)	27,887	3,559	(388,080)	88,244
Income (Loss) Before Capital Grants & Transfers	(580,847)	853,856	178,269	24,333	475,611	348,952
Capital grants	13,255,526	4,430,540	-	-	17,686,066	330,625
Capital grant expense	(10,791)	-	-	-	(10,791)	-
Transfers in	-	-	-	15,000	15,000	10,000
Transfers out	(271,221)	(180,873)	(119,648)	-	(571,742)	-
Change in Net Position	12,392,667	5,103,523	58,621	39,333	17,594,144	689,577
Net position, beginning of year	63,186,409	16,816,413	8,606,390	5,051,150	93,660,362	303,361
Total Net Position, End of Year	$ 75,579,076	$ 21,919,936	$ 8,665,011	$ 5,090,483	$ 111,254,506	$ 992,938

See accompanying notes to the basic financial statements

City and County of Butte-Silver Bow, Montana
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Business-type Activities Enterprise Funds					Governmental Activities
	Water Utility Division	Metro Sewer Operations	Solid Waste	Other Enterprise Funds	Total	Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents						
Cash Flows from Operating Activities						
Cash received from customers	$ 8,428,145	$ 6,413,434	$ 2,686,746	$ 847,153	$ 18,375,478	$ -
Cash received from interfund services provided	-	-	-	-	-	3,203,876
Cash payments for personal services	(3,372,997)	(2,036,614)	(693,884)	(182,541)	(6,286,036)	(1,724,015)
Cash payments for goods and services	(3,031,757)	(1,905,108)	(1,900,334)	(379,928)	(7,217,127)	(930,249)
Net Cash Provided by Operating Activities	2,023,391	2,471,712	92,528	284,684	4,872,315	549,612
Cash Flows from Noncapital Financing Activities						
Interfund loans disbursements	-	-	1,383	-	1,383	-
Payments on interfund loans	-	-	-	-	-	(50,000)
Interest expense on customer deposits	(15,284)	-	-	-	(15,284)	-
Transfers in	-	-	-	15,000	15,000	10,000
Transfers out	(271,221)	(180,875)	(119,648)	-	(571,744)	-
Net Cash Flows from Noncapital Financing Activities	(286,505)	(180,875)	(118,265)	15,000	(570,645)	(40,000)
Cash Flows from Capital and Related Financing Activities						
Capital grants	10,237,308	4,430,540	-	-	14,667,848	330,652
Capital grant expenses	(10,791)	-	-	-	(10,791)	-
Principal paid on revenue bonds payable	(97,000)	(437,000)	-	-	(534,000)	-
Principal paid on capital leases	(3,171)	-	-	-	(3,171)	-
Interest paid on revenue bonds	(62,490)	(299,636)	-	-	(362,126)	-
Proceeds from issuance of bonds	-	13,454,349	-	-	13,454,349	-
Proceeds (payment) on interfund loan	(100,000)	60,000	-	-	(40,000)	-
Payments for capital acquisitions	(11,690,106)	(17,966,398)	(48,227)	(164,658)	(29,869,389)	(479,331)
Net Cash (Used in) Capital and Related Financing Activities	(1,726,250)	(758,145)	(48,227)	(164,658)	(2,697,280)	(148,679)
Cash Flows from Investing Activities						
Investment earnings	12,432	13,785	18,048	2,361	46,626	-
Net Increase (Decrease) in Cash and Cash Equivalents	23,068	1,546,477	(55,916)	137,387	1,651,016	360,933
Cash and Cash Equivalents - Beginning of Year	3,707,149	4,168,745	5,616,806	1,533,868	15,026,568	793,678
Cash and Cash Equivalents - End of Year	$ 3,730,217	$ 5,715,222	$ 5,560,890	$ 1,671,255	$ 16,677,584	$ 1,154,611
Reconciliation to Statement of Net Position						
Cash and cash equivalents	$ 1,895,335	$ 922,871	$ 376,497	$ 1,113,796	$ 4,308,499	$ 1,154,611
Investments	1,435,444	3,104,284	3,956,831	557,459	9,054,018	-
Restricted cash and investments	399,438	1,688,067	1,227,562	-	3,315,067	-
Total	$ 3,730,217	$ 5,715,222	$ 5,560,890	$ 1,671,255	$ 16,677,584	$ 1,154,611

(continued)

City and County of Butte-Silver Bow, Montana
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Business-type Activities Enterprise Funds					Governmental Activities
	Water Utility Division	**Metro Sewer Operations**	**Solid Waste**	**Other Enterprise Funds**	**Total**	**Internal Service Funds**
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities						
Operating Income (Loss)	$ (595,029)	$ 1,287,564	$ 150,382	$ 20,774	$ 863,691	$ 260,708
Adjustments:						
Depreciation	3,587,354	1,545,430	350,965	199,460	5,683,209	200,131
Bond issue cost adjustment	-	-	-	-	-	-
Intergovernmental revenue on-behalf payments	2,436	1,434	442	154	4,466	57,546
Adjustments to pension expense	(15,553)	(9,282)	(2,130)	(237)	(27,202)	(6,958)
(Increase) Decrease in Assets:						
Accounts receivable	75,675	3,000	(191,091)	53,545	(58,871)	(53,387)
Special assessments receivables	2,901	(95,007)	(20,991)	-	(113,097)	-
Prepaid expenses	(193)	-	-	-	(193)	-
Increase (Decrease) in Liabilities:						
Vouchers payable	(1,053,525)	(722,684)	(236,204)	13,943	(1,998,470)	(8,195)
Accounts payable	331,852	420,332	-	-	752,184	-
Accrued expenses	-	-	38,821	-	38,821	18,626
Accrued wages and benefits payable	48,539	34,938	7,604	(2,045)	89,036	-
Customer deposits	(1,785)	-	-	-	(1,785)	-
Compensated absences	6,928	5,987	(5,270)	(910)	6,735	81,141
Unearned revenue	(366,209)	-	-	-	(366,209)	-
Net Cash Provided by Operating Activities	$ 2,023,391	$ 2,471,712	$ 92,528	$ 284,684	$ 4,872,315	$ 549,612
Noncash Capital Activities:						
Construction costs included in accounts and vouchers payable	$ 2,433,128	$ 1,514,618	$ -	$ 68,292	$ 3,947,746	$ -

See accompanying notes to the basic financial statements (concluded)

BUTTE-SILVER BOW

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THE RICHEST HILL ON EARTH

MONTANA

Fiduciary Funds

City and County of Butte-Silver Bow, Montana
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Investment Trust	Agency
Assets		
Cash and cash equivalents	$ -	$ 13,569,576
Investments	22,647,194	797,597
Receivables	-	1,800,223
Land acquired by tax deed	-	264,813
Total Assets	22,647,194	16,432,210
Liabilities		
Accounts payable	-	912,026
Vouchers payable	-	740
Accrued interest payable	-	26,655
Due to others	22,647,194	201,817
Due to other governments	-	15,242,554
Due to component unit	-	48,418
Total Liabilities	$ 22,647,194	$ 16,432,210

See accompanying notes to the basic financial statements

City and County of Butte-Silver Bow, Montana
Statement of Changes in Fiduciary Net Position
Investment Trust Funds
For the Fiscal Year Ended June 30, 2016

Additions		
Shares and investments purchased	$	242,832,633
Investment earnings		187,443
Total Additions		243,020,076
Deductions		
Shares and investments redeemed		244,771,735
Investment earnings distributed		-
Total Deductions		244,771,735
Change in Net Position		(1,751,659)
Net Position Beginning of Year		24,398,853
Net Position End of Year	$	22,647,194

See accompanying notes to the basic financial statements

BUTTE-SILVER BOW

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The City and County of Butte-Silver Bow, State of Montana (City and County) was incorporated as a municipal corporation May 2, 1977. The consolidation combined the governments operations from the county of Silver-Bow, which was incorporated on February 16, 1881 and the city of Butte, which was incorporated on April 4, 1879. Under the charter of the consolidated government an elected Chief Executive and twelve-member Council of Commissioners govern the City and County. The day-to-day affairs of the government are conducted under the supervision of the Chief Executive and several other elected officials, directors, and supervisory positions.

The City and County provides a wide range of services to its residents, including public safety, planning, zoning, building inspection, elections, document recording, various infrastructure, social services, health, cultural and recreation, general administrative services, residential and commercial water and waste water system, landfill services, housing rehabilitation, and economic development functions.

Note 1 - Summary of Significant Accounting Policies

The accompany financial statements of the City and County are presented in conformity with Generally Accepted Accounting Principles (GAAP) for state and local governments in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), the accepted standard-setting body for governmental accounting and financial reporting. In June 1999, the GASB issued Statement 34 *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* (GASB 34). GASB 34 established new financial reporting requirements for state and local governments throughout the United States. The GASB 34 statements are referred to as the Government-wide Financial Statements.

The most significant of the City and County's accounting policies are described below.

1-A. Reporting Entity

The reporting entity, as required by United States GAAP, is comprised of the primary government, component units and other organizations which the City and County is considered to be financially accountable. The inclusion of these entities ensures that the financial statements are not misleading. The primary government of the City and County consists of all funds, departments, boards and agencies that are not legally separate from the City and County.

Component Units
Component units are legally separate organizations for which the City and County is financially accountable. The Governmental Accounting Standards Board has set forth the criteria to be considered in determining financial accountability in Statement 14, *The Financial Reporting Entity* and Statement 61, *The Financial Reporting Entity: Omnibus – an Amendment of GASB Statements No 14 and No. 34*. The City and County is financially accountable for an organization if the City and County appoints a voting majority of the organization's governing board and (1) the City and County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City and County is legally entitled to or can otherwise access the organization's resources; the City and County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City and County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City and County in that the City and County approves the budget, levies their taxes or issues their debt.

The component unit columns included on the government-wide financial statements identifies the financial data of the City and County's discretely presented component unit. It is reported separately to emphasize that it is legally separate from the County.

A brief description of the discretely presented component unit follows:

The Port of Montana Authority (Port Authority) - The Port Authority is an intermodal transportation facility, which provides transloading services to over-the-road and rail carriers within the county region. The Port Authority was created by resolution on May 7, 1986, pursuant to authority granted by the 1985 Montana Legislative Assembly. A board appointed by the City and County's Chief Executive and confirmed by the Council of Commissioners manages the Port.

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The Port Authority is fiscally dependent upon the City and County to levy taxes if necessary and further, the City and County has secured a revenue bond issued by the Port Authority.

Separately issued financial statements for the Authority may be obtained at the City and County's Office of the Clerk and Recorder or within the Finance and Budget Department.

Related Organizations

The Chief Executive upon the approval of the Council of Commissioner is responsible for appointing board members for other organizations; however, the commissioners' accountability does not extend beyond those appointments. The commissioners themselves may serve on other organizations' boards and provide some financial and operational influence, but they do not serve in a controlling capacity. These organizations are not included as component units of the City and County; however, any financial support and obligations of the City and County related to these organizations are reported within the financial statements.

1-B. Basis of Presentation

The City and County's basic financial statements consist of government-wide statements which include aggregated fund data and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include a statement of net position and a statement of activities. These statements report financial information for the City and County as a whole. The primary government and the discretely presented component units are presented separately within these financial statements with the focus on the primary government. All City and County funds, excluding the fiduciary activities, are included at the government-wide reporting level. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City and County general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the City and County and it's discretely presented component unit at year-end. This statement is presented in a classified format.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City and County's governmental activities and for each identifiable activity of the business-type activities of the City and County. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City and County does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City and County's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which functions the revenues are *restricted*.

Taxes and other revenue sources not properly included with program revenues are reported as general revenues of the City and County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City and County.

Fund Financial Statements - During the year, the City and County segregates transactions related to certain City and County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City and County at this more detailed level. Fund financial statements are provided for governmental, proprietary, and fiduciary funds.

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Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds. Fiduciary funds are reported by type.

Fund Accounting - The City and County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City and County uses three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City and County reports the difference between governmental fund assets and liabilities as fund balance. The following are the City and County's major governmental funds:

General Fund - The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the City and County for any purpose provided it is expended or transferred according to the general laws of Montana.

Ramsay TIFID Industrial Fund- the Ramsay TIFID industrial fund is a special revenue fund that accounts for the tax collection and economic development activities of the Tax Increment Financing Industrial District (TIFID). The TIFID was formed as a major economic development site where the City and County has been able to attract one of the top employers and tax payers for the City and County. Economic development efforts are continuing to attract new interests within the district.

ARCO Redevelopment Fund – This fund is financed through an agreement between the City and County and Atlantic Richfield Company. These resources will be utilized for development of mine waste source areas, historic preservation, open space and recreational areas, health initiatives and other activities as outlined in the agreement. No expenditures were budgeted or authorized in fiscal year 2013.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The City and County's proprietary funds are classified as enterprise funds and internal service funds. The following are the City and County's major enterprise funds:

Water Utility Division Fund - The water utility division fund is a business-like enterprise fund that accounts for the local government's expansion and maintenance of the City and County water system. Revenues are derived from user fees and are structured to allow for continuing capital projects such as main replacement projects while complying with a debt service coverage ratio of 125%.

Metro Sewer Operations Fund - The metro sewer operations fund is a business-like enterprise fund that accounts for the local government's sewage treatment and disposal operations. Revenue is derived from special assessments. A component of the rate of the assessments also allows for continuing repair and replacement projects.

Solid Waste Fund - The solid waste fund is also a business-like enterprise fund established to account for the construction and operation of the City and County's landfill and solid waste collection activities. Revenues are derived from special assessments and gate fees.

Internal Service Funds – These funds account for data processing, fleet management, and payroll and personnel services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis

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Fiduciary Funds - Fiduciary fund reporting focuses on net position. The City and County's fiduciary funds include a variety of agency funds, an investment trust fund and various individual investment funds for school districts.

Agency Funds - The agency funds consist of property tax funds that the City and County has not yet distributed to local school districts, the State of Montana, other cities and towns, and special districts. The fund also contains fees and judgments due to the State of Montana, garnishments and child support payable through the court system, public administrator functions, and Superfund monies of groups named in a Priority Soils Operable Unit.

External Investment Trust Fund – This fund accounts for the resources held in investments on behalf of the local school districts. Under the direction of the various school district business managers, funds are invested per state law.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are presented on a full accrual basis of accounting with an economic resources measurement focus concentrating on an entity or fund's net position. All transactions and events that affect the total economic resources during the period are reported. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time an obligation (liability) is incurred, regardless of the timing of related cash inflows and outflows. All assets and all liabilities associated with the operation of the City and County are included on the statement of net position. The statement of activities reports revenues and expenses. Fiduciary funds use the accrual basis of accounting.

Fund Financial Statements - All governmental funds are presented on a modified accrual basis of accounting with a current financial resources measurement focus. This measurement focus concentrates on the funds' resources available for spending in the near future. Those transactions and events affecting the funds' current financial resources during the period are reported. Only current assets and current liabilities generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements; therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the City and County finances and meets the cash flow needs of its proprietary activities.

The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting and fiduciary funds use the accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues
Under the modified accrual accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered available if collected with 60 days of year-end. The City and County reports deferred inflows when the potential revenue does not meet both the measureable and available criteria for recognition in the current period.

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Property taxes, special assessments, investment earnings, charges for services, and grant revenue are the primary revenue sources subject to accrual. Property taxes are reported as receivables and deferred inflow of resources. The City and County bills and collects its own property taxes and the taxes for various taxing agencies. (Note 3-C) Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City and County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City and County on a reimbursement basis.

Expenses/Expenditure
On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities and Fund Equity

1-E-1 Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits, time deposits, savings accounts, fiscal agent deposits as well as short-term investments with a maturity date within three months of the date acquired by the City and County.

Generally, investments are stated at fair value based on quoted market prices.

Montana statutes authorize the City and County to invest in the following types of obligations:

- Interest-bearing savings accounts
- Certificates of deposit and time deposits insured up to $250,000 by the Federal Deposit Insurance Corporation or fully collateralized
- U.S. government and U.S. agency obligations
- Montana State Short-term Investment Pool
- Repurchase agreements where there is a master repurchase agreement and collateral held by a third party

Cash resources of individual funds are combined to form a pool of cash and investments, which the Treasurer's Office manages. The investment earnings are statutorily distributed to the general fund.

The City and County issues warrants in payment of its obligations. When the warrants are presented to the Treasurer's Office, the City and County will issue a check to pay the warrants. Cash balances are reported net of outstanding warrants except in the trust/agency fund and for registered warrants.

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectible, where applicable. Unbilled utility charges are accrued as receivables and revenue at June 30, 2016.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

1-E-4 Consumable Inventories and Prepaid Items

Inventories in proprietary funds are stated at the lower of cost (average cost method) or market. The cost of inventory is recorded as expenditure at the time the inventory items are purchased in governmental funds.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

1-E-5 Restricted Assets

On the government-wide financial statements restricted assets consist of cash and cash equivalents and investments that are restricted by State Law, Local Ordinances and Resolutions, and bond covenants. The bond covenants the "*Debt Service Cash*" accounts which are used to segregate resources accumulated for debt service payments over the next twelve months. The "*Debt Service Reserve Cash*" account is used to report resources set aside that are equal to the largest debt service payment occurring in any fiscal year over the life of the bonds. The "*Operations and Maintenance*" account is used to report resources accumulated to subsidize potential deficiencies from the operation that could adversely affect debt service payments. The "*Replacement and Depreciation*" account is used to report resources set aside to fund asset acquisition, renewals and replacements.

On June 30, 2016 the balance of restricted assets accounts are as follows:

	Governmental Activities		
	General Fund	Nonmajor Governmental Funds	Total
Restricted For:			
Restricted by ordinance for self-funded employee health insurance plan	$ 524,234	$ -	$ 524,234
Restricted by Statutes of the State of Montana-Code Enforcement	201,907	-	201,907
Restricted by Council approval-donation for Legion Field	504,619	-	504,619
Restricted by Statutes of the State of Montana-Hard Rock Mine Trust	-	8,315,078	8,315,078
Restricted by bond covenants; debt service reserves	-	2,667,604	2,667,604
Restricted by bond resolution for donations for Aquatic Facility	-	500,119	500,119
Total	$ 1,230,760	$ 11,482,801	$ 12,713,561

	Water Utility Division	Solid Waste	Metro Sewer Operations	Total
Restricted For:				
Restricted by bond covenants; debt service reserves	$ 399,438	$ -	$ 1,468,067	$ 1,867,505
Restricted for replacement and depreciation	-	-	220,000	220,000
Restricted by ordinance; future capital cell expansion	-	1,227,562	-	1,227,562
	$ 399,438	$ 1,227,562	$ 1,688,067	$ 3,315,067
Total				**$ 16,028,628**

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Component Unit
On June 30, 2016, the Component Unit had restricted cash of $58,974 for bond reserves and $39,351 for the next installment payable on the Port Authority Revenue Bond per the bond covenants. Also, $25,000 was restricted by agreement with a surety company as collateral on a surety bond.

1-E-6 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The City and County reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the proprietary funds' statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City and County maintains a capitalization threshold of five thousand dollars. The City and County's infrastructure consists primarily of roads and water and sewer lines. The City and County governmental activities infrastructure has been capitalized since fiscal year 1981. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City and County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

	Estimated Lives		
Asset Class	Governmental Activities	Business-type Activities	Component Unit
Buildings	30-60 Years	30-60 Years	15-40 years
Improvements other than buildings	25-50 Years	25-50 Years	15-40 years
HUB transportation facility	---	---	25-40 years
Machinery and equipment	10-20 years	10-20 years	3-15 Years
Infrastructure	30-60 Years	30-60 Years	---

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

1-E-7 Long-term Obligations

All payables and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the these funds. However, compensated absences, claims and unfunded pension benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Bonds and capital leases are recognized as a liability in the governmental fund financial statements "*when due*".

1-E-8 Bond Premiums, Discounts, Issuance Costs and Bond Refunding Gains and Losses

In the government-wide statement of net assets and the proprietary fund statements of net assets, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds.

In the financial statement for governmental fund types, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs, whether or not withheld for the actual debt proceeds received, are reported as debt service expenditures.

1-E-9 Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. GASB Statement 54 requires governmental fund balances to be allocated to categories as follows:

- Nonspendable – funds that are not spendable in form (i.e. Inventory);
- Restricted – externally enforceable legal restrictions exist, such as state law or bond covenants;
- Committed – classification formally imposed by the Council of Commissioners by Council Resolution or Ordinance at the end of the reporting period;
- Assigned – classification t imposed by the government for specific purposes, but do not meet the criteria of restricted or committed. Butte-Silver Bow's policy is as follows: Assignment can be expressed and authorized by the Council of Commission or by an official to whom the Council of Commissioners delegates authority. The Council of Commissioners has delegated the Finance and Budget Director.
- Unassigned – remaining balance.

Net Position - Net position in the government wide and proprietary funds represent the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, plus any outstanding balances of borrowings not yet expended, but restricted for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City and County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

The City and County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The Council of Commissioners is the highest body in the City and County and any constraints on funds set by it must be reported as committed if action is taken by fiscal year end. The Chief Executive, in conjunction with the Finance & Budget Director, can impose constraints that would cause amounts to be assigned. Assigned fund balances are generally designated as such in accordance with the purpose of the fund.

1-E-10 Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating 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. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses, including operating grants, investment earnings, interest expense and gains and losses on dispositions of capital assets.

1-E-11 Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from transfers from capital assets of governmental activities, outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-12 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated.

I-E-13 On-Behalf Payments for Fringe Benefits

On-behalf payments for fringe benefits are direct payments made by one entity to a third-party recipient for the employees of another, legally separate entity. On-behalf payments include pension plan contributions made directly to the various cost-sharing pension plans by the State of Montana. The State's pension contribution is recorded as intergovernmental revenue with an offsetting expenditure in the related funds. (Note 3I)

1-E-14 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1-E-15 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds.

I-E-16 Concentration of Credit Risk – Component Unit

The Port of Montana Port Authority, a discretely presented component unit, receives revenues from shipping, storage and switching in Silver Bow, Montana. The Port Authority grants credit on some of these sales and generally requires no collateral from its customers.

1-E-17 Implementation of New GASB Standards

In fiscal year 2016, the City and County implemented several Governmental Accounting Standards. Below is a brief summary of the standards implemented:

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GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*

The objective of this statement is to address a practice issue regarding the scope and applicability of GASB Statement No. 68. The issue was associated with pensions provided through certain multiple-employer defined pension plans and to state or local government employers whose employees are provided with such pensions. GASB Statement No. 78 amends the scope and applicability of GASB Statement No. 68 to exclude pensions provided to employees of state and local governmental employers through a cost-sharing multiple defined benefit pension plan that (1) is not a state or local pension plan, (2) is used to provide defined benefit pensions both to employees of state and local governmental employers and to employees of employers that are not state of local governmental employers, and (3) has no predominant state or local governmental employer. This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for these types of multiple-employer defined pension plans.

This Statement is effective for fiscal years beginning after December 15, 2015.

GASB Statement No.72, *Fair Value Measurement and Application*

This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

This Statement generally requires investments to be measured at fair value. An *investment* is defined as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. Investments not measured at fair value continue to include, for example, money market investments, 2a7-like external investment pools, investments in life insurance contracts, common stock meeting the criteria for applying the equity method, unallocated insurance contracts, and synthetic guaranteed investment contracts. A government is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the net asset value per share (or its equivalent) of the investment.

This Statement establishes a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs—other than quoted prices—included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security.

This Statement is effective for fiscal years beginning after December 15, 2015.

GASB Statement No.76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*

The objective of this Statement is to identify the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015.

1-E-18 Deferred Outflows and Inflows of Resources

In accordance with Government Accounting Standards Board Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, the City and County reports deferred outflows of resources in the Statement of Financial Position in a separate section following Assets. Similarly, the City reports deferred inflows of resources in the Statement of Net Position in a separate section following Liabilities.

Deferred inflows of resources accounts for the current acquisitions of net assets that is applicable to a future reporting period. Deferred inflows of resources in the General Fund, Ramsay TIFID, and other Governmental Funds represent outstanding general property taxes and special assessments at June 30, 2016. These amounts are reported as revenue in the Government-Wide Financial Statements in the period in which they are levied.

On the Government-wide Statement of Net Position, Deferred inflows from resources relate to deferred inflows from pensions as defined in GASB Statement 68.

Deferred outflow of resources is the current consumption of net assets that is applicable to future reporting periods. On the Government-wide State of Net Position, Deferred outflows from resources relate to pension reporting as defined in GASB Statement 68.

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Port of Montana Port Authority
Deferred Outflows of Resources:				
Deferred outflows from pension activities	$ 2,793,850	$ 402,678	$ 3,196,528	$ 15,115
Deferred Inflows of Resources:				
Deferred inflows from pension activities	$ 2,352,129	$ 409,037	$ 2,761,166	$ 44,227

Note 2 – Stewardship, Compliance, and Accountability

2-A. Budgetary Information

Budgets are adopted on a basis consistent with GAAP for all budgeted funds of the government in accordance with the Local Government Budget Act (Title 7, Chapter 6, part 40, MCA). Per the Local Government Budget Act, the City and County has excluded the damages and judgments fund, a special revenue fund. Because the amounts of possible judgments are unknown, no expenditure budget is included for this fund. Revenues are budgeted because prior year expenditures are levied for in the current year. In accordance with state law judgments against a local government not covered by insurance may be levied for over a 3-year period to pay the current fiscal years judgments.

Each year, the Chief Executive must submit to the City and County Council of Commissioners a proposed operating budget for all budgets units within the City and County for the fiscal year commencing July 1. This operating budget includes proposed expenditures and the projected revenues for financing the expenditures. Public hearings are conducted to obtain citizens comments on the proposed budget and as prescribed in the Local Government Budget Act. The budget is then legally adopted by the passages of the budget resolution and various rate resolutions by the Council of Commissioners.

Budgets are legally required for governmental fund types, with the exception of the Damages & Judgments fund described above. The budgets are prepared on the same basis and using the same accounting practices as are used to account and prepare financial reports for funds. In accordance with Montana Code Annotated, Section 7-6-4030, the level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. Annual appropriated budgets are adopted for all funds and all appropriations lapse at year end.

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The Council of Commissioners may amend the budget during the course of the fiscal year in accordance with Montana State Statute. The statute defines situations where the governing body has authority to amend the budget without a hearing for donations, land sales, and fee-based budgets. However, the City and County Council of Commissioners have adopted rules of order by which all increases in appropriation authority at the fund level are approved through public hearing process.

In its annual appropriation resolution, the Council of Commissioners delegated budget amendment authority to the Finance and Budget Director for the expenditures of funds from any or all the following; general fund, special revenue funds including federal and state grants accepted and approved by the governing body, debt service funds, enterprise funds, internal service funds, trust funds, and special assessments. The budget amendments can be made as long as the total appropriations for the fund are not exceeded. Spending control is established by the total amount of expenditures budgeted for the fund. The Finance and Budget Director assigns fund balances based on the available balance in the individual funds at year-end.

A public hearing is required for an overall increase in appropriation authority, except in the case of an emergency as provided in Montana state statute.

2-B. Excess of Expenditures over Appropriations

There were no funds that had expenditures in excess of the fund budget.

2-C. Deficit Fund Equity

The following funds had fund balance and net position deficits as of June 30, 2016:

Parking Commission Fund – ($200,543) – The City and County is funding this operation in the interim with a loan from the general fund so public safety is provided and operations can continue. Assessment is under way to determine if, from a public safety standpoint, tax dollars should be allocated for some of the operational costs provided by the Parking Commission and to what extent the Parking Commission should continue to function.

Damages and Judgments Fund – ($39,090) – This fund accounts for judgments made against the local government. Property taxes will be levied in fiscal year 2017 to cover this deficit as defined in the Montana Code Annotated.

East Butte RRA Fund – ($40,123) – The East Butte RRA is a tax financing district and is currently operating through a loan from the Urban Revitalization Agency (URA). As the district market values expand, the tax increment will be utilized to pay off the loan to URA. This will offset the negative balance. The fund balance was ($140,098) for fiscal year 2015.

Health Fund – ($23,471) – This fund covers activities related to community health issues. These services include immunization, air quality, as well as a multitude of federal and state contract/grant health programs. The Health Department until February 2014 operated a drug and alcohol treatment program. This program was determined not to be financially feasible for the City and County to operate. Also, the local government was competing with other agencies in the community with similar programs. The deficit in the fund was linked to this program. The Council of Commissioners agreed to implement a 5 year grant plan to pay back a loan to the General Fund and allow for the Health fund to be solvent. The in fund balance in fiscal year 2015 was ($278,607).

NRDP – Greenway Project ($236,944) – This fund accounts for the activities associated with the construction of the Greenway project. The State of Montana Natural Resource and Damages funding has funded for the majority of this project. The general fund has made an interim loan to the project to avoid delays in project. This project will be fully funded prior to the grant closeout.

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Transit ($50,007) –This fund accounts for the activities of the Butte-Silver Bow Transit System and Para Transit System. During fiscal year 2014, the Transit fund purchased 5 buses through the use of Section 5309 and 5311 federal grant funds leaving a deficit of $97,874 to meet the matching funds of 13.42%. The matching funds came from an inter-fund loan from solid waste. At the end of fiscal year 2015, management instituted a pilot program to further increase ridership and to take advantage of federal grant funds available for operations. To offset the lost fees under the new program, the Transit Department has contacted local agencies using the transit system to obtain sponsorship. These agencies include the local university who was the first contribute back to the Transit system in fiscal year 2017.

Superfund Residential Metals ($18,359) – This program is funded through a settlement agreement with Atlantic Richfield Company (Arco). The program funds are held in trust by Arco. The City and County invoices the trustee quarterly for the activities as described in the annual budget. Under this program the City and County is responsible to conduct time critical soil removal within the Priority Soils Operable Unit. During fiscal year 2016, additional work was completed under the program. The funds will be allocated to cover the shortfall in fiscal year 2017 from the trust account.

CTEP Grants ($8.635) – This fund accounts for the grant activities associated with the funds received from the State of Montana, Department of Transportation for Community Transportation Enhancement Program. The general fund has made an interim loan to the project to avoid delays in project. This project will be fully funded prior to closeout.

Central Administrative Services – ($3,239) – This fund accounts for the payroll and personnel activities of the city-county. The deficit net position is attributed to the period adjustment for pension reporting and implementation of GASB Statement No. 68, during fiscal year 2015. The change in net position for fiscal year 2015 was $60,592. The net position, exclusive of the prior period adjustment for GASB 68, would have been $282,645.

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Primary Government's Deposits

State statutes require that all deposits in financial institutions be 50% collateralized as outlined in Montana Code Annotated, 17-6-103.

Custodial Credit Risk – Deposits – the custodial credit risk for deposits is the risk that, in the event of a bank failure, the City and County's deposits may not be recovered. Butte-Silver Bow policy related to custodial risk is to remain in conformity with MCA 17-6-103 as described above.

At June 30, 2016, the carrying amount of the City and County's deposits, including certificates of deposit was $39,468,847 and the related bank balances totaled $39,408,588. Of the bank balance, $753,997 was covered by Federal Depository Insurance; $37,066,043 was collateralized by the pledging financial institution's trust department or an agent in the City and County's name and $1,648,807 was uncollateralized.

Component Unit's Deposits

At June 30, 2016, the carrying amount of the Port Authority's deposits, including certificates of deposit of $3,304,234 and the related bank balances totaled $3,405,627. All deposits were fully secured by the Federal Depository Insurance (FDIC).

Primary Government's Investments

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement Number 72, *Fair Value Measurement and Application*. This statement changes the definition of fair value and adds new disclosure requirements. GASB 72 is effective for periods beginning after June 15, 2015.

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The City-County categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles as follows:

- Level 1—Quoted prices for identical assets or liabilities in active markets.
- Level 2—Prices determined using inputs, other than quoted prices included within Level 1, that are observable for an asset or liability, either directly or indirectly.
- Level 3—Prices determined using unobservable inputs. STIP has the following recurring fair value measurements as of June 30, 2016

When measuring an asset or liability at fair value, a government should maximize use of relevant observable inputs and minimize use of unobservable inputs. An example of a level 1 input would be ownership in shares of a company that is publicly traded on the NASDAQ or NYSE exchanges; a level 2 example would be ownership of a corporate bond that trades on an exchange that is not active; and a level three example would be ownership in a private hedge fund that does not trade on a public exchange.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment.

In compliance with the City and County's Investment Policy, the City and County minimized the interest rate risk, related to the decline in the market value of securities due to rising interest rates in the portfolio by; limiting the duration of the investment of security types with the expectation of securities purchases related to reserve funds; structuring the investment portfolio so that the securities matured to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the secondary market. The City and County has invested operating funds primarily in short-term securities or the State of Montana investment pool.

At June 30, 2016 the City and County had the following investments presented at fair market value:

Investment Type	Fair Value
FDIC Insured Certificate of Deposits	$ 9,179,951
Montana Short-term Investment Pool (STIP)	56,479,036
Montana Long-term Trust Fund Investment Pool (TFIP)	13,180,132
Total Investments	$ 78,839,119

The investments consist of FDIC insured certificates of deposits and money market accounts (CMMA) which are insured by up to $250,000 by the FDIC per instituted where the investments are held. The investments in STIP and TFIP are discussed below.

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Credit Quality Risk – Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the City-County's investments may not be recovered. The City and County's investments held no custodial credit risk as of June 30, 2016.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the City and County's investment in a single issuer.

In compliance with the City and County Investment Policy, the City and County diversify its investment portfolio so that potential losses on individual securities are minimized. The only investments in excess of 5% of the City and County's investment portfolio are invested in the State of Montana Short Term Investment Pool (STIP) and State of Montana Long-term Investment Trust Pool described above.

State of Montana Board of Investments

The Board of Investments was created by the Legislature to manage the Unified Investment Program established by the State Constitution. The Investment Program is comprised of state funds, including pensions, trusts, insurance, and cash. Local government entities can by statute only voluntarily invest in the Short Term Investment Pool. With a qualifying event, local government entities may also by statute invest in the long-term investment portion of the Program. The Board manages the Investment Program pursuant to the "Prudent Expert Principle" mandated by State law.

To facilitate the management of the Investment Program, the Board created seven investment pools (Pools) that operate similar to mutual funds. All state agencies and many local government entities may participate in one or more pools. By investing in large Pools with other participants the smaller participants are provided broad diversification not otherwise possible. The City-County of Butte-Silver Bow is authorized to participate in the Short Term Investment Pool (STIP), which was created July 1, 1974 and the Trust Fund Investment Pool (TFIP), which was created October 1, 1995.

Short Term Investment Pool

The STIP investments are managed in accordance with the statutorily mandated "Prudent Expert Principle". The portfolio may include asset-backed securities, commercial paper, corporate, U.S. Government direct obligations, U.S. Government agency securities, repurchase agreements, institutional government money market funds, certificates of deposit, and variable-rate (floating-rate) instruments. Investments must have a maximum maturity of 397 days or less unless they are a variable rate security. Asset-backed securities represent debt securities collateralized by a pool of mortgage and non-mortgage assets such as trade and loan receivables, equipment leases, credit cards, etc. Commercial paper is unsecured short-term debt with maturities ranging from 2 to 270 days. U.S. Government direct obligations include U.S. Treasury securities and debt explicitly guaranteed by the U.S. Government. U.S. Government agency securities include U.S. Government agency. Repurchase agreements (REPOs) represent an agreement between a seller and a buyer, usually of U.S. Government securities, whereby the seller agrees to repurchase the securities at an agreed upon price and stated time. Variable rate securities pay a variable rate of interest until maturity. The STIP portfolio's variable rate securities reset to LIBOR (London Interbank Offered Rate).

STIP is managed to preserve principal while providing 24-hour liquidity for state agencies and local government participants. Funds may be invested for one or more days. The STIP investments and the income are owned by the participants and are managed on behalf by the Board of Investments.

Participant Units / Valuation

The STIP unit value is fixed at $1.00 for both participant buys and sells. A purchased unit earns income on the purchase date and ceases to earn income on the day before the unit is sold. Participants may buy or sell fractional shares. For fiscal years 2016 and 2015, income was distributed on the first business day of each month. Participants may automatically reinvest their income in additional units. STIP is managed to closely align fair value with amortized cost.

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The State of Montana Short Term Investment Pool (STIP) Credit Quality ratings by the NRSRO as of June 30, 2016
(In thousands)

Security Investment Type	Fair Vaule*	Credit Quality Rating**	WAM in Days
Treasuries	$ 75,122	A-1+	133
Asset Backed Commercial Paper	786,486	A-1	22
Corporate Commercial Paper	262,021	A-1	82
Corporate Variable Rate	467,046	A-1	45
Certificates of Deposit Fixed Rate	25,004	A-1	15
Certificates of Deposit Variable Rate	500,023	A-1	47
U.S. Government Agency Fixed	241,350	A-1+	75
U.S. Government Agency Variable	263,901	A-1+	16
Money Market Funds (Unrated)	13,143	NR	1
Money Market Funds (Rated)	189,003	A-1+	1
Total Investments	$ 2,823,099	A1	41
Securities Lending Collateral Investment Pool	$ 11,844	NR	32

*Beginning with the period of June 30, 2016, the STIP portfolio is shown at fair value. For the period prior to June 30, 2016, the STIP portfolio was shown at amortized cost.

**Credit Quality Rating is weighted.

Amounts invested by the City and County in STIP may be redeemed at any date at the carrying value on that date.
The STIP Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

STIP has the following recurring fair value measurement as of June 30, 2016 (In Thousands):

		Fair Value Measurement Using		
Security Investment Type	June 30, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable (Level 3)
Treasuries	$ 75,122	$ 75,122	$ -	$ -
Asset Backed Commercial Paper	786,486	-	786,486	-
Corporate Commercial Paper	262,021	-	262,021	-
Corporate Variable Rate	467,046	-	467,046	-
Certificates of Deposit Fixed Rate	25,004	-	25,004	-
Certificates of Deposit Variable Rate	500,023	-	500,023	-
U.S. Government Agency Fixed	241,350	-	241,350	-
U.S. Government Agency Variable	263,901	-	263,901	-
Money Market Funds (Unrated)	13,143	-	13,143	-
Money Market Funds (Rated)	189,003	-	189,003	-
Total Investments	$ 2,823,099	$ 75,122	$ 2,747,977	$ -

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Fixed income investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fixed income investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Long Term Trust Fund Investment Pool

The City-County also participates in the Long Term Trust Fund Investment Pool by investing funds that were received through an Allocation and Settlement Agreement and Mutual Release of Claims with the Atlantic Richfield Company and the City-County. The investments are carried within the Arco Redevelopment Trust Authority Fund, a major governmental fund.

On October 7, 2015, the Council of Commissioners adopted Council 15-44, authorizing the City-County and its designee to invest funds with the Montana Board of Investments in accordance with Section 17-6-205, MCA. The 2015 State legislature enacted legislation that authorized local governments to participate in Trust Fund Investments Pool or the investments with the Board of Investments. The City-County also signed an Investment Policy Statement with the Board of Investments. The purpose of the Investment Policy Statement is to outline the account objectives, permissible investments, and constraints that will guide the management of the portfolio. The policy is designed to give the investment manager flexibility to achieve in a prudent manner the investment objectives of the client, the City and County of Butte-Silver Bow Superfund Redevelopment Trust Authority and the Investment Custodian, to implement redevelopment projects and activities in accordance with its by-laws and the *Allocation and Settlement Agreement and Mutual Release of Claims by and between the City and County of Butte-Silver Bow and the Atlantic Richfield Company.* The City-County may withdraw investments from the TFIP providing 24-hour liquidity for state agencies and local government participants. Funds may be invested for one or more days.

Securities Lending under the Policy Statement:

Section 17-1-113, MCA, authorizes the Board to lend securities held by the state. The Board may lend its publicly traded securities held in the investment pools, through an agent, to other market participants in return for compensation. Currently, through an explicit contract, State Street Bank and Trust, the state's custodial bank, manages the state's securities lending program. The Board seeks to assess the risks, such as counterparty and reinvestment risk, associated with each aspect of its securities lending program. The Board requires borrowers to maintain collateral at 102 percent for domestic securities and 105 percent for international securities. To ensure that the collateral ratio is maintained, securities on loan are marked to market daily and the borrower must provide additional collateral if the value of the securities on loan increases. In addition to the strict collateral requirements imposed by the Board, the credit quality of approved borrowers is monitored continuously by the contractor. From time to time, Staff or the investment manager may restrict a security from the loan program upon notification to State Street Bank. Staff will monitor the securities lending program, and the CIO will periodically report to the Board on the status of the program.

Cash Investments under the Policy Statement:

Cash investments held at the pool level, any managed account within it, or any separate account entail an element of credit risk. Thus, only approved cash investment vehicles are permitted. These include the custodian's STIF vehicle, STIP, or any SEC-registered money market fund, all of which specifically address credit risk in their respective investment guidelines.

On June 30, 2016, the Trust Funds Investment Pool (TFIP) had a book value of $2,137,529,000 and Fair Value of $2,225,336,000. The City-County's book value was $12,833,513 and Fair Value of $13,180,132.

Types of Investments

The TFIP includes U.S. Treasury securities, U.S. agency and government-related securities, and corporate securities categorized as financial, industrial or utility. These portfolios may include variable-rate (floating rate) instruments with the interest rate tied to a specific rate such as London Interbank Offered Rate (LIBOR). Variable rate securities pay a variable rate of interest until maturity.

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Credit Risk

The Board's policy requires TFIP fixed income investments to be invested in the investment grade securities (Baa3/BBB- or higher) with the exception of non-rated securities issued or guaranteed by agencies or instrumentalities of the US Government. The U.S. Government guarantees the U.S. Government securities directly or indirectly. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk.

Custodial Credit Risk

Per policy, the Board's custodial institution must hold short-term and long-term credit rating by at least one Nationally Recognized Statistical Rating Organization with minimum requirement of A1/P1 (short-term) and A3/A-1 (long-term)

Concentration of Credit Risk

The Board of Investments had no concentration of credit risk exposure in the bond pools or STIP.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with GASB Statement No. 40, the Board uses effective rate risk for the Bond Pool and AOF portfolios. Duration is the average percentage change in a bond's price for a given change in interest rates. Prices move inversely to interest rates. Per policy, the TIFP duration is to remain within 20% of the established Index duration. Duration for two fixed income external managers must be within 25% of the established Index duration.

The State of Montana Trust Fund Investment Pool (TFIP) Credit Quality ratings and Effective Duration as of June 30, 2016
(In thousands)

Security Investment Type	Fair Vaule	Credit Quality Rating*	Effective Duration*
Treasuries	$ 503,524	AA+	7.57
Agency/Government Rated	108,132	AA-	7.54
Asset Backed Securities	112,313	AAA	2.26
Mortgage Backed Securities	493,374	AA+	3.73
Commercial Mortgage Backed Securities	164,887	AAA	5.32
Financial - Corporate	213,578	A-	4.94
Industrial - Corporate	367,152	A-	6.67
Utility - Corporate	53,823	BBB+	6.07
Short Term Investment Pool (STIP)	48,310	NR	0.11
Core Real Estate	177,581	NR	N/A
High Yield Bond Fund	101,815	B+	4.26
Total Investments	$ 2,344,489	AA-	5.39
Securities Lending Collateral Investment Pool	$ 27,613	NR	0.08

*Credit Quality Rating and Effective Duration are weighted

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TFIP has the following recurring fair value measurement as of June 30, 2016 (In Thousands):

		Fair Value Measurement Using		
Investments by fair value level	June 30, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable (Level 3)
Fixed Income Treasuries	$ 503,524	$ 75,122	$ -	$ -
Agency/Government Related	108,132	-	786,486	-
Asset Backed Securities	112,313	-	262,021	-
Mortgage Backed Securities	493,374	-	467,046	-
Commercial Mortgage Backed Securities	164,887	-	25,004	-
Financial-Corporate	213,579	-	500,023	-
Industrial-Corporate	367,152	-	241,350	-
Utility-Corporate	53,822	-	263,901	-
Total fixed Income investements by fair value level	2,016,783	75,122	2,545,831	-
Investments measured at the net asset value (NAV)				
Core Real Estate	177,581			
High Yield Bond Fund	101,815			
Short Term Investment Pool (STIP)	48,310			
Total Investments measured at NAV	$ 327,706			
Total Investments at Fair Value	2,344,489			

Additional information on the State of Montana Short-term Investment Pool or the Long-term Trust Fund Investment Pool may be obtained by writing to Montana Board of Investments, Department of Commerce, 2401 Colonial Drive, 3rd floor, Helena, MT, 59620-0126, by calling (406) 444-000, or visiting the website http://investmentmt.com/Portals/96/shared/AnnualReport/docs/FY2016Final.pdf.

Cash and Investment Reconciliation:

	Cash and Cash Equivalents	Investments	Total
Fund Reporting Level:			
Governmental Funds - Balance Sheet	$ 14,304,644	$ 36,498,143	$ 50,802,787
Governmental Funds - Balance Sheet - Restricted	3,041,374	9,672,187	12,713,561
Proprietary Fund Type Statement of Net Position	5,463,110	9,054,018	14,517,128
Proprietary Fund Type Statement of Net Position - Restricted	3,145,087	169,980	3,315,067
Fiduciary Fund	13,569,576	23,444,791	37,014,367
Less cash on hand	(54,962)		(54,962)
Total	$ 39,468,829	$ 78,839,119	$ 118,307,948
Cash and cash equivalents			$ 39,468,829
Investments			78,839,119
Total			$ 118,307,948

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The City-County's has the following recurring fair value measurement as of June 30, 2016:

		Fair Value Measurement Using		
Security Investment Type	June 30, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable (Level 3)
State of Montanat Short-term Invesment Pool (STIP)	$ 56,479,036	$ -	$ 56,479,036	$ -
State of Montana Long-term Trust Fund Investment Pool (TFIP)	13,180,132	-	13,180,132	-
Fixed Rate Certificate of Deposits	9,179,951	-	9,179,951	-
Total Investments	$ 78,839,119	$ -	$ 78,839,119	$ -

3-B. Receivables

Receivables at June 30, 2016, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the City and County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

At June 30, 2016, the amount of allowance for uncollectible was $78,539. The allowance consisted of client fees in the Health Department ($43,000), lease payments at the Small Business Development Center ($4,539), and customer's accounts in the Water Utility ($31,000). These amounts remained stable from the prior year.

3-C. Property Taxes

All property within the City and County is assessed on taxable market value. Real property taxes, special assessments, and certain utility fees are due in two installments generally on November 30th and May 31st of each fiscal year or within 60 days of mailing of the statement. Property taxes attach as an enforceable lien on property as of January 1. During the current year, the taxes were levied on November 30, 2015. The property taxes were due and recognized as an enforceable lien on January 31, 2015.

Taxes and special assessments receivable are recorded the first working day of December. Tax liens are enforced for real property with taxes which are three years delinquent.

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3-D. Capital Assets

Capital asset activity for the year ended June 30, 2016, was as follows:

	Balance 6/30/2015	Additions	Deductions	Balance 6/30/2016
Governmental activities				
Nondepreciable capital assets				
Land	$ 4,249,347	$ -	$ -	$ 4,249,347
Construction in progress	456,038	2,131,132	(154,841)	2,432,329
Total nondepreciable capital assets	4,705,385	2,131,132	(154,841)	6,681,676
Depreciable capital assets				
Buildings	37,802,034	441,452	-	38,243,486
Improvements other than buildings	9,751,867	380,249	-	10,132,116
Machinery and equipment	26,502,918	1,151,570	(72,314)	27,582,174
Infrastructure	92,996,018	2,381,807	-	95,377,825
Total depreciable capital assets	167,052,837	4,355,078	(72,314)	171,335,601
Total capital assets	171,758,222	6,486,210	(227,155)	178,017,277
Accumulated depreciation				
Buildings	(11,617,476)	(916,647)	-	(12,534,123)
Improvements other than buildings	(4,831,705)	(327,710)	-	(5,159,415)
Machinery and equipment	(18,250,863)	(1,533,035)	(47,937)	(19,735,961)
Infrastructure	(37,698,038)	(3,530,656)	-	(41,228,694)
Total accumulated depreciation	(72,398,082)	(6,308,048)	(47,937)	(78,658,193)
Governmental activities capital assets, net	$ 99,360,140	$ 178,162	$ (275,092)	$ 99,359,084

Governmental activities depreciation expense

General government	$ 851,692
Public safety	836,887
Public works	1,589,792
Public health	31,897
Culture and recreation	409,851
Housing and community development	2,587,929
Total governmental activities depreciation expense	$ 6,308,048

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Business-type activities Capital asset activity for the year ended June 30, 2016, was as follows:

	Balance 6/30/2015	Additions	Deductions	Balance 6/30/2016
Business-type activities				
Nondepreciable capital assets				
Land	$ 1,332,721	$ -	$ -	$ 1,332,721
Construction in progress	20,797,663	13,345,979	5,826,357	28,317,285
Total nondepreciable capital assets	22,130,384	13,345,979	5,826,357	29,650,006
Depreciable capital assets				
Buildings	31,984,047	14,454,721	-	46,438,768
Improvements other than buildings	103,111,252	972,932	-	104,084,184
Infrastructure	1,295,091	1,280,025	-	2,575,116
Machinery and equipment	10,823,627	7,969,956	13,656	18,779,927
Total depreciable assets	147,214,017	24,677,634	13,656	171,877,995
Total capital assets	169,344,401	38,023,613	5,840,013	201,528,001
Accumulated depreciation				
Buildings	(16,389,025)	(923,364)	-	(17,312,389)
Improvements other than buildings	(45,529,176)	(3,885,619)	-	(49,414,795)
Infrastructure	(49,326)	(71,459)	-	(120,785)
Machinery and equipment	(8,606,099)	(802,767)	(13,656)	(9,395,210)
Total accumulated depreciation	(70,573,626)	(5,683,209)	(13,656)	(76,243,179)
Business-type activities capital assets, net	$ 98,770,775	$ 32,340,404	$ 5,826,357	$ 125,284,822

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The following are the changes in component unit's capital assets as of June 30, 2016:

	Balance 6/30/2015	Additions	Deductions	Balance 6/30/2016
Component unit				
Nondepreciable capital assets				
Land	$ 353,252	$ -	$ -	$ 353,252
Total nondepreciable capital assets	353,252	-	-	353,252
Depreciable capital assets				
Warehouse and improvements	776,688	-	-	776,688
Machinery and equipment	1,214,477	-	46,387	1,168,090
HUB Transportation facility				
Buildings and improvements	6,099,154	73,025	-	6,172,179
Tracks	1,469,325	-	-	1,469,325
Total depreciable capital assets	9,559,644	73,025	46,387	9,586,282
Total capital assets	9,912,896	73,025	46,387	9,939,534
Accumulated depreciation				
Warehouse and improvements	(597,794)	(13,146)	-	(610,940)
Machinery and equipment	(924,579)	(38,905)	(45,545)	(917,939)
HUB Transportation facility				
Buildings and improvements	(2,533,350)	(142,228)	-	(2,675,578)
Tracks	(825,144)	(33,059)	-	(858,203)
Total accumulated depreciation	(4,880,867)	(227,338)	(45,545)	(5,062,660)
Component unit capital assets, net	$ 5,032,029	$ (154,313)	$ 842	$ 4,876,875

3-E. Interfund Balances and Transfers

Interfund balances at June 30, 2016, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The City and County expects to repay most interfund balances within one year**.**

	Payable from:		
Payable to:	Nonmajor Governmental Funds	Major Enterprise Fund	Total
General fund	$ 1,931,906	$ -	$ 1,931,906
Nonmajor governmental funds	473,800	500,000	973,800
Metro sewer fund	373,008	-	373,008
Solid waste fund	195,749	-	195,749
	$ 2,974,463	$ 500,000	$ 3,474,463

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The following is a summary of the interfund transfers:

	Transfers to:					
Transfers from:	General fund	ARCO Redevelopment Trust Authority	Nonmajor governmental funds	Nonmajor enterprise funds	Governmental Activities Internal Service funds	Total
General fund	$ -	$ 3,856	$ 506,400	$ -	$ -	$ 510,256
Ramsay TIFID	255,185	-	7,106,412	15,000	-	7,376,597
ARCO Redevelopment Trust Authority	-	-	-	-	-	-
Nonmajor governmental funds	38,998	-	138,154	-	10,000	187,152
Water utility division fund	271,221	-	-	-	-	271,221
Metro sewer operations fund	180,873	-	-	-	-	180,873
Solid waste fund	104,648	-	15,000	-	-	119,648
Total	$ 850,925	$ 3,856	$ 7,765,966	$ 15,000	$ 10,000	$ 8,645,747

Transfers are used to (1) move receipts restricted for debt service from the funds collecting the receipts to the debt service funds per bond covenants, and (2) use unrestricted revenues in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization and (3) for administrative functions related to the major business-type funds, and (4) to close in active funds to the General Fund as outlined in 7-6-614, Montana Code Annotated.

3-F. Landfill Post-closure Care

State and federal laws and regulations require the City and County of City and County to place a final cover on its landfill site at Rocker when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, City and County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet.

The total estimated current cost of closure and post-closure care as of the balance sheet date is $1,925,975 and estimated total current cost remaining to be recognized is $1,502,966. These amounts are based on what it would cost to perform all closure and post-closure care in 2016. Percentage of landfill capacity used to date is about 17.58%. City and County expects to close the landfill in the year 2047. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. City and County has elected to use the Local Government Financial test to assure financial requirements are met.

3-G. Compensated Absences

Employees earn vacation leave at the rate of 15 days per year for the first 10 years. Between 10 and 20 years, employees earn vacation leave at an increasing rate, reaching 24 days per year after 20 years. There is no requirement that annual leave be taken, but the maximum permissible accumulation per Montana Code Annotated 2-8-617 is equal to twice the amount of the individuals' annual leave. Any excess leave not taken used within 90 days of the calendar year-end is removed from the individuals annual leave account. At termination, employees are paid for any accumulated annual leave.

Employees earn sick leave at the rate of 12 days per year. There is no limit on the accumulation of sick leave. At termination, employees are paid one day for every four days of accumulated sick leave earned after 1970.

3-H. Long-Term Debt

Governmental Activities Debt – The following is a summary of the outstanding debt for the City and County's governmental activities.

General Obligation Bonds – The City and County has three outstanding general obligation bond issues. In November 2016, the City and County of Butte-Silver Bow contracted with S&P Global Ratings for review of the current general obligation underlying bond rating. The rating review covered current general obligation debt and issue of general obligation debt described in Note 4-B Subsequent Event note. On December 6, 2016, S&P Global Ratings notified the city and county that based on their review, the underlying (SPUR) from "A+" to "AA-"while affirming the stable outlook.

On November 7, 2006 the voters of the City and County approved a ballot measure to sell up to $1.1 million in general obligation bonds for the purpose of financing the purchase of a 100' Super HD Aerial Ladder Truck and associated equipment. On September 28, 2007 the City and County issued a $978,554 General Obligation Bond to the Montana Board of Investments (MBOI). The Bond had an initial interest rate of 4.85% and this will vary annually on the unpaid principal installments until the Bond is paid off on August 15, 2017. The interest rate as of June 30, 2016 was 1.55%. The total bonds outstanding related to this project, as of June 30, 2016 are $150,346.

On November 14, 2007 the voters of the City and County approved a ballot measure to issue $7.5 million in general obligation bonds to construct an archives vault, and remodel and renovate the historic archives building. On July 9, 2008 the City and County issued $4,500,000 of general obligation bonds with varying interest rates of 3.50% to 5.50% with average coupon of 4.85% and final maturity of July 1, 2028. On February 18, 2009 the City and County issued the remaining $3,000,000 of General Obligation Bonds. These bonds had varying interest rates of 3.00% to 4.65% with average coupon rate of 4.88% and carry a final maturity on July 1, 2029. The total bonds outstanding related to this project, as of June 30, 2016 are $5,735,000. The unamortized premium on the Series 2008 bonds was $49,335 and the unamortized premium on the Series 2009 was $27,113 as of June 30, 2016.

On September 27, 2011, the General Obligation Bonds Series 1999, Series 2002 and Series 2003 were called and a Series 2011 General Obligation Refunding Bonds were issued in the amount of $9,505,000. The Bonds bear interest at varying annual rates between 2.0% and 3.5%, payable semiannually on January 1 and July 1 of each year, commencing January 1, 2012, will mature on July 1, 2022. Bonds with stated maturities in the years 2012 through 2016 are not subject to optional redemption prior to their stated maturities. Bonds maturing July 1, 2017 and thereafter shall be subject to redemption at the option of the City-County on July 1, 2016. The average coupon on the Series 2011 bonds is 4.26%. This bond refunding was undertaken to reduce total debt services for the remainder of the life of the bonds. This refunding resulted in a reduction of debt payments by $792, 011 and resulted in a net present value savings of $693,803. The total bonds outstanding on June 30, 2016 are $6,185,000. The unamortized premium on the Series 2011 bonds was $271,275 on June 30, 2016.

Annual debt service requirements to amortize the bonds are as follows:

Fiscal Year	Principal	Interest	Total
2017	1,310,214	404,996	1,715,210
2018	1,285,132	369,146	1,654,278
2019	1,280,000	325,756	1,605,756
2020	1,330,000	281,975	1,611,975
2021	1,185,000	240,885	1,425,885
2022-2026	3,870,000	680,974	4,550,974
2027-2030	1,810,000	141,982	1,951,982
Total	$ 12,070,346	$ 2,445,714	$ 14,516,060

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Tax Increment Revenue Bonds – The City and County has three outstanding tax increment revenue bond issues.

On December 22, 2010, the Tax Increment Industrial Infrastructure Development Revenue Bonds, Series 1996 and Series 1997 were called and a Series 2010 Taxable Tax Increment Industrial Infrastructure Development Improvement and Refunding Revenue Bonds were issued in the amount of $13,705,000. The Bonds bear interest at the annual rate of 4.5%, payable semiannually on January 1 and July 1 of each year, commencing July 1, 2011, will mature on July 1, 2022, and are subject to optional redemption at any time. The previous letter of credit was not renewed at time of refunding. The purchaser of the bonds is REC Advanced Silicon Materials LLC, a Delaware limited liability company. This issued is private placement issue with REC Advanced Silicon, Inc. purchase the bonds. During fiscal year 2016, the City-County made annual principal payment of $1,035,000 and retired an additional $4,625,000. The total bonds outstanding on June 30, 2016 is $4,050,000.

On September 27, 2011, Tax Increment Bond, Series 2011 was issued with a final maturity date July 1, 2022. Future revenue from the Tax Increment Industrial Infrastructure District No. 2 has been pledged to pay bond principal and interest as due. This series of bonds was issued in the amount of $4,050,000 with variable interest rate between 3.00% and 5.14%. The total bonds outstanding on June 30, 2016 is $2,730,000. Bond covenants require that the net revenues within the Ramsay TIFID must at least equal or exceed 125 percent of the annual debt service payment during the term of the bonds. Net revenues for fiscal year ended June 30, 2016 were 366 percent of the annual debt service payment. All bond covenants relating to the reserve requirements have been met.

Annual debt service requirements to amortize the bonds are as follows:

Fiscal Year	Principal	Interest	Total
2017	345,000	299,797	644,797
2018	355,000	287,319	642,319
2019	370,000	273,263	643,263
2020	385,000	256,238	641,238
2021	1,695,000	207,463	1,902,463
2022-2026	3,630,000	170,469	3,800,469
Total	$ 6,780,000	$ 1,494,549	$ 8,274,549

Special Improvement District (SID) Bonds -As of June 30, 2016 the City and County did not have SID Bonds outstanding.

General Obligation Notes - Notes payable consist of State of Montana, Intercap Loan Program with final maturity date August 15, 2023. The original amount of notes was $1,622,456 with interest at a variable interest rate between 1.00% and 4.850%. Because the interest rates are variable, as a result it is not feasible to present the projected interest payable. The interest rate for these notes was 1.55% at June 30, 2016 with a balance outstanding of $655,824.

Annual debt service requirements to amortize the notes are as follows:

Fiscal Year	Principal
2017	191,866
2018	88,449
2019	66,770
2020	67,440
2021	68,115
2022-2026	173,183
	$ 655,823

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Capital Leases

During fiscal year ended June 30, 2001, the City and County acquired a new boiler system under the provisions of a long-term capital lease. This lease has a twenty-year term at a rate of 6.810%. For financial statement purposes minimum lease payments have been capitalized. Leases payable related to the acquisition appear in the governmental activities. The total cost of the boiler system was $577,685. The principal balance outstanding on future payments as of June 30, 2016 is $121,098.

On October 2, 2015, the City and County entered into a governmental equipment lease-purchase agreement with CAT Financial to purchase a caterpillar compact tractor loader. The lease is a two year lease at a fixed rate of 3.1998%. The cost of the acquisition of the asset is $75,506, which includes a required balloon payment to be made in the amount of $45,000 in October, 2017. The principal balance outstanding on future payments as of June 30, 2016 is $61,788.

On November 2, 2015, the City and County entered into a governmental equipment lease-purchase agreement with CAT Financial to purchase a caterpillar hydraulic excavator. The lease is a two year lease at a fixed rate of 3.1998%. The cost of the acquisition of the asset is $83,828, which includes a required balloon payment to be made in the amount of $50,000 in October, 2017. The principal balance outstanding on future payments as of June 30, 2016 is $68,612.

The outstanding balance of the corresponding liabilities is included in governmental activities long-term debt. Future minimum lease payments are as follows:

Fiscal Year	Principal	Interest	Total
2017	74,939	9,624	84,563
2018	151,045	4,138	155,183
2019	25,515	683	26,198
	$ 251,499	$ 14,445	$ 265,944

Business-type Activities Debt – The following is a summary of the outstanding debt for the City and County's business-type activities.

Revenue Bonds

Water Utility Division

The Water Utility Division has issued bonds where it has pledged income derived from the acquired or constructed assets to pay debt service. The bonds are payable solely from and secured by the net revenues of the Water Utility Division and certain accounts maintained pursuant to the indenture. On December 1, 2011 the City and County of Butte-Silver Bow issued revenue bonds through the Montana State Revolving Fund (SRF). These bonds have an interest rate of 3.75% with final maturity on January 1, 2032.

Bond covenants require that Water Utility net revenues must at least equal or exceed 125 percent of the annual debt service payment during the term of the bonds. Net revenues for fiscal year ended June 30, 2015 were 1876 percent of the annual debt service payment. All bond covenants relating to the reserve requirements have been met.

The total revenue bond, issued by the Water Utility Division, outstanding on June 30, 2016 was $2,010,000.

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Metro Sewer Operations

The Metro Sewer Operations Division of the City and County of Butte Silver-Bow has been order to comply with federal and state environmental mandates issued through Administrative Orders of Consent in regard to the City and County of Butte-Silver Bow's metro sewer sanitary system. To comply with these mandates the City and County will be required to make an estimated $34,678,000 in project improvements. The cost of the project will be financed by multiple series of bonds from the Department of Natural Resource and Conservation (DNRC) Water Pollution Control State Revolving Loan Program. The State of Montana, through its State Revolving Funds Program, has been approved by the Environmental Protection Agency (EPA) to make loans for wastewater projects. The City and County of Butte-Silver Bow was also notified by the Montana Department of Environmental Quality (DEQ) that the State of Montana will release $4,360,000 from the Montana Pole Remedial Action Account to the City and County to be used for the Metro Sewer Waste Water Plant Project.

The City and County issued Series 2014, twenty-five year bonds in the amount of $10,000,000 on October 22, 2014 to begin the construction on the project. These bonds were authorized by Council Resolution No. 14-32, which passed on September 17, 2014. The bonds are fixed interest rate of 2.50% with final maturity of January 1, 2040. The total outstanding on the Series 2014 on June 30, 2016 was $9,708,000.

On May 6, 2015, the City and County of Butte-Silver Bow Council of Commissioners adopted Council Resolution No. 15-9. This resolution authorized the issuance of the twenty-five year, Series 2015 DNRC Water Pollution Control State Revolving Loan Program bonds in the amount of $10,000,000 with fixed interest rate of 2.50%. The bonds are structured that the local government submits for reimbursement from the allocated $10,000,000. During fiscal year 2015, the local government drew $2,203,779 and the remaining $7,796,221 in allocated funds was drawn down in fiscal year 2016. The Series 2015 bonds will mature on July 1, 2040. The total outstanding on the Series 2014 on June 30, 2016 was $9,855,000.

The City and County of Butte-Silver Bow Council of Commissioners adopted Council Resolution No. 16-4 on February 3, 2016. This resolution authorized the issuance of the twenty-five year, Series 2016 DNRC Water Pollution Control State Revolving Loan Program bonds in the amount of $10,268,000 with fixed interest rate of 2.50%. The Series 2015 bonds will mature on July 1, 2040. The bonds are structured that the local government submits for reimbursement from the allocated $10,268,000. Therefore, total outstanding on the Series 2016 on June 30, 2016 was $6,726,032 with remaining $3,541,968 to be drawn on the funds. The debt service schedule below is based on the $6,726,032 outstanding for the 25 year bond term.

Bond covenants for Series 2014, Series 2015, and Series 2016 DNRC Water Pollution Control State Revolving Loan Program requires net revenues must at least equal or exceed 110 percent of the annual debt service payment during the term of the bonds. Net revenues for fiscal year ended June 30, 2016 were 385 percent of the annual debt service payment. All bond covenants relating to the reserve requirements have been met

Annual debt service requirements to amortize the revenue bonds are as follows:

Fiscal Year	Principal	Interest	Total
2017	942,101	699,205	1,641,306
2018	913,895	675,991	1,589,886
2019	933,924	652,252	1,586,176
2020	958,079	627,906	1,585,985
2021	982,364	602,956	1,585,320
2022-2026	5,450,023	2,614,839	8,064,862
2027-2031	6,044,412	1,885,269	7,929,681
2032-2036	6,059,110	1,100,280	7,159,390
2037-2041	6,015,124	304,471	6,319,595
Total	$ 28,299,032	$ 9,163,169	$ 37,462,201

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Capital Leases

During fiscal year ended June 30, 2015, the Water Utility Division acquired a new copy machine on capital lease. This lease has a 36 month term. The total cost of the copier was $9,512. The balance outstanding on future payments as of June 30, 2016 is $4,227.

Fiscal Year	Principal
2017	3,171
2018	1,057
	$ 4,228

Component Unit's Debt

On June 30, 2016, Component Unit had the following long-term debt outstanding:

Port Authority Revenue Bond, Series 2010, dated July 20, 2010, original issue amount of $750,000 with interest rate of 4.84%, payable in 20 principal installments plus interest on August 1st of each year and interest only payments on February 1st of each year, continuing until maturity August 1, 2030, Secured by the Butte-Silver Bow mill levy support and revenues of the Port.

Annual debt service requirements to amortize the revenue bonds are as follows:

Fiscal Year	Principal	Interest	Total
2017	29,222	29,447	58,669
2018	30,635	27,998	58,633
2019	32,119	26,480	58,599
2020	33,673	24,888	58,561
2021	35,303	23,218	58,521
2022-2026	203,861	88,085	291,946
2027-2031	258,207	32,424	290,631
Total	$ 623,020	$ 252,540	$ 875,560

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Changes in Long-term Debt - Changes in the City and County's long-term obligations consisted of the following for the year ended June 30, 2016:

Governmental Activities	Outstanding 6/30/2015	Additions	Reductions	Outstanding 6/30/2016	Amounts Due in One Year
General obligation bonds	$ 13,330,560	$ -	$ 1,260,214	$ 12,070,346	$ 1,310,214
Add unamortized:					
Premium	371,709	-	23,986	347,723	-
Total bonds payable	12,458,069	-	1,284,200	12,418,069	1,310,214
General obligation notes	851,252	-	195,428	655,824	191,866
Tax increment	12,775,000	-	5,995,000	6,780,000	345,000
Capital leases	165,236	159,334	73,071	251,499	74,939
Net Pension Liability	18,062,850	2,944,442	-	21,007,292	-
Other post employment benefits	391,719	-	37,878	353,841	-
Compensated absences	3,610,877	9,837,651	9,401,108	4,047,420	607,113
Total Governmental Activities	$ 48,315,003	$ 12,941,427	$ 16,986,685	$ 45,513,946	$ 2,529,132
Business-Type Activities					
Revenue bonds	$ 14,310,779	$ 14,522,253	$ 534,000	$ 28,299,032	$ 942,101
Capital leases	7,398	-	3,171	4,227	3,171
Compensated absences	859,415	526,090	519,349	866,156	129,923
Net Pension Liability	4,132,214	572,950	-	4,705,164	-
Landfill postclosure costs	384,188	38,821	-	423,009	38,821
Total Business-Type Activities	$ 19,693,994	$ 15,660,114	$ 1,056,520	$ 34,297,588	$ 1,114,016
Component Unit					
Revenue Bond	$ 650,893	$ -	$ 27,873	$ 623,020	$ 29,222
Compensated absences	77,070	45,723	65,083	57,710	40,000
Net Pension Liability	232,183	2,237	-	234,420	-
Total Component Unit	$ 960,146	$ 47,960	$ 92,956	$ 915,150	$ 69,222

The debt service funds are retiring the general obligation bonds, and the tax increment bonds. The general fund is retiring $121,098 and Non-major Governmental fund (Superfund Storm Water System) is retiring $130,400 of the Capital Leases within the Governmental Activities. Amounts on landfill closure costs are being repaid from the solid waste enterprise fund. Principal and interest payments related to the City and County's revenue bonds are financed from income derived from the operation of the water system and the metro sewer operations program. The compensated absences are being paid by the fund where the employee works, primarily the general fund and the enterprise fund.

3-I – Pensions

Primary Government - All City and County full-time employees participate in one of four state-wide cost-sharing multiple-employer retirement benefit plans administered by the Montana Public Employee Retirement Agency (MPERA). Contributions to the four plans are as required by state statute. Total City and County payroll for employees covered by a retirement plan for fiscal year ended June 30, 2016 was $22,799,958 may be obtained by writing to MPERA at 1712 Ninth Avenue, PO Box 200131, Helena, MT 59620-0131, visiting the website http://mpera.mt.gov/pers.shtml, or by calling 406-444-3154.

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Information about the four plans the City and County participates in is presented below:

Pension Amount Totals

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

Important Dates

Measurement Date: June 30, 2015
Reporting Date: June 30, 2016.

Net Pension Liability

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with their participation in the Public Employees' Retirement System (PERS), the Firefighters' Unified Retirement System (FURS), the Municipal Police Officers' Retirement System (MPORS) and the Sheriffs' Retirement System (SRS). Statement 68, which became effective June 30, 2015, includes requirements for employers to record and report their proportionate share of the collective Net Pension Liability (NPL), Pension Expense, and Deferred Inflows and Deferred Outflows of resources associated with pensions**.**

Public Employees' Retirement System (PERS) – Defined Benefit

Net Pension Liability

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

The State of Montana also has a funding situation that is not Special Funding whereby the State General Fund provides contributions from the Coal Tax Severance fund. All employers are required to report the portion of Coal Tax Severance income and earnings attributable to the employer.

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

As of Reporting Date	Net Pension Liability as of 6/30/2016	Net Pension Liability as of 6/30//2015	Percent of Collective NPL as of 6/30/2016	Percent of Collective NPL as of 6/30/2015	Change in Percent of Collective NPL
Employer Proportionate Share	$ 18,854,316	$ 16,625,036	1.348787%	1.334261%	0.014526%
State of Montana Proportionate Share associated with Employer	$ 231,593	$ 203,017	0.016568%	0.016293%	0.000275%
Total	$ $19,085,909	$ 16,828,053	1.365355%	1.350554%	0.014801%

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The Table above displays the employer proportionate share of the NPL and the employer's proportion of NPL for June 30, 2015 and 2016. The employer's proportion of the NPL was based on the employer's contributions received by the PERS during the measurement period July 1, 2014, through June 30, 2015, relative to the total employer contributions received from all of PERS' participating employers. As of the employer's reporting date the employer recorded a liability of $18,854,317 and the employer's proportionate share was 1.348787 percent.

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

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

Changes in proportionate share: Between the measurement date of the collective NPL and the employer's reporting date there were some changes in proportion that may have an effect on the employer's proportionate share of the collective NPL.

Pension Expense

As of Reporting Date	Pension Expense as of 6/30/2016	Pension Expense as of 6/30/2015
Employer's Proportionate Share of PERS	$ 1,280,345	$ 1,262,964
State of Montana Proportionate Share associated with the Employer	$ 14,391	$ 15,282
Total	$ 1,294,736	$ 1,278,246

At June 30, 2016, the employer recognized its proportionate share of the PERS' Pension Expense of $1,294,736. The employer also recognized grant revenue of $14,391 for the support provided by the State of Montana forth proportionate share of the Pension Expense that is associated with the employer, and grant revenue of $452,483 from the Coal Tax Fund.

Recognition of Deferred Inflows and Outflows

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Actual vs. Expected Experience	$ -	$ 114,070
Changes in Assumptions	$ -	$ -
Actual vs. Expected Investment Earnings	$ -	$ 1,596,219
Changes in Proportion Share and Differences between Employer Contributions and Proportionate Share of Contributions	$ 170,823	$ 22,942
Employer Contributions Subsequent to the Measurement date - # FY 2016 Contributions	$ 1,400,025	
Total	$ 1,570,848	$ 1,733,230

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

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

For the Reporting Year ended June 30:	Amount of deferred outflows and deferred inflows recognized in future years as an increase or (decrease) to Pension Expense
2017	$ (660,344)
2018	$ (660,344)
2019	$ (656,866)
2020	$ 415,146
2021	$ -
Thereafter	$ -

Plan Description

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

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

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

Summary of Benefits

Eligibility for Benefit
Service retirement:

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

- Hired on or after July 1, 2011: Age 65, 5 years of membership service;
  Age 70, regardless of membership service.

Early Retirement
Early retirement, actuarially reduced:

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

- Hired on or after July 1, 2011: Age 55, 5 years of membership service.

Vesting
5 years of membership service

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Member's Highest Average Compensation (HAC)

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

Compensation Cap

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

Monthly Benefit Formula

1) Members hired prior to July 1, 2011:

   a) Less than 25 years of membership service 1.785% of HAC per year of service credit;
   b) 25 years of membership service or more 2% of HAC per year of service credit.

2) Members hired on or after July 1, 2011

   a) Less than 10 years of membership service 1.5% of HAC per year of service credit;
   b) 10 years or more, but less than 30 years of membership service 1.785% of HAC per year of service credit;
   c) 30 years or more of membership service 2% of HAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)

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

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

Overview of Contributions

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

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.

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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 an actuary valuation that shows the amortization period of the PERS-DBRP has dropped below 25 years and remains below the 25 years following the reduction of both the additional employer and member contributions rates.

   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.

3. Non Employer Contributions:

   a. Special Funding
      i. The State contributes 0.1% of members' compensation on behalf of local government entities.
      ii. The State contributes 0.37% of members' compensation on behalf of school district entities.

   b. Not Special Funding
      i. The State contributes a portion of Coal Severance Tax income and earnings from the Coal Trust Permanent Trust fund.

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

Stand-Alone Statements

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

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

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

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Actuarial Assumptions

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

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

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

  - 3% for members hired **prior to** July 1, 2007
  - 1.5% for members hired between July 1, 2007 and June 30, 2013
  - Members hired on or after July 1, 2013:

    a) 1.5% for each year PERS is funded at or above 90%;
    b) 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
    c) 0% whenever the amortization period for PERS is 40 years or more.

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

Discount Rate

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

Target Allocations

The long-term expected return on pension plan assets is reviewed as part of the regular experience study prepared for the System. The most recent analysis, performed for the period of fiscal years 2003 through 2009, is outlined in a report dated June 2010 and is located on the MPERA website. Several factors are considered in evaluating the long-term rate of return

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assumption. These factors include rates of return adopted by similar public sector systems, as well as the utilization of a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed by an investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. Summarized in the table below are best estimates of the arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2015.

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

Sensitivity Analysis

As of Reporting Date	1.0% Decrease (6.75%)	Current Discount Rate	1.0% Increase (8.75%)
Employer's Net Pension Liability	$ 29,069,277	$ 18,854,317	$ 10,228,020

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

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Component Unit PERS

Net Pension Liability

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

The State of Montana also has a funding situation that is not Special Funding whereby the State General Fund provides contributions from the Coal Tax Severance fund. All employers are required to report the portion of Coal Tax Severance income and earnings attributable to the employer.

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

As of Reporting Date	Net Pension Liability as of 6/30/2016	Net Pension Liability as of 6/30//2015	Percent of Collective NPL as of 6/30/2016	Percent of Collective NPL as of 6/30/2015	Change in Percent of Collective NPL
Employer Proportionate Share	$ 234,420	$ 232,183	0.016770%	0.018634%	(0.001864%)
State of Montana Proportionate Share associated with Employer	$ 2,880	$ 2,835	0.020600%	0.000228%	(0.000022%)
Total	$ 237,300	$ 235,018	0.016976%	0.018862%	(0.001886%)

The Table above displays the employer proportionate share of the NPL and the employer's proportion of NPL for June 30, 2015 and 2016. The employer's proportion of the NPL was based on the employer's contributions received by the PERS during the measurement period July 1, 2014, through June 30, 2015, relative to the total employer contributions received from all of PERS' participating employers. As of the employer's reporting date the employer recorded a liability of $234,420 and the employer's proportionate share was 0.016770 percent.

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

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

Changes in proportionate share:
Between the measurement date of the collective NPL and the employer's reporting date there were some changes in proportion that may have an effect on the employer's proportionate share of the collective NPL.

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Pension Expense

As of Reporting Date	Pension Expense as of 6/30/2016	Pension Expense as of 6/30/2015
Employer's Proportionate Share of PERS	$ 7,596	$ 1,262,964
State of Montana Proportionate Share associated with the Employer	$ 179	$ 15,282
Total	$ 7,775	$ 1,278,246

At June 30, 2016, the employer recognized its proportionate share of the PERS' Pension Expense of $7,775. The employer also recognized grant revenue of $179 for the support provided by the State of Montana for the proportionate share of the Pension Expense that is associated with the employer, and grant revenue of $5,626 from the Coal Tax Fund.

Recognition of Deferred Inflows and Outflows

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Actual vs. Expected Experience	$ -	$ 1,418
Changes in Assumptions	$ -	$ -
Actual vs. Expected Investment Earnings	$ -	$ 19,846
Changes in Proportion Share and Differences between Employer Contributions and Proportionate Share of Contributions	$ -	$ 22,963
Employer Contributions Subsequent to the Measurement date - # FY 2016 Contributions	$ 15,353	$ -
Total	$ 15,353	$ 44,227

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

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

For the Reporting Year ended June 30:	Amount of deferred outflows and deferred inflows recognized in future years as an increase or (decrease) to Pension Expense
2017	$ (16,533)
2018	$ (16,533)
2019	$ (16,323)
2020	$ 5,162
2021	$ -
Thereafter	$ -

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Plan Description

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

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

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

Summary of Benefits

Eligibility for Benefit
Service retirement:

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

- Hired on or after July 1, 2011: Age 65, 5 years of membership service;
  Age 70, regardless of membership service.

Early Retirement
Early retirement, actuarially reduced:

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

- Hired on or after July 1, 2011: Age 55, 5 years of membership service.

Vesting
5 years of membership service

Member's Highest Average Compensation (HAC)

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

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

Compensation Cap

- Hired 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.

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2) Members hired on or after July 1, 2011

   a) Less than 10 years of membership service 1.5% of HAC per year of service credit;
   b) 10 years or more, but less than 30 years of membership service 1.785% of HAC per year of service credit;
   c) 30 years or more of membership service 2% of HAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)

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

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

Overview of Contributions

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

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 an actuary valuation that shows the amortization period of the PERS-DBRP has dropped below 25 years and remains below the 25 years following the reduction of both the additional employer and member contributions rates.

   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.

3. Non Employer Contributions:

   a. Special Funding
      i. The State contributes 0.1% of members' compensation on behalf of local government entities.
      ii. The State contributes 0.37% of members' compensation on behalf of school district entities.

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b. Not Special Funding

i. The State contributes a portion of Coal Severance Tax income and earnings from the Coal Trust Permanent Trust fund.

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

Stand-Alone Statements

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

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

Actuarial Assumptions

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

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

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

- 3% for members hired **prior to** July 1, 2007
- 1.5% for members hired between July 1, 2007 and June 30, 2013
- Members hired on or after July 1, 2013:

  a) 1.5% for each year PERS is funded at or above 90%;
  b) 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
  c) 0% whenever the amortization period for PERS is 40 years or more.

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

Discount Rate

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

Target Allocations

The long-term expected return on pension plan assets is reviewed as part of the regular experience study prepared for the System. The most recent analysis, performed for the period of fiscal years 2003 through 2009, is outlined in a report dated June 2010 and is located on the MPERA website. Several factors are considered in evaluating the long-term rate of return assumption. These factors include rates of return adopted by similar public sector systems, as well as the utilization of a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed by an investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. Summarized in the table below are best estimates of the arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2015.

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

Sensitivity Analysis

As of Reporting Date	1.0% Decrease (6.75%)	Current Discount Rate	1.0% Increase (8.75%)
Employer's Net Pension Liability	$ 361,425	$ 234,420	$ 127,167

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

Summary of Significant Accounting Policies

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

Firefighters' Unified Retirement System (FURS)

Net Pension Liability

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

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

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As of Reporting Date	Net Pension Liability as of 6/30/2016	Net Pension Liability as of 6/30/2015	Percent of Collective NPL as of 6/30/2016	Percent of Collective NPL as of 6/30/2015	Change in Percent of Collective NPL
Employer Proportionate Share	$ 1,800,040	$ 1,732,272	1.759966%	1.774568%	(0.014602%)
State of Montana Proportionate Share associated with Employer	$ 4,009,167	$ 3,907,922	3.919912%	4.003339%	(0.083427%)
Total	$ 5,809,207	$ 5,640,194	5.679878%	5.777907%	(0.098029%)

The Table above displays the employer proportionate share of the NPL and the employer's proportion of NPL for June 30, 2015 and 2016. The employer's proportion of the NPL was based on the employer's contributions received by the FURS during the measurement period July 1, 2014, through June 30, 2015, relative to the total employer contributions received from all of FURS' participating employers. As of the employer's reporting date the employer recorded a liability of $1,800,040 and the employer's proportionate share was 1.759966 percent. ***Changes in actuarial assumptions and methods:*** There were no changes in assumptions or other inputs that affected the measurement of the TPL.

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

Changes in proportionate share: Between the measurement date of the collective NPL and the employer's reporting date there were some changes in proportion that may have an effect on the employer's proportionate share of the collective NPL.

Pension Expense

As of Reporting Date	Pension Expense as of 6/30/2016	Pension Expense as of 6/30/2015
Employer's Proportionate Share for FURS	$ 195,328	$ 192,302
State of Montana Proportionate Share associated with the Employer	$ 434,048	$ 433,823
Total	$ 629,376	$ 626,125

At June 30, 2016, the employer recognized its proportionate share of the FURS' Pension Expense of $629,376. The employer also recognized grant revenue of $434,048 for the support provided by the State of Montana for the proportionate share of the Pension Expense that is associated with the employer.

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Recognition of Deferred Inflows and Outflows

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Actual vs. Expected Experience	$ -	$ 2,345
Changes in Assumptions	$ -	$ -
Actual vs. Expected Investment Earnings	$ -	$ 108,805
Changes in Proportion Share and Differences between Employer Contributions and Proportionate Share of Contributions	$ -	$ 14,238
Employer contributions subsequent to the measurement date - # FY 2016 Contributions	$ 340,427	
Total	$ 340,427	$ 125,388

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

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

For the Reporting Year ended June 30:	Amount of Deferred Outflows and Deferred Inflows Recognized in Future Years as an increase or (decrease) to Pension Expense
2017	$ (51,845)
2018	$ (51,845)
2019	$ (51,845)
2020	$ 33,464
2021	$ (3,317)
Thereafter	$ -

Plan Description

The Firefighters' Unified Retirement System (FURS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing defined benefit plan established in 1981, and governed by Title 19, chapters 2 & 13, MCA. This plan provides retirement benefits to firefighters employed by first- and second-class cities, other cities and rural fire district departments that adopt the plan, and to firefighters hired by the Montana Air National Guard on or after October 1, 2001. Benefits are established by state law and can only be amended by the Legislature. The FURS provides retirement, disability, and death benefits to plan members and their beneficiaries.

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Summary of Benefits

Eligibility for benefit
20 years of membership service, regardless of age.
Age 50, 5 years of membership service.

Vesting
Death and disability rights are vested immediately
5 years of membership service for all other rights

Member's compensation is defined as

- Hired prior to July 1, 1981 and not electing GABA - highest monthly compensation (HMC);
- Hired after June 30, 1981 and those electing GABA – highest average compensation (HAC) during any consecutive 36 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, 1981 and not electing GABA are entitled to the greater of:
   2.5% of HMC per year of service, or
   i. if less than 20 years of service, 2% of HMC for each year of service;
   ii. if more than 20 years of service, 50% of the member's HMC plus 2% of the member's HMC for each year of service over 20 years
2. Members hired on or after July 1, 1981 and those electing GABA:
   2.5% of HAC per year of membership service

Guaranteed Annual Benefit Adjustment (GABA)

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

Minimum Benefit Adjustment (non-GABA)

If hired before July 1, 1997 and member did not elect GABA - the monthly retirement, disability or survivor's benefit may not be less than ½ the compensation of a newly confirmed firefighter employed by the city that last employed the member (provided the member has at least 10 years of membership service).

Overview of Contributions

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

	Member			
Fiscal Year	**Non-GABA**	**GABA**	**Employer**	**State**
1998-2016	9.500%	10.700%	14.360%	32.610%
1997	7.800%		14.360%	32.610%

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Stand-Alone Statements

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

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

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

Actuarial Assumptions

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

Investment Return (net of admin expense)	7.75%
Admin Expense as % of Payroll	0.19%
General Wage Growth*	4.00%
*includes Inflation at	3.00%
Merit Increases	0% to 7.3%
Postretirement Benefit Increases	

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

i. Minimum Benefit Adjustment (non-GABA)
Members hired before July 1, 1997 and member did not elect GABA - the monthly retirement, disability or survivor's benefit may not be less than ½ the compensation of a newly confirmed firefighter employed by the city that last employed the member (provided the member has at least 10 years of membership service).

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

Discount Rate

The discount rate used to measure the TPL was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under the Montana Code Annotated. The State contributes 32.61% of salaries paid by employers. Based on those assumptions, the System's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2123. Therefore, the long-term expected rate of return on pension plan investments was applied

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to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

Target Allocations

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

The long-term expected return on pension plan assets is reviewed as part of the regular experience study prepared for the System. The most recent analysis, performed for the period of fiscal years 2003 through 2009, is outlined in a report dated June 2010 and is located on the MPERA website. Several factors are considered in evaluating the long-term rate of return assumption. These factors include rates of return adopted by similar public sector systems, as well as the utilization of a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed by an investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. Summarized in the table above are best estimates of the arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2015.

Sensitivity Analysis

As of Reporting Date	1.0% Decrease (6.75%)	Current Discount Rate	1.0% Increase (8.75%)
Employer's Net Pension Liability	$2,903,906	$1,800,040	$900,472

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

Summary of Significant Accounting Policies

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

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Municipal Police Officers' Retirement System (MPORS)

Net Pension Liability

MPORS has a special funding situation in which the State of Montana is legally responsible for making contributions directly to MPORS on behalf of the employers. Due to the existence of this special funding situation, the State is required to report a proportionate share of a local government's collective NPL that is associated with the non-State employer. The Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of June 30, 2014, with update procedures to roll forward the TPL to the measurement date of June 30, 2015. For most employers, their June 30, 2016 reporting will use the 2016 reporting values presented in these notes.

As of Reporting Date	Net Pension Liability as of 6/30/2016	Net Pension Liability as of 6/30/2015	Percent of Collective NPL as of 6/30/2016	Percent of Collective NPL as of 6/30/2015	Change in Percent of Collective NPL
Employer Proportionate Share	$ 3,352,034	$ 3,105,835	2.026369%	1.976528%	0.049841%
State of Montana Proportionate Share associated with Employer	$ 6,791,540	$ 6,274,159	4.105616%	3.992823%	0.112793%
Total	$ 10,143,574	$ 9,379,994	6.131985%	5.969351%	0.162634%

The Table above displays the employer proportionate share of the NPL and the employer's proportion of NPL for June 30, 2015 and 2016. The employer's proportion of the NPL was based on the employer's contributions received by the MPORS during the measurement period July 1, 2014, through June 30, 2015, relative to the total employer contributions received from all of MPORS' participating employers. As of the employer's reporting date the employer recorded a liability of $3,352,034 and the employer's proportionate share was 2.026369 percent.

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

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

Changes in proportionate share: Between the measurement date of the collective NPL and the employer's reporting date there were some changes in proportion that may have an effect on the employer's proportionate share of the collective NPL.

Pension Expense

As of Reporting Date	Pension Expense as of 6/30/2016	Pension Expense as of 6/30/2015
Employer's Proportionate Share for MPORS	$ 362,022	$ 334,079
State of Montana Proportionate Share associated with the Employer	$ 690,719	$ 674,880
Total	$ 1,052,741	$ 1,008,959

At June 30, 2016, the employer recognized its proportionate share of the MPORS' Pension Expense of $1,052,741. The employer also recognized grant revenue of $690,719 for the support provided by the State of Montana for the proportionate share of the Pension Expense that is associated with the employer.

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Recognition of Deferred Inflows and Outflows

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Actual vs. Expected Experience	$ -	$ 30,613
Changes in Assumptions	$ -	$ -
Actual vs. Expected Investment Earnings	$ -	$ 125,929
Changes in Proportion Share	$ 65,950	$ -
Employer contributions subsequent to the measurement date - # FY 2016 Contributions	$ 414,441	
Total	$ 480,391	$ 156,542

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

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

For the Reporting Year ended June 30:	Amount of deferred outflows and deferred inflows recognized in future years as an increase or (decrease) to Pension Expense
2017	$ (44,136)
2018	$ (44,136)
2019	$ (44,136)
2020	$ 41,817
2021	$ -
Thereafter	$ -

Plan Description

The Municipal Police Officers' Retirement System (MPORS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing defined benefit plan established in 1974 and governed by Title 19, chapters 2 & 9, MCA. This plan provides retirement benefits to all municipal police officers employed by first- and second-class cities and other cities that adopt the plan. Benefits are established by state law and can only be amended by the Legislature. The MPORS provides retirement, disability, and death benefits to plan members and their beneficiaries.

Deferred Retirement Option Plan (DROP): Beginning July 2002, eligible members of MPORS can participate in the DROP by filing a one-time irrevocable election with the Board. The DROP is governed by Title 19, Chapter 9, Part 12, MCA. A member must have completed at least twenty years of membership service to be eligible. They may elect to participate in the DROP for a minimum of one month and a maximum of 60 months and may only participate in the DROP once. A participant remains a member of the MPORS, but will not receive membership service or service credit in the system for the duration of the member's DROP period. During participation in the DROP, all mandatory contributions continue to the retirement system. A monthly benefit is calculated based on salary and years of service to date as of the beginning of the DROP period. The monthly benefit is paid into the member's DROP account until the end of the DROP period. At the end of the DROP period, the participant may receive the balance of the DROP account in a lump-sum payment or in a direct rollover to another eligible plan, as allowed by the IRS. If the participant continues employment after the DROP period ends, they will again accrue membership service and service credit.

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The DROP account cannot be distributed until employment is formally terminated. The balance held by MPERA for MPORS DROP participants as of June 30, 2016, was approximately $7 million.

Summary of Benefits

Eligibility for Benefit
20 years of membership service, regardless of age.
Age 50, 5 years of membership service.

Vesting
Death and disability rights are vested immediately
5 years of membership service for all other rights

Member's Final Average Compensation (FAC)
- Hired prior to July 1, 1977 - average monthly compensation of final year of service;
- Hired on or after July 1, 1977 - final average compensation (FAC) for last consecutive 36 months.

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

Monthly Benefit Formula
2.5% of FAC per year of service credit.

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

Minimum Benefit Adjustment (non-GABA)
If hired before July 1, 1997 and member did not elect GABA - the monthly retirement, disability or survivor's benefit may not be less than ½ the compensation of a newly confirmed officer in the city that the member was last employed.

Overview of Contributions

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

	Member					
Fiscal Year	**Hired <7/1/75**	**Hired >6/30/75**	**Hired >6/30/79**	**Hired>6/30/97 GABA**	**Employer**	**State**
2000-2016	5.800%	7.000%	8.500%	9.000%	14.410%	29.370%
1998-1999	7.800%	9.000%	10.500%	11.000%	14.410%	29.370%
1997	7.800%	9.000%	10.500%		14.360%	29.370%

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Stand-Alone Statements

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

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

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

Actuarial Assumptions

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

Investment Return (net of admin expense)	7.75%
Admin Expense as % of Payroll	0.20%
General Wage Growth*	4.00%
*includes Inflation at	3.00%
Merit Increases	0% to 7.3%
Postretirement Benefit Increases	

ii. Guaranteed Annual Benefit Adjustment (GABA)

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

i. Minimum Benefit Adjustment (non-GABA)

If hired before July 1, 1997 and member did not elect GABA - the monthly retirement, disability or survivor's benefit may not be less than ½ the compensation of a newly confirmed officer in the city that the member was last employed. Mortality assumptions among contributing members, terminated vested members, service retired members and beneficiaries are based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2015 with scale AA. Mortality assumptions among Disabled Retirees are based on RP 2000 Combined Employee and Annuitant Mortality Tables with no projections. No future mortality improvement is assumed.

Discount Rate

The discount rate used to measure the TPL was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under the Montana Code Annotated. The State contributes 29.37% of salaries paid by employers. Based on those assumptions, the System's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2123. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

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Target Allocations

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

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

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

Sensitivity Analysis

As of Reporting Date	1.0% Decrease (6.75%)	Current Discount Rate	1.0% Increase (8.75%)
Employer's Net Pension Liability	$ 4,732,561	$ 3,352,034	$ 2,126,471

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

Summary of Significant Accounting Policies

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

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Sheriffs' Retirement System (SRS)

Net Pension Liability

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

As of reporting date	Net Pension Liability as of 6/30/2016	Net Pension Liability as of 6/30/2015	Percent of Collective NPL as of 6/30/2016	Percent of Collective NPL as of 6/30/2015	Change in Percent of Collective NPL
Employer Proportionate Share	$ 1,706,066	$ 731,920	1.769799%	1.758704%	0.011095%
Total	$ 1,706,066	$ 731,920	1.769799%	1.758704%	0.011095%

The Table above displays the employer proportionate share of the NPL and the employer's proportion of NPL for June 30, 2015 and 2016. The employer's proportion of the NPL was based on the employer's contributions received by the SRS during the measurement period July 1, 2014, through June 30, 2015, relative to the total employer contributions received from all of SRS' participating employers. As of the employer's reporting date the employer recorded a liability of $1,706,066 and the employer's proportionate share was 1.769799 percent.

Changes in actuarial assumptions and methods: There were no changes in demographic assumptions that affected the measurement of the TPL. There was an adjustment in the discount rate during the measurement period.

Changes in benefit terms: There were 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

As of Reporting Date	Pension Expense as of 6/30/2016	Pension Expense as of 6/30/2015
Employer's Proportionate Share for SRS	$ 128,393	$ 40,892
Total	$ 128,393	$ 40,892

At June 30, 2016, the employer recognized its proportionate share of the SRS' Pension Expense.

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Recognition of Deferred Inflows and Outflows

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Actual vs. Expected Experience	$ -	$ 2,876
Changes in Assumptions	$ 635,037	$ 626,285
Actual vs. Expected Investment Earnings	$ -	$ 116,845
Changes in Proportion Share	$ 9,470	$ -
Employer contributions subsequent to the measurement date - # FY 2016 Contributions	$ 128,265	
Total	$ 772,772	$ 746,006

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

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

For the Reporting Year ended June 30:	Amount of deferred outflows and deferred inflows recognized in future years as an increase or (decrease) to Pension Expense
2017	$ (46,431)
2018	$ (46,431)
2019	$ (46,431)
2020	$ 34,723
2021	$ 3,069
Thereafter	$ -

Plan Description

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

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Summary of Benefits

Eligibility for Benefit
20 years of membership service, regardless of age.

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

Vesting
5 years of membership service

Member's Highest Average Compensation (HAC)
Hired prior to July 1, 2011 - highest average compensation during any consecutive 36 months;
Hired on or after July 1, 2011 – highest average compensation during any consecutive 60 months.

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

Monthly Benefit Formula
2.5% of HAC per year of service

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

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

Overview of Contributions

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

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

Stand-Alone Statements

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

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

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

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Actuarial Assumptions

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

Investment Return (net of admin expense)	7.75%
Admin Expense as % of Payroll	0.17%
General Wage Growth*	4.00%
*includes Inflation at	3.00%
Merit Increases	0% to 7.3%

- Postretirement Benefit Increases - After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage each January, **inclusive** of other adjustments to the member's benefit.
  - For members hired **prior to** July 1, 2007 3.00%
  - For members hired **on or after** July 1, 2007 1.50%
- Mortality assumptions among contributing members, terminated vested members, service retired members and beneficiaries are based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2015 with scale AA.
- Mortality assumptions among Disabled Retirees are based on RP 2000 Combined Employee and Annuitant Mortality Tables with no projections. No future mortality improvement is assumed.

Discount Rate

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

Target Allocations

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

The long-term expected return on pension plan assets is reviewed as part of the regular experience study prepared for the System. The most recent analysis, performed for the period of fiscal years 2003 through 2009, is outlined in a report dated June 2010 and is located on the MPERA website. Several factors are considered in evaluating the long-term rate of return assumption. These factors include rates of return adopted by similar public sector systems, as well as the utilization of a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed by an investment consultant for each major asset class.

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These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. Summarized in the table above are best estimates of the arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2015.

Sensitivity Analysis

As of Reporting Date	1.0% Decrease (5.86%)	Current Discount Rate (6.86%)	1.0% Increase (7.86%)
Employer's Net Pension Liability	$ 2,739,828	$ 1,706,066	$ 858,632

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

Summary of Significant Accounting Policies

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

Other Pension Plans Not Administered by the State of Montana

The City-County made the following employer contributions, pursuant to bargaining unit agreements. The plans listed below are multi-employer defined benefit pension plans that are not administered by the state or local government pension plan. These plans provide defined pensions both to employees or state and local governments and to employees of employers that are not state and local governments, and have no predominant state or local government employer. The plans are Multi-Employer Pension Plan Amendments Act of 1980 amended ERISA to establish funding requirements and obligations for employers participating in multi-employer plans, principally related to employer withdrawal from or termination of such plans. The City-County may be liable on termination or withdrawal from the plans for an allocated share of the plan's unfunded vested liabilities. Separate actuarial calculations of the City-County's position in these plans are not available with respect to the multi-employer plans.

The plans provide for retirement, disability and surviving spouse benefits. Following are the plans the City-County made contributions to:

(This page continued on the subsequent page)

International Brotherhood of Painters Allied Trust (IUPAT)

Fiscal Year	Number of City-County Participants	City-County (Employer) Contribution Rate	City-County (Employer) Total Contributions
2016	3	3.98	$ 17,954
2015	2	3.98	$ 16,624
2014	3	3.98	$ 18,069

An Annual report can be requested from the IUPAT Pension Plan, 7234 Parkway Drive Hanover Drive, Hanover, MD 21076 or by email at pension@iupat.org.

Western Conference of Teamsters Pension Trust

Fiscal Year	Number of City-County Participants	City-County (Employer) Contribution Rate	City-County (Employer) Total Contributions
2016	17	4.30	$ 130,577
2015	16	4.25	$ 137,748
2014	16	4.08	$ 121,984

An Annual report can be requested from the Western Conference of Teamsters Pension Plan, 2323 Eastlake Avenue East, Seattle WA, 98102.

Laborers AGC Trust of Montana

Fiscal Year	Number of City-County Participants	City-County (Employer) Contribution Rate	City-County (Employer) Total Contributions
2016	57	2.05	$ 182,295
2015	65	2.05	$ 188,510
2014	67	2.05	$ 178,711

An Annual report can be requested from the Laborers-AGC Pension Trust of Montana, 111 West Cataldo, Suite 220, Spokane, WA, 99201.

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Laborers International Industrial Union of N.A. Pension Trust

Fiscal Year	Number of City-County Participants	City-County (Employer) Contribution Rate	City-County (Employer) Total Contributions
2016	9	2.05	$ 35,254
2015	11	2.05	$ 33,205
2014	9	2.05	$ 24,936

An Annual report can be requested from the Laborers International Industrial Union of N.A. Pension Trust, 905 16th Street, Northwest, Washington, DC, 20006 or phone at (800) 544-7422.

I.A.M. National Pension Fund

Fiscal Year	Number of City-County Participants	City-County (Employer) Contribution Rate	City-County (Employer) Total Contributions
2016	9	4.20	$ 70,458
2015	8	4.20	$ 70,123
2014	8	4.00	$ 67,412

An Annual report can be requested from the I.A.M. National Pension Fund, 1300 Connecticut Avenue, NW, Suite 300, Washington, DC 20036-1711 or email at iamcontact@iamnpf.org.

National Electrical Pension Fund

Fiscal Year	Number of City-County Participants	City-County (Employer) Contribution Rate	City-County (Employer) Total Contributions
2016	3	3%	$ 5,092
2015	3	3%	$ 5,146
2014	3	3%	$ 5,034

An Annual report can be requested from the National Electrical Pension Fund, 2400 Research Boulevard, Suite 500, Rockville, MD, 20850-3266 or the website https://www.nebf.com/nebf/plan_documents_forms_and_tutorials.

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Eighth District Electrical Pension Fund

Fiscal Year	Number of City-County Participants	City-County (Employer) Contribution Rate	City-County (Employer) Total Contributions
2016	3	2.732	$ 17,444
2015	3	2.732	$ 17,528
2014	3	2.732	$ 17,024

An Annual report can be requested from the Eighth District Electrical Pension Fund, P.O. Box 30101, Salt Lake City, Utah, 84130-0101, or phone (800) 628-6562.

Washington-Idaho-Montana Carpenters Trust Fund

Fiscal Year	Number of City-County Participants	City-County (Employer) Contribution Rate	City-County (Employer) Total Contributions
2016	1	3.00	$ 4,989
2015	1	5.61	$ 8,147
2014	1	5.61	$ 11,669

An Annual report can be requested from the Washington-Idaho-Montana Carpenters Trust Fund, 111 West Cataldo Suite 220, Spokane, WA 99201-3201, or phone (509) 328-0300.

Central Pension Fund

Fiscal Year	Number of City-County Participants	City-County (Employer) Contribution Rate	City-County (Employer) Total Contributions
2016	48	4.61	$ 436,498
2015	45	4.44	$ 404,194
2014	45	4.27	$ 406,503

An Annual report can be requested from the Central Pension Fund, 4115 Chesapeake Street NW, Washington, DC, 20016-4665 or by phone at (202) 362-1000.

The contractual obligations for the employer contributions for the union pension contribution are subject to bargaining at the termination of each contract period. The contracts for the above mentioned contracts expire between April 1, 2017 and June 30, 2017.

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Component Unit - Western Conference of Teamsters Pension Plan

The Port's union employees participate in the Western Conference of Teamsters Pension Plan. The plan is a multi-employer defined benefit pension plan that is not a state or local government pension plan, provides defined pensions both to employees of state and local governments and to employees of employers that are not state and local governments, and has no predominant state or local government employer. The plan is administered by the Western Conference of Teamsters Employers' Trust. The Multi-Employer Pension Plan Amendments Act of 1980 amended ERISA to establish funding

requirements and obligations for employers participating in multi-employer plans, principally related to employer withdrawal from or termination of such plans. The Port may be liable on termination or withdrawal from the plan for an allocated share of the plan's unfunded vested liabilities. Separate actuarial calculations of the Port's position are not available with respect to the multi-employer plan.

The plan was established in 1955 under a collective bargaining agreement between union members and employers. Expiration of the current bargaining agreement occurs March 31, 2019. The plan provides for retirement, disability and surviving spouse benefits. An annual financial report can be requested from the Western Conference of Teamsters Pension Plan, 2323 Eastlake Avenue East, Seattle, Washington, 98102.

Contribution rates, as established by the bargaining unit, were $2.98 through March 2016, increasing to $3.08 April 2016, with limits placed on the number of eligible hours worked per month. Contributions to the multi-employer plan for fiscal year ended June 30, 2016 was $29,696 with four employees participating. At June 30, 2016 the Port Authority had an accounts payable due to the pension plan of $2,464 which is the employer contributions due on the June covered payroll. Accounts payable are remitted in each subsequent month.

3-J. Fund Balances

In the basic financial statements, the fund balance classifications are presented in the aggregate. The table below further displays the funds balances by major purposes.

	General Fund	Major Special Revenue Fund Ramsay TIFID	Major Special Revenue Fund ARCO Redevelopment	Other Funds	Total Funds
Fund balances:					
Nonspendable:	$ -	$ -	$ -	$ -	$ -
Restricted for:					-
Self funded health insurance	524,234				524,234
Code enforcement	201,907				201,907
Special Project-Parks	504,619				504,619
Revolving/LT Loans				2,204,555	2,204,555
Special Improvement Districts				1,023,285	1,023,285
Weed Control				131,364	131,364
District Courts				326,568	326,568
Economic Development		14,443,173		2,012,236	16,455,409
Comprehensive Insurance				170,717	170,717
Crime Control				129,356	129,356
Junk Vehicle program				13,812	13,812
Superfund			14,413,450	474,607	14,888,057
Reclamation				1,007,205	1,007,205
Urban Revitalization				4,541,861	4,541,861
Hard Rock Mining Trust				8,265,974	8,265,974
911 Emergency Program				301,046	301,046
Law Enforcement Grants				48,311	48,311
Public Works				1,094,636	1,094,636
Civic Center				405,951	405,951
Library/Archives				108,732	108,732
Senior Citizens				11,551	11,551
Developmentally Disabled				19,995	19,995
Fire Protection				795,193	795,193
Land Planning				124,154	124,154
Parking				33	33
Housing & Community Development				322,168	322,168
Debt Service				1,514,149	1,514,149
Capital Projects				3,046,311	3,046,311
Committed:	-	-	-	-	-
Assigned to:					
Community Development				2,121,443	2,121,443
Urban Revitalization				1,217,380	1,217,380
Unassigned:	6,416,643			(597,964)	5,818,679
Total fund balances	$ 7,647,403	$ 14,443,173	$ 14,413,450	$ 30,834,629	$ 67,338,655

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The Chief Executive and Council of Commissioners are the highest level of decision-making authority for the City and County, and must adopt a resolution to establish (and modify or rescind) a fund balance commitment. Assigned fund balance may be modified by request of the department head when approved by the Chief Executive.

The City and County has not established a policy for use of unrestricted fund balance amounts, and therefore fund balances are reduced in the following order when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used: committed, assigned, and then unassigned.

The City and County currently reports two major special revenue funds. The first is the Ramsay TIFID. The purpose of this fund is to promote industrial development within the boundary of the tax increment financing infrastructure development districts through infrastructure improvements and/or economic development incentives. The second is the ARCO Redevelopment Trust Authority Fund. The purpose of this fund is account for specific redevelopment funds deposited with the City and County pursuant to a Superfund Agreement with ARCO [now British Petroleum (BP)]. GASB Statement 54 requires disclosure of revenues for each major special revenue fund. Revenues are as follows:

	Ramsay TIFID	ARCO Redevelopment Trust Authority Fund
Taxes - real property	$ 4,240,521	$ -
Intergovernmental	140,575	-
Private grants and donations	-	-
Miscellaneous	8,760	-
Investment earnings	60,023	200,022
Increase(Decrease) in investments to fair market value	-	346,855
	$ 4,449,879	$ 546,877

Note 4 - Other Notes

4-A. Risk Management

The City and 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. A variety of methods are used to provide insurance for these risks. The City and County participate in two statewide public risk pools operated by the Montana Municipal Insurance Authority, for workers' compensation and for tort liability coverage. Given the lack of coverage available, the City and County have no coverage for potential losses from environmental damages. The City and County participates in a statewide property insurance pool also operated by the Montana Municipal Insurance Authority, transferring all risk of loss except for small deductible amounts.

Commercial Policies

Coverage limits and the deductibles on the commercial policies have stayed relatively constant for the last several years. The premiums for the policies are allocated among enterprise and other funds on the basis of various risk exposures. The Comprehensive Insurance Fund makes a special purpose property tax levy for this purpose as it relates to the governmental activities. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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Public Entity Risk Pools

In late 1985, City and County joined with over 70 other Montana cities and towns to form a self-insurance pool offering worker's compensation and general liability. Liability limits of $750,000 per person and $1,500,000 per occurrence and $12.5 million per occurrence for any claim subject to the limitations on governmental liability, as described in 2-9-108, Montana Code Annotated or any successor stature with $11,250 deductible per occurrence. The City and County pays premiums for its employee injury insurance coverage, which is allocated to the employer funds based on total salaries and wages. The agreements for formation of the pools provide that they will be self-sustaining through member premiums. The tort liability plan and workers compensation program issued debt of $4.41 million and $6.155 million, respectively, to immediately finance the necessary insurance reserves. All members signed a contingent note for a pro rata share of this liability in case operating revenues were insufficient to cover the debt service; the debt was retired in 2011.
The City also owns a policy with MMIA for loss or damage to property. This is an all risk policy, essentially all property owned by the City being insured for 100% of replacement cost, subject to a $5,000 deductible per occurrence. MMIA reinsures their property insurance with a national municipal pool, Public Entities' Property Insurance

Self-Insurance

City and County began a self-insurance medical program in October of 1990. City and County purchases commercial insurance for individual claims in excess of $250,000. This coverage is provided by the fund.

Reconciliation of Claims Payable

	2016	2015
Claims payable, beginning of year	$ 516,727	$ 559,684
Claims incurred during the year	5,327,527	5,178,623
Claims paid during the year	(4,873,167)	(5,221,580)
Claims payable, end of year	$ 971,087	$ 516,727

All funds of the local government participate in the program and make payments to the insurance plan based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. Claims incurred but not reported (IBNR's) have been considered when determining the claims liability. The claims payable consists of amounts that are being negotiated by the stop loss carrier and the medical facility of one patient. It is anticipated that a discount on the services will be granted in the amount of $330,000 and refunded back against the outstanding claims during fiscal year 2017.

That reserve was $524,234 at June 30, 2016.

4-B. Subsequent Events

$8,080,000 Tax Increment Urban Renewal Revenue Bonds, Series 2016 (*Parking Garage*)
On August 3, 2016, the City and County of Butte-Silver Bow adopted Council Resolution No. 16-33, authorizing the issuance and sale of $8,080,000 principal amount of Tax Increment Urban Renewal Revenue Bonds, Series 2016 (Butte Uptown Urban Renewal District) to finance the construction of a 248 space parking garage with the Urban Renewal District #2. On April 8, 2014, the City-County entered into a Development Agreement with NorthWestern Corporation d/b/a NorthWestern Energy pursuant to which the City-County agreed, among other things, to undertake the design and construction of a new public parking garage in the District in order to support an increase in demand for public parking as a result of NorthWestern's construction of a new $25 million headquarters office building within the Urban Renewal District #2.

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Construction began on the parking construction on August 22, 2016 and is anticipated to be completed by September 2017. The City-County estimates the tax increment from the District will be at least $962,000 each year based on tax increment of $546,595 received by the City-County in fiscal year 2016 and tax increment of $1,196,797 (based on estimates from the State of Montana Department of Revenue) expected to be received by the City-County in fiscal year 2017. The maximum principal and interest requirements on the Series 2016 Bond is $556,882.50.

S&P Global Ratings *(General Obligation Bonds*)

On November 30, 2016, the City and County of Butte-Silver Bow entered into an agreement with S&P Global Ratings for a credit rating on the anticipated refunding of the outstanding general obligations bonds described in *Note 3-H Long Term Debt* and the issuance of an additional $7.2 million for the construction of a community pool. On December 5, 2016, S&P Global Ratings notified the City-County of Butte-Silver Bow that based on their review the raised the underlying rating (SPUR) from "A+" to "AA-" while affirming the stable outlook.

$6,845,000 General Obligation Bond Series 2016, Aquatic and Recreation Complex

At an election duly called and held on June 7, 2016, the electors of the City and County of Butte-Silver Bow authorized the City-County to issue and sell $7,200,000 principal amount of general obligation bonds (the "Bonds") for the purpose of paying all or a portion of the costs of constructing and renovating an aquatics and recreation complex at the Stodden Park in the City-County and paying costs associated with the sale and issuance of the Bonds. Pursuant to such authorization and Montana Code Annotated , Title 7, Chapter 7, Parts 21, 22, 41 and 42, as amended, and Section 7-7-107, Montana Code Annotated, as amended, the City-County on December 8, 2016, and in accordance with the bond purchase agreement, sold $6,845,000 in General Obligation Bonds Series 2016 to finance the costs of the project. The 20 year bonds carrying an average coupon rate of 3.36% are scheduled to be closed on December 28, 2016.

In accordance with Section 7-7-107, Montana Code Annotated, the indebtedness to be evidenced by the Bonds, together with all other indebtedness of the City-County, will not exceed 2.50% of the total assessed valuation of taxable property of the City-County, determined as provided in Section 15-8-111, Montana Code Annotated, ascertained by the last assessment for state and county taxes.

$2,500,000 Donation for the Dennis and Phyllis Washington Foundation

On September 8, 2016, the Dennis and Phyllis Washington Foundation announced a $2,500,000 donation to the City and County of Butte-Silver Bow to be used on central park improvements at Stodden Park, the City-County's largest park facility. The City-County entered into an MOU, which covered the scope of the project and the commitment by the city-county to maintain $250,000 in future operation and maintenance costs, with the Dennis & Phyllis Washington Foundation on October 4, 2016. The $2,500,000 was received by Butte-Silver Bow on October 9, 2016.

4-C. Contingent Liabilities

Grants - Amounts received or receivable from grantor agencies are, subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City and County expects such amounts, if any, to be immaterial.

Lawsuits - The City and County was a defendant in several lawsuits at June 30, 2016. In the opinion of City and County management, the outcome of these contingencies will not have a material effect on the financial position of the City and County.

Superfund - The City and County is a potentially responsible party (PRP) in the Superfund site designated as Butte Priority Soils Operable Unit (BPSOU). Butte-Silver Bow (BSB) is a participating member of PRP group. A settlement agreement regarding responsibilities for remedial actions has been approved between British Petroleum (BP), (successor to Arco) and BSB. The effect of the settlement agreement is to assign financial responsibilities to BP and the majority of cleanup and maintenance responsibilities to Butte-Silver Bow. The consent decree regarding this matter has not yet been finalized. In the opinion of City and County management, the outcome of any contingencies regarding Superfund BPSOU will not have a material effect on the financial position of the City and County.

4-D. Construction Commitments

As of June 30, 2016, the City has made the following construction commitments:

Project Description	Project Authorized	Expended to June 30, 2016	Future Financing
Basin Creek Water Treatment Plant- Construction	$ 15,426,924	$ 9,494,569	$ 5,932,355
Basin Creek Water Treatment Plant- Project Design and Management	6,455,861	5,117,130	1,338,731
Basin Creek Pump Station - Construction	1,135,000	187,280	947,720
Metro Sewer Wastewater Treatment Plan MBR Upgrade-Construction	30,700,000	28,406,645	2,293,355
Metro Sewer Wastewater Treatment Plan MBR Upgrade-Design and Project Management	5,573,033	4,846,119	726,914
Metro Sewer CIPP Project	222,576	-	222,576
Water Main Replacement	31,242	-	31,242
Asphalt Storm Water Patch	13,940	-	13,940
Legion Baseball Field-Project Design and Management	346,492	310,987	35,505
Legion Baseball Field-Grandstand Project	350,850	79,327	271,523
Legion Baseball Field-Lighting	303,596	192,411	111,185
Legion Baseball Field-Masonary Project	263,100	-	263,100
Pre-Disaster Mitigation Plan	25,000	20,250	4,750
Roads - 2016 Chip Seal Project	160,393	111,719	48,674
Roads - 2015 Overlay Project	350,934	223,041	127,893
CTEP Grant - Bike Lanes	96,005	-	96,005
Big Butte Open Space trail construction, rehabilitation, & obliteration	25,000	-	25,000
Greenway Trail System	509,679	197,999	311,680
Public Library - ADA bathroom	23,474	-	23,474
	$ 62,013,099	$ 49,187,477	$ 12,825,622

4-E. External Investment Pool

The City and County maintained an external investment pool for one entity outside of the City and County reporting entity for fiscal year ended June 30, 2016. The pool consists solely of investments in the State of Montana Investment Pool is reported a fair value. The investments within the pool are fair input was a Level 1 and Level 2. All funds were invested in the State of Montana Short-term Investment Pool. The fair value input and the credit risk is discussed in Note 3-A. On June 30, 2016 the pooled investment's fair value was $14,548,183. In the State of Montana, there is no regulatory oversight for this pool of investments.

A separately issued report exists for the external investment pool maintained by the City and County. This report can be obtained by writing to the City and County, Finance and Budget office, at 155 West Granite Street, Butte, MT 59701, or by calling (406) 497-6323.

4-F. Post-Employment Benefits Other than Pension

The City provides other post-employment benefits (OPEB) allowing its retired employees to continue their medical, dental and vision care coverage through the City's group health plan until death (Retiree Health Plan). The City's contract with Allegiance Benefits details the plan eligibility. Allegiance is the administrator of the benefit plan which covers both active and retired members. In accordance with 2-18-704, Montana Code Annotated, the city-county retirees may continue coverage for themselves and their covered eligible dependents if they are eligible for public employees' retirement by virtue of their employment with the Butte-Silver Bow. The local government's current labor contracts do not include any obligations for payments to retirees. The City and County also allows terminated employees to continue their health care coverage for 18 months past the date of termination as required by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

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Actuarial Methods and Assumptions. The City-County's actuarial valuation is completed on a biennial frequency, provided no significant events have occurred warranting new measurement. The Projected Unit Credit Actuarial Cost Method was used to determine the annual required contribution for fiscal year 2015. As of July 1, 2015, the most recent valuation date, the City-County's actuarially accrued liability (AAL) for benefits was $391,719. The unfunded OPEB obligation falls within the Governmental activities. The Business-type activities have remained at or below zero required contributions.

Funded Status and Funding Progress The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. This includes assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Prior to fiscal year 2015, Butte-Silver Bow opted not to fund the liability.

Annual required contribution	$	24,695
Interest on OPEB obligations		385
Adjustments to annual required contributions		(139,467)
Annual OPEB cost (expense)	$	(114,388)
Contributions made		76,510
Increase in net OPEB obligations	$	(37,878)
Net OPEB obligations - beginning of year		391,719
Net OPEB obligations - end of year	$	353,841

Measurement Assumption Changes

Following is a summary of actuarial gains and losses resulting from differences between the data and assumptions of the prior valuation and re- measurement of the current valuation.

Assumption Changes		**Actuarial Accrued Liability**
6/30/2013	Valuation Results	$ 1,049,340
6/30/2015	Valuation before Changes	$ 1,415,000
07/01/2014 Assumption Changes		
Claim Cost Experinece Change		$ (920,307)
Retiree Contribution Change		(296,761)
All Other Assumption Changes		193,787
Total Assumption Changes		(1,023,281)
06/30/2015 Valuation Result		$ 391,719
06/30/2016 Decrease in Net OPEB Obligation		(37,878)
06/30/2016 Valuation Result		$ 353,841

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The following key assumptions were chosen by Butte-Silver Bow:

1. Discount rate of 4.25%
2. Projected Payroll Increase of 2.50%
3. 45% of future retirees are assumed to elect medical coverage
4. 70% of the future retirees who elect medical coverage will elect spousal coverage.
5. For FURS, MPORS, PERS, and SRS, mortality is assumed to follow the RP 2000 Healthy Combined Mortality Table projected for 2015
6. Health Care cost trend

Plan Year	Medical	Prescription Drug
2014	2.50%	2.50%
2015	7.50%	7.50%
2016	7.00%	7.00%
2017	6.50%	6.50%
2018	6.00%	6.00%
2019	5.50%	5.50%
2020	5.00%	5.00%
2021	4.50%	4.50%

The Projected Unit Credit Actuarial Cost Method was used to determine the annual required contribution. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples, as detailed above, include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revisions as actual results are compared with past expectations, and new estimates are made about the future. Actuarial calculations reflect a long-term perspective.

Historically, the net other post-employment benefit obligation has been liquidated primarily by the general fund and the proprietary funds. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. This report constitutes the only analysis and presentation of the City’s post-employment benefit plan. There is no separate, audited GAAP basis post-employment benefit plan report.

BUTTE-SILVER BOW

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Required Supplementary Information

Other than

Management Discussion and Analysis

City and County of Butte-Silver Bow, Montana
June 30, 2016

Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions

Schedule of Proportionate Share of the Net Pension Liability

	PERS	FURS	MPORS	SRS	TOTAL	Component Unit Port of Montana Port Authority PERS
Employer's proportion of the net pension liability	$ 18,854,316	$ 1,800,040	$ 3,352,034	$ 1,706,066	$ 25,712,456	$ 234,420
Employer's proportionate share of the net pension liability associated with the Employer (as a percentage)	1.34879%	1.75997%	2.02637%	1.76980%		0.01677%
State of MT proportionate share of the net pension liability associated with the Employer	$ 231,593	$ 4,009,167	$ 6,791,540	$ -	$ 11,032,300	$ 2,880
Total	$ 19,085,909	$ 5,809,207	$ 10,143,574	$ 1,706,066	$ 36,744,756	$ 237,300
Employer's covered-employee payroll	$ 15,740,617	$ 2,365,132	$ 2,804,532	$ 1,204,269	$ 22,114,551	$ 195,707
Employer's proportionate share of the net pension liability as of its covered-employee payroll (as a percentage)	119.7810%	76.1070%	119.5220%	141.6680%		119.7811%
Plan fiduciary net position the total pension liability (as a percentage)	78.4000%	76.9000%	66.9000%	75.4000%		78.4000%

Schedule of Contributions:

	PERS	FURS	MPORS	SRS	Total	PERS
Contractually required contributions	$ 1,400,025	$ 340,427	$ 414,441	$ 128,265	$ 2,283,157	$ 15,353
Contributions in relation to the contractually required contributions	$ 1,400,025	$ 340,427	$ 414,441	$ 128,265	$ 2,283,157	$ 15,353
Contribution deficiency (excess)	-	-	-	-	-	-
Employer's covered-employee payroll	$ 16,355,628	$ 2,381,052	$ 2,825,746	$ 1,237,532	$ 22,799,958	$ 182,826
Contributions of covered-employee payroll (as a percentage)	8.5599%	14.2973%	14.6666%	10.3645%		8.3976%

City and County of Butte-Silver Bow, Montana
Required Supplementary Information
Public Employees Retirement System
Schedule of Proportionate Share of the Net Pension Liability
For the Last Ten Fiscal Years*
June 30, 2016

	2016	2015
Employer's proportion of the Net Pension Liability as a	1.348787%	1.334261%
Employer's proportionate share of the Net Pension	$ 18,854,316.01	$ 16,625,036.43
State of Montana's proportionate share of the Net	$ 231,593.12	$ 203,017.07
Total	**$ 19,085,910.13**	**$ 16,828,053.50**

Employer's Pensionable Payroll	$ 15,740,617.20	$ 15,103,811.49
Employer's proportionate share of the Net Pension	119.78%	110.07%
Plan fiduciary net position as a percentage of the total	78.40%	79.90%

City and County of Butte-Silver Bow, Montana
Required Supplementary Information
Public Employees Retirement System
Schedule of Proportionate Share of the Net Pension Liability
For the Last Ten Fiscal Years*
June 30, 2016

	2016	2015
Contractually Required Contributions	$ 1,400,025.01	$ 1,342,243.73
Contributions in Relation to the Contractually Required	$ 1,400,025.01	$ 1,342,243.73
Contribution Deficiency (Excess)	$ -	$ -
Employer's Pensionable Payroll	$ 16,355,628.21	$ 15,740,617.02
Contributions as a percentage of Pensionable Payroll	8.560%	8.527%

**The amounts presented for each fiscal year were determined as of June 30*
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

City and County of Butte-Silver Bow, Montana
Required Supplementary Information
Firefighters' Unified Retirement System (FURS)
Schedule of Proportionate Share of the Net Pension Liability
For the Last Ten Fiscal Years*
June 30, 2016

	2016	2015
Employer's proportion of the Net Pension Liability as a	1.759966%	1.774568%
Employer's proportionate share of the Net Pension Liability	$ 1,800,039.65	$ 1,732,272.48
State of Montana's proportionate share of the Net Pension	$ 4,009,166.74	$ 3,907,922.26
Total	$ 5,809,206.39	$ 5,640,194.74

Employer's Pensionable Payroll	$ 2,365,132.45	$ 2,305,109.70
Employer's proportionate share of the Net Pension Liability	76.107%	75.149%
Plan fiduciary net position as a percentage of the total	76.900%	76.700%

City and County of Butte-Silver Bow, Montana
Required Supplementary Information
Firefighters' Unified Retirement System (FURS)
Schedule of Proportionate Share of the Net Pension Liability
For the Last Ten Fiscal Years*
June 30, 2016

	2016	2015
Contractually Required Contributions	$ 340,426.52	$ 346,242.30
Contributions in Relation to the Contractually Required	$ 340,426.52	$ 346,242.30
Contribution Deficiency (Excess)	$ -	$ -
Employer's Pensionable Payroll	$ 2,381,051.57	$ 2,365,132.45
Contributions as a percentage of Pensionable Payroll	14.297%	14.639%

**The amounts presented for each fiscal year were determined as of June 30*
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

City and County of Butte-Silver Bow, Montana
Required Supplementary Information
Municipal Police Officers' Retirement System (MPORS)
Schedule of Proportionate Share of the Net Pension Liability
For the Last Ten Fiscal Years*
June 30, 2016

	2016	2015
Employer's proportion of the Net Pension Liability as a	2.026369%	1.976528%
Employer's proportionate share of the Net Pension	$ 3,352,034.06	$ 3,105,835.34
State of Montana's proportionate share of the Net	$ 6,791,539.69	$ 6,274,158.70
Total	$ 10,143,573.75	$ 9,379,994.04

Employer's Pensionable Payroll	$ 2,804,532.39	$ 2,651,980.83
Employer's proportionate share of the Net Pension	119.522%	117.114%
Plan fiduciary net position as a percentage of the total	66.900%	67.000%

City and County of Butte-Silver Bow, Montana
Required Supplementary Information
Municipal Police Officers' Retirement System (MPORS)
Schedule of Proportionate Share of the Net Pension Liability
For the Last Ten Fiscal Years*
June 30, 2016

	2016	2015
Contractually Required Contributions	$ 414,440.60	$ 406,545.38
Contributions in Relation to the Contractually Required	$ 41,440.60	$ 406,545.38
Contribution Deficiency (Excess)	$ -	$ -
Employer's Pensionable Payroll	$ 2,825,746.49	$ 2,804,532.39
Contributions as a percentage of Pensionable Payroll	14.667%	14.496%

**The amounts presented for each fiscal year were determined as of June 30*
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

City and County of Butte-Silver Bow, Montana
Required Supplementary Information
Sheriff's Retirement System (SRS)
Schedule of Proportionate Share of the Net Pension Liability
For the Last Ten Fiscal Years*
June 30, 2016

	2016	2015
Employer's proportion of the Net Pension	1.769799%	1.758704%
Employer's proportionate share of the Net	$ 1,706,066.19	$ 731,920.26
Total	$ 1,706,066.19	$ 731,920.26

Employer's Pensionable Payroll	$ 1,204,268.70	$ 1,137,400.30
Employer's proportionate share of the Net	141.668%	64.500%
Plan fiduciary net position as a percentage of the	75.400%	87.200%

City and County of Butte-Silver Bow, Montana
Required Supplementary Information
Sheriff's Retirement System (SRS)
Schedule of Proportionate Share of the Net Pension Liability
For the Last Ten Fiscal Years*
June 30, 2016

	2016	2015
Contractually Required Contributions	$ 128,264.53	$ 122,159.44
Contributions in Relation to the Contractually	$ 128,264.53	$ 122,159.44
Contribution Deficiency (Excess)	$ -	$ -
Employer's Pensionable Payroll	$ 1,237,531.81	$ 1,204,268.70
Contributions as a percentage of Pensionable Payr	10.365%	10.144%

**The amounts presented for each fiscal year were determined as of June 30*
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

City and County of Butte-Silver Bow, Montana
Required Supplementary Information
Public Employees Retirement System - Port of Montana Port Authority
Schedule of Proportionate Share of the Net Pension Liability
For the Last Ten Fiscal Years*
June 30, 2016

	2016	2015
Employer's proportion of the Net Pension Liability as a	0.016770%	0.018630%
Employer's proportionate share of the Net Pension	$ 234,420.00	$ 232,183.00
State of Montana's proportionate share of the Net Pension	$ 2,880.00	$ 2,835.00
Total	**$ 237,300.00**	**$ 235,018.00**

Employer's Pensionable Payroll	$ 195,707.00	$ 210,937.00
Employer's proportionate share of the Net Pension	119.78%	110.07%
Plan fiduciary net position as a percentage of the total	78.40%	79.90%

City and County of Butte-Silver Bow, Montana
Required Supplementary Information
Public Employees Retirement System - Port of Montana Port Authority
Schedule of Proportionate Share of the Net Pension Liability
For the Last Ten Fiscal Years*
June 30, 2016

	2016	2015
Contractually Required Contributions	$ 15,353.00	$ 16,127.00
Contributions in Relation to the Contractually Required	$ 15,353.00	$ 16,127.00
Contribution Deficiency (Excess)	$ -	$ -
Employer's Pensionable Payroll	$ 182,826.00	$ 195,707.00
Contributions as a percentage of Pensionable Payroll	8.398%	8.240%

**The amounts presented for each fiscal year were determined as of June 30*
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

City and County of Butte-Silver Bow, Montana

Required Supplementary Information - Continued

June 30, 2016

Schedule of Contractual Required Contributions

International Brotherhood of Painters Allied Trust (IUPAT)

Fiscal Year	City-County (Employer) Total Contributions
2016	$ 17,954
2015	$ 16,624
2014	$ 18,069

Western Conference of Teamsters Pension Trust

Fiscal Year	City-County (Employer) Total Contributions
2016	$ 130,577
2015	$ 137,748
2014	$ 121,984

Laborers AGC Trust of Montana

Fiscal Year	City-County (Employer) Total Contributions
2016	$ 182,295
2015	$ 188,510
2014	$ 178,711

Laborers International Industrial Union of N.A. Pension Trust

Fiscal Year	City-County (Employer) Total Contributions
2016	$ 35,254
2015	$ 33,205
2014	$ 24,936

City and County of Butte-Silver Bow, Montana

Required Supplementary Information - Continued

June 30, 2016

Schedule of Contractual Required Contributions

I.A.M. National Pension Fund

Fiscal Year	City-County (Employer) Total Contributions
2016	$ 70,458
2015	$ 70,123
2014	$ 67,412

National Electrical Pension Fund

Fiscal Year	City-County (Employer) Total Contributions
2016	$ 5,092
2015	$ 5,146
2014	$ 5,034

Eighth District Electrical Pension Fund

Fiscal Year	City-County (Employer) Total Contributions
2016	$ 17,444
2015	$ 17,528
2014	$ 17,024

Washington-Idaho-Montana Carpenters Trust Fund

Fiscal Year	City-County (Employer) Total Contributions
2016	$ 4,989
2015	$ 8,147
2014	$ 11,669

Central Pension Fund

Fiscal Year	City-County (Employer) Total Contributions
2016	$ 436,498
2015	$ 404,194
2014	$ 406,503

**The amounts presented for each fiscal year were determined as of June 30*
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

City and County of Butte-Silver Bow, Montana
Port of Montana Port Authority
Required Supplementary Information - Continued
Schedule of Proportionate Share of the Net Pension Liability
For the Last Ten Fiscal Years*
June 30, 2016

Component Unit

Western Conferenct of Teamsters Pension Plan

Schedule of Contributions
For the Last Ten Fiscal Years

Year	Contractually Required Contributions
2016	$29,696
2015	29,419
2014	32,335
2013	25,300
2012	22,624
2011	20,666
2010	24,901
2009	23,824
2008	20,895
2007	21,943

*The amounts presented for each fiscal year were determined as of June 30, the employer's most recent fiscal year end. Schedule is intended to show information for 10 years.

Public Employees' Retirement System (PERS) – Defined Benefit - & Component Unit

Changes of Benefit Terms

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

2013 Legislative Changes:

Working Retirees - House Bill 95 - PERS, SRS, and FURS, effective July 1, 2013

- The law requires employer contributions on working retiree compensation.
- Member contributions are not required.
- Working retiree limitations are not impacted. PERS working retirees may still work up to 960 hours a year, without impacting benefits.

Highest Average Compensation (HAC) Cap - House Bill 97, effective July 1, 2013

All PERS members hired on or after July 1, 2013 are subject to a 110% annual cap on compensation considered as part of a member's highest or final average compensation.

All bonuses paid to PERS members on or after July 1, 2013 will not be treated as compensation for retirement purposes.

House Bill 454 - Permanent Injunction Limits Application of the GABA Reduction passed under HB 454

Guaranteed Annual Benefit Adjustment (GABA) - for PERS

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

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

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

2015 Legislative Changes:

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

Second Retirement Benefit - for PERS

1. Applies to PERS members who return to active service on or after January 1, 2016. Members who retire before January 1, 2016, return to PERS-covered employment, and accumulate less than 2 years of service credit before retiring again:
   - refund of member's contributions from second employment plus regular interest (currently 0.25%);
   - no service credit for second employment;
   - start same benefit amount the month following termination; and
   - GABA starts again in the January immediately following second retirement.
2. For members who retire **before January 1, 2016, return to PERS-covered employment and accumulate two or more years of service credit before retiring again:**
   - member receives a recalculated retirement benefit based on laws in effect at second retirement; and,
   - GABA starts in the January after receiving recalculated benefit for 12 months.

3. For members who retire **on or after January 1, 2016, return to PERS-covered employment and accumulate less than 5 years of service credit before retiring again:**
   - refund of member's contributions from second employment plus regular interest (currently 0.25%);
   - no service credit for second employment;
   - start same benefit amount the month following termination; and,
   - GABA starts again in the January immediately following second retirement.

4. For members who retire **on or after January 1, 2016, return to PERS-covered employment and accumulate five or more years of service credit before retiring again:**
   - member receives same retirement benefit as prior to return to service;
   - member receives second retirement benefit for second period of service based on laws in effect at second retirement; and
   - GABA starts on both benefits in January after member receives original and new benefit for 12 months.

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

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

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

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following addition to the actuarial assumptions was adopted in 2014 based upon implementation of GASB Statement 68:

Admin Expense as % of Payroll	0.27%

The following changes were adopted in 2013 based on the 2013 Economic Experience study:

General Wage Growth*	4.00%
*Includes inflation at	3.00%
Investment rate of return	7.75 percent, net of pension plan investment expense, and including inflation

The following Actuarial Assumptions are from the June 2010 Experience Study:

General Wage Growth*	4.25%
*Includes inflation at	3.00%
Merit increase	0.00% to 7.30%
Investment rate of return	8.00 percent, net of pension plan investment expense, and including inflation
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age
Amortization method	Level percentage of pay, open

Firefighters' Unified Retirement System (FURS)

Changes of Benefit Terms

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

2013 Legislative Changes:

Working Retirees - House Bill 95 - PERS, SRS, and FURS, effective July 1, 2013

- Requires employer contributions on working retiree compensation.
- Member contributions are not required.
- Working retiree limitations are not impacted. FURS retirees may still work up to 480 hours a year, without returning to active service.

Highest Average Compensation (HAC) Cap - House Bill 97, All Systems, effective July 1, 2013

- All FURS members hired on or after July 1, 2013 are subject to a 110% annual cap on compensation considered as part of a member's highest or final average compensation.
- All bonuses paid to FURS members on or after July 1, 2013 will not be treated as compensation for retirement purposes.

2015 Legislative Changes: none

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following addition to the actuarial assumptions was adopted in 2014 based upon implementation of GASB Statement 68:

Admin Expense as % of Payroll	0.19%

The following changes were adopted in 2013 based on the 2013 Economic Experience study:

General Wage Growth*	4.00%
*Includes inflation at	3.00%
Investment rate of return	7.75 percent, net of pension plan investment expense, and including inflation

The following Actuarial Assumptions are from the June 2010 Experience Study:

General Wage Growth*	4.25%
*Includes inflation at	3.00%
Merit increase	0.00% to 7.30%
Investment rate of return	8.00 percent, net of pension plan investment expense, and including inflation
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age
Amortization method	Level percentage of pay, open

Municipal Police Officers' Retirement System (MPORS)

Changes of Benefit Terms

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

2013 Legislative Changes:

Highest Average Compensation (HAC) Cap - House Bill 97, effective July 1, 2013

All MPORS members hired on or after July 1, 2013 are subject to a 110% annual cap on compensation considered as part of a member's highest or final average compensation.

All bonuses paid to MPORS members on or after July 1, 2013 will not be treated as compensation for retirement purposes.

2015 Legislative Changes:

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

MPORS DROP Survivor Benefits - for MPORS

Allow statutory beneficiary (spouse or dependent child) of a deceased DROP participant to receive a DROP benefit and a survivorship benefit rather than accumulated contributions or a lump sum payment. 19-9- 1206(1), MCA.

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following addition to the actuarial assumptions was adopted in 2014 based upon implementation of GASB Statement 68:

Admin Expense as % of Payroll	0.20%

The following changes were adopted in 2013 based on the 2013 Economic Experience study:

General Wage Growth*	4.00%
*Includes inflation at	3.00%
Investment rate of return	7.75 percent, net of pension plan investment expense, and including inflation

The following Actuarial Assumptions are from the June 2010 Experience Study:

General Wage Growth*	4.25%
*Includes inflation at	3.00%
Merit increase	0% to 7.3%
Investment rate of return	8.00 percent, net of pension plan investment expense, and including inflation
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age
Amortization method	Level percentage of pay, open

Sheriffs' Retirement System (SRS)

Changes of Benefit Terms

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

2013 Legislative Changes:

Working Retirees - House Bill 95 - PERS, SRS, and FURS, effective July 1, 2013

- Law requires employer contributions on working retiree compensation.
- Member contributions are not required.
- Working retiree limitations are not impacted. SRS retirees may still work up to 480 hours a year, without returning to active service.

Highest Average Compensation (HAC) Cap - House Bill 97, effective July 1, 2013

- All SRS members hired on or after July 1, 2013 are subject to a 110% annual cap on compensation considered as part of a member's highest or final average compensation.
- All bonuses paid to SRS members on or after July 1, 2013 will not be treated as compensation for retirement purposes.

2015 Legislative Changes: none

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following change to the actuarial assumptions was adopted in 2015:

SRS Discount rate - Used to measure the TPL	6.86 percent, which is a blend of the assumed long-term expected rate of return of 7.75% on System's investments and a municipal bond index rate of 3.80%.

The following addition to the actuarial assumptions was adopted in 2014 based upon implementation of GASB Statement 68:

Admin Expense as % of Payroll	0.17%
SRS Discount rate - Used to measure the TPL	7.75 percent, which is the assumed long-term expected rate of return on System's investments

The following change to the actuarial assumptions was adopted in 2013:

SRS Discount rate – Used to measure the TPL	6.68 percent, which is a blend of the assumed long-term expected rate of return of 7.82% on System's investments and a municipal bond index rate of 4.27%.

The following changes were adopted in 2013 based on the 2013 Economic Experience study:

General Wage Growth*	4.00%
*Includes inflation at	3.00%
Investment rate of return	7.75 percent, net of pension plan investment expense, and including inflation

The following Actuarial Assumptions are from the June 2010 Experience Study:

General Wage Growth*	4.25%
*Includes inflation at	3.00%
Merit increase	0% to 7.3%
Investment rate of return	8.00 percent, net of pension plan investment expense, and including inflation
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age
Amortization method	Level percentage of pay, open

Other Plans – Schedule of Contributions

Schedule of employers required contributions

GASB Statement No. 78 requires a schedule of the employers required contributions for each of the ten most recent fiscal years. The schedule contains the three most recent fiscal years. The additional years are not readily available for disclosure due to a conversion to a new enterprise payroll system.

Combining Financial Statements

City and County of Butte-Silver Bow, Montana
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
June 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$ 7,468,144	$ 1,235,312	$ 561,603	$ 9,265,059
Investments	5,321,446	-	1,707,735	7,029,181
Restricted assets - cash	171,863	2,667,604	-	2,839,467
Restricted assets - investments	8,143,215	-	500,119	8,643,334
Receivables:				
Accounts	1,305,735	-	-	1,305,735
Property taxes	950,262	127,646	-	1,077,908
Special assessments	269,280	-	-	269,280
Loans	5,200,321	-	14,087	5,214,408
Interfund receivable	700,000	-	273,800	973,800
Total Assets	29,530,266	4,030,562	3,057,344	36,618,172
Liabilities				
Vouchers payable	677,207	-	11,033	688,240
Accounts payable	79,300	-	-	79,300
Accrued salaries and benefits payable	348,242	-	-	348,242
Due to others	230,000	-	-	230,000
Interfund payable	1,803,076	1,171,387	-	2,974,463
Performance bonds payable	1,216	-	-	1,216
Total Liabilities	3,139,041	1,171,387	11,033	4,321,461
Deferred Inflow of resources				
Unavailable revenue-asset sale in escrow	44,802	-	-	44,802
Unavailable revenue-lease agreements	70,092	-	-	70,092
Unavailable revenue-property taxes and specials assessments	1,219,542	127,646	-	1,347,188
Total Deferred Inflow of resources	1,334,436	127,646	-	1,462,082
Total liabilities and deferred inflow of resources	4,473,477	1,299,033	11,033	5,783,543
Fund Balances				
Restricted	23,533,310	1,514,149	3,046,311	28,093,770
Assigned	2,121,443	1,217,380	-	3,338,823
Unassigned	(597,964)	-	-	(597,964)
Total Fund Balances	25,056,789	2,731,529	3,046,311	30,834,629
Total Liabilities, Deferred Inflows and Fund Balances	$ 29,530,266	$ 4,030,562	$ 3,057,344	$ 36,618,172

City and County of Butte-Silver Bow, Montana
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds - By Fund Type
For the Fiscal Year Ended June 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property taxes	$ 9,258,456	$ 1,498,131	$ -	$ 10,756,587
Special assessments	1,534,782	-	-	1,534,782
Intergovernmental	7,982,896	26,913	-	8,009,809
Charges for services	954,988	-	-	954,988
Fines and forfeitures	43,289	-	79,543	122,832
Private grants and donations	3,084,955	90,431	501,000	3,676,386
Investment earnings	236,327	-	7,724	244,051
Increase(Decrease)in Investments to fair market value	-	-	1,677	1,677
Rent	19,134	-	-	19,134
Licensing and permits	1,326	-	-	1,326
Miscellaneous	677,733	-	-	677,733
Total Revenues	23,793,886	1,615,475	589,944	25,999,305
Expenditures				
Current:				
General government	2,719,432	-	-	2,719,432
Public safety	5,718,415	350	-	5,718,765
Public works	6,409,132	-	-	6,409,132
Public health	2,643,284	-	-	2,643,284
Social and economic services	175,229	-	-	175,229
Cultural and recreation	1,472,975	700	3,878	1,477,553
Housing and community development	902,539	5,000	-	907,539
Capital Outlay	3,997,152	-	185,219	4,182,371
Debt Service:				
Principal	216,551	7,255,214	-	7,471,765
Interest	19,588	907,473	-	927,061
Total Expenditures	24,274,297	8,168,737	189,097	32,632,131
(Deficiency) of Revenues (Under) Expenditures	(480,411)	(6,553,262)	400,847	(6,632,826)
Other Financing Sources (Uses)				
Issuance of general obligation notes payable	151,523	-	-	151,523
Transfers in	1,160,688	6,605,278	-	7,765,966
Transfers out	(137,785)	(43,058)	(6,309)	(187,152)
Total Other Financing Sources (Uses)	1,174,426	6,562,220	(6,309)	7,730,337
Net Change in Fund Balances	694,015	8,958	394,538	1,097,511
Fund Balances Beginning of Year	24,362,774	2,722,571	2,651,773	29,737,118
Fund Balances End of Year	$ 25,056,789	$ 2,731,529	$ 3,046,311	$ 30,834,629

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for a particular purpose.

Combined Special Improvement District

Accounts for revenues received through special assessments, which are expended in specific districts for street lighting, maintenance, and fire hydrants etc…

Divide Garbage

Accounts for the revenue and expenditures for the collection and disposal of solid waste within the unincorporated community of Divide.

Melrose Garbage

Accounts for monies received and expended for the collection and disposal of solid waste within the unincorporated community of Melrose.

SID #1025 Blacktail Loop

Accounts for the construction special assessments being collected for a 2.6 mile paving project in the McGinnis subdivision. The district was created by council resolution #00-74 on December 20, 2000.

Road

Accounts for revenues and expenditures related to street maintenance and improvement within the city/county.

Bridge

Accounts for revenues and expenditures for bridge maintenance and improvements within the city/county.

Noxious Weed

Accounts for revenues and expenditures for the control of noxious weeds within the city/county.

Parking Commission

Accounts for revenues and expenditures for the regulating of parking and lot maintenance.

District Court

Accounts for revenues and expenditures for the operation of the District Court System.

Civic Center

Accounts for revenues and expenditures for the operation of the Butte-Silver Bow Civic Center.

Parks

Accounts for revenues and expenditures for upkeep and improvements at specified parks.

Library

Accounts for grants and donations received by the library to assist with their operations.

Public Archives

Accounts for revenues and expenditures for the operation of the Public Archives.

Non-major Governmental Funds

Special Revenue Funds

Economic Dev 1 Mill Levy

Voter approved one mill levy for Economic Development purposes.

Economic Development Hard Rock Program

This fund accounts for monies received as a result of distributions from Fund 2391 (Hard Rock Mine Trust Reserve). The monies are to be expended in accordance with MCA 7-6-2225

Transit

Accounts for revenues and expenditures for the operation of the city-county transit system

Health

Accounts for federal and state revenues utilized for health programs within the local government.

Senior Citizens

Accounts for property tax revenues to be utilized for senior citizens' activities within the community.

Developmentally Disabled

Accounts for revenues and expenditures for developmentally disabled programs within the community.

Damages and Judgments

Accounts for property tax and other revenues received and expended for claims and judgments against the city-county.

Fire

Accounts for property and other tax revenues received and expended for fire protection and prevention.

Comprehensive Insurance

Accounts for property taxes and other revenues received and expended for property and liability insurance for the local government.

Crime Control

Accounts for grants received from the State Board of Crime Control for various projects within the community.

Land Planning

Accounts for revenues received from the State of Montana coal tax fund, which must be utilized for land planning projects

Junk Vehicle

Accounts for revenues received from the State of Montana for the removal of junk vehicles within the city-county.

Non-major Governmental Funds

Special Revenue Funds

Superfund Wtr Quality District

This fund was established to monitor the activities of the Water Quality District established by the Council of Commissioners. The accounts are funded through the allocation agreement between Butte-Silver Bow and Arco.

Sidewalks

Accounts for revenues received through special assessments and expended for sidewalk reconstruction throughout the city-county.

Uptown Parking

Accounts for revenues from special assessments within the Uptown Business District to be expended for parking lot maintenance.

URA Economic Development

Accounts for revenues received and expended for the tax increment district located within the uptown area of the city-county.

Community Development

Accounts for loans and grants and economic development for neighborhood revitalization established from balances remaining from discontinued federal and state programs and grants.

Hard-Rock Mine Trust

Accounts for revenues resulting from the metalliferous mines tax. Funds are held in reserve and cannot be utilized until a reduction or closure of a major mining operation occurs within the jurisdiction.

Community Development Block Grants Projects

Accounts for revenues received from the federal government through the State Department of Commerce to be expended for housing rehabilitation and economic development for selected projects in selected areas within the city-county.

Montana Pole Institutional

Accounts for revenues received by ARCO, Burlington Northern Railroad and Montana Resources, Inc. The funds will be used to reclaim and maintain lands at the Montana Pole Superfund Site and to install a modest park in the area.

911 Emergency

Accounts for a tax imposed on all phone calls. Revenues generated from this source are used to finance improvements to the emergency dispatch centers and communication systems.

CTEP Grants

State grants and private matching funds for Interstate Signage Project, Landscaping associated with community corridor entrances and the construction of walking track along Continental Drive.

DNRC Grants

These grants provide for the capability to respond to mine waste subsidence problems on properties owned by Butte-Silver Bow or properties that have been abandoned by previous owners.

Non-major Governmental Funds

Special Revenue Funds

Clark Tailings Operation & Maintenance Trust

Funds received from ARCO as part of an agreement for the purpose of making improvements to existing American Legion baseball field and for the maintenance of new parkland reclaimed by ARCO.

PIT Watch Education Program

Through an advisory committee appointed by the Chief Executive, Butte-Silver Bow sponsors the Berkeley Pit Public Education Program, which has been designed to keep citizens informed on the water levels in the Berkeley Pit and surrounding mine shafts. The Committee's work includes publishing PITWATCH twice per year and conducting education presentations at local schools. Since 1996, the program has been funded on an annual basis. In 2002, a trust fund of $170,000 was established to support the Committee's work for a minimum of 15 years, or until all water treatment plant operations are fully operable at the Berkeley Pit.

ARCO Historic Preservation Grant

Butte-Silver Bow has received funds from BP-Atlantic Richfield to fulfill certain obligations and projects associated with the mitigation of the loss or impacts to historic resources during the environmental cleanup activities within the Butte Priority Soils Operable Unit of the Butte/Silver Bow Creek Superfund Site. In this program account, Butte-Silver Bow will make improvements to the historic mine yards along the BA&P pedestrian trail, such as replacing roofs on mine yard buildings, installing restrooms, and installing interpretive displays.

East Butte Renovation & Rehabilitation Agency

The East Butte Renovation and Rehabilitation Agency was created by in January 2005 with final establishment of the district and board taking place in early 2006. The mission of the East Butte RRA is to promote the re-development and stimulate capital investment in the East Butte area.

TIFID Revolving Loan

This fund accounts for the revolving loan program for projects within the Ramsay TIFID. The fund was setup separate from the Ramsay TIFID so once the TIFID sunsets a mechanism is in place to continue economic development activities in around the boundaries of the district.

County Land Planning

This fund was created by Montana Code Annotated 90-1-108 to account for the funds generated by recording fees to assist in the management of land records.

Department of Justice Grants

These Grants, known as JAG, are federally funded to be used by the local law enforcement to assist in the capital needs of law enforcement.

Montana Historical Preservation Grants

Grants from the State Historic Preservation Office to the City and County of Butte-Silver Bow in the amount of $15,000 to advance heritage tourism activities in Butte and southwest Montana by developing a "Trail system" of historic and cultural sites.

Non-major Governmental Funds

Special Revenue Funds

Superfund Health Studies

This fund is part of the superfund trust agreement with British Petroleum, formally known as Atlantic Richfield Company (ARCO) and Butte-Silver Bow. The funds are allocated to perform health studies related to mine waste.

ARCO Superfund Land Mgt (GIS)

Butte-Silver Bow has entered into an allocation agreement with BP-Atlantic Richfield to perform certain duties associated with the long-term stewardship of the Butte Priority Soils Operable Unit of the Butte/Silver Bow Creek Superfund Site. In this program account, Butte-Silver Bow will perform GIS mapping and data management services, as well as legal and land records management services.

Anaconda ARCO - Community Readjustment

Community Readjustment: The Community Readjustment Fund was established with a $500,000 grant from ARCO following the suspension of mining operations in 1985. The funds were used to make venture loans to new or expanding businesses in the community. The revolving loan fund continues to flow loans throughout the community as approved by the Anaconda-Arco Loan Committee through the Butte Local Development Corporation upon Butte-Silver Bow Council approval.

Superfund Residential Metals

This fund relates to the Superfund Residential Metals program. British Petroleum, formally known as Atlantic Richfield Company (Arco), funds the program through settlement trust funds which are payable to Butte-Silver Bow. Butte-Silver Bow is responsible under the program to conduct time critical soil removal in the city of Walkerville where soils exceed safe levels of lead, arsenic, and/or mercury.

State of Montana, Natural Resource & Damages Program Project Fund

Natural Resource Damage Program grant funds the design, engineering and construction costs associated with the Greenway Service District. The Silver Bow Creek Greenway is a 26 mile corridor. The fund also accounts for a Tree Planting project for the Butte's Hill mining reclamation areas, another grant is for upgrades to roads, culverts, picnic and rest areas along Black Tail Creek in Thompson Park, and the final grant was to construct a children's fishing pond.

East Butte RRA Revolving Loan

This fund relates to the Loan activity of the East Butte Renovation and Rehabilitation Agency. The loans are issued to promote the re-development and stimulate capital investment in the East Butte area. This fund is a revolving loan fund and will remain in existence after the East Butte RRA District sunsets.

Superfund Storm Water System

Butte-Silver Bow has entered into an allocation agreement with BP-Atlantic Richfield to perform certain duties associated with the long-term stewardship of the Butte Priority Soils Operable Unit of the Butte/Silver Bow Creek Superfund Site. In this program account, Butte-Silver Bow will perform operation and maintenance of reclaimed mine sites (source areas) and storm water structures on the Butte Hill.

Special Revenue Funds

MT DOC-NSP3 Grant

Butte-Silver Bow was awarded a U.S. Housing and Urban Development Neighborhood Stabilization Program 3 (NSP3) to develop 17 properties in targeted neighborhoods the funds passed through the Montana Department Commerce. Butte-Silver Bow partnered with the National Affordable Housing Network (NAHN) to complete the project.

Safe Routes to Schools

Butte-Silver Bow received a grant to advance and encourage safe walking and bicycling to and from schools in order to improve the health and well-being of American children. The funds were used for maps, route improvements including signage and street lines, and activities to encourage walking and biking.

City and County of Butte-Silver Bow, Montana
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	Combined Special Improvement District	Divide Garbage	Melrose Garbage	SID#1025 Blacktail Loop	Road	Bridge	Noxious Weed	Parking Commission	District Court	Civic Center
Assets										
Cash and cash equivalents	$ 1,028,982	$ 2,899	$ 9,888	$ 1,330	$ 886,852	$ 254,846	$ 129,681	$ 102	$ 337,510	$ 491,624
Investments	-	1,991		-	-	-	-	-	-	-
Receivables:										
Taxes	72	-	-	-	113,783	29,149	18,695	-	65,753	42,491
Accounts	-	-		-	11,931	-	12,584	-	73,726	51,698
Special assessments	227,073	238	1,995	-	-	-	9,948	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Interfund	-	-	-	-	-	-	-	-	-	-
Restricted assets										
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Total Assets	1,256,127	5,128	11,883	1,330	1,012,566	283,995	170,908	102	476,989	585,813
Liabilities, Deferred Inflows and Fund Balances										
Liabilities										
Vouchers payable	14,714	-	-	-	79,994	566	1,279	109	68,831	46,218
Accounts payable	-	-	-	-	-	-	-	-	-	7,550
Accrued salaries and benefits payable	7,091	-	-	-	54,256	14,504	8,406	4,787	15,837	13,511
Performance bonds payable	-	-	-	-	-	-	1,216	-	-	-
Due to others	-	-	-	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	-	195,749	-	-
Total Liabilities	21,805	-	-	-	134,250	15,070	10,901	200,645	84,668	67,279
Deferred Inflow of Resources										
Unavailable revenue-asset sale in escrow	-	-	-	-	-	-	-	-	-	-
Unavailable revenue-lease agreements	-	-	-	-	-	-	-	-	-	70,092
Unavailable revenue-property taxes and specials assessments	227,145	238	1,995	-	113,783	29,149	28,643	-	65,753	42,491
Total Deferred Inflow of Resources	227,145	238	1,995	-	113,783	29,149	28,643	-	65,753	112,583
Fund Balances										
Restricted	1,007,177	4,890	9,888	1,330	764,533	239,776	131,364	-	326,568	405,951
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(200,543)	-	-
Total Fund Balances	1,007,177	4,890	9,888	1,330	764,533	239,776	131,364	(200,543)	326,568	405,951
Total Liabilities, Deferred Inflows and Fund Balances	$ 1,256,127	$ 5,128	$ 11,883	$ 1,330	$ 1,012,566	$ 283,995	$ 170,908	$ 102	$ 476,989	$ 585,813

City and County of Butte-Silver Bow, Montana
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	Parks	Library	Public Archives	Econ Dev 1 Mill Levy	Economic Development Hard Rock Program	Transit	Health	Senior Citizens	Developmentally Disabled	Damages And Judgments
Assets										
Cash and cash equivalents	$ 48,230	$ 34,813	$ 92,570	$ 9,830	$ 278,795	$ 112,089	$ 118,473	$ 11,551	$ -	$ -
Investments	-	-	14,519	-	1,223,611	-	-	-	-	-
Receivables:										
Taxes	-	-	-	4,215	-	28,527	-	4,616	4,485	2,468
Accounts	-	-	929	-	-	235,808	267,247	-	26,750	-
Special assessments	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Interfund	-	-	-	-	500,000	-	-	-	-	-
Restricted assets										
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Total Assets	48,230	34,813	108,018	14,045	2,002,406	376,424	385,720	16,167	31,235	2,468
Liabilities, Deferred Inflows and Fund Balances										
Liabilities										
Vouchers payable	-	695	22,197	-	-	6,254	11,681	-	2,080	-
Accounts payable	-	-	-	-	-	-	-	-	-	-
Accrued salaries and benefits payable	-	-	11,207	-	-	18,642	32,774	-	2,290	-
Performance bonds payable	-	-	-	-	-	-	-	-	-	-
Due to others	-	-	-	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	373,008	365,006	-	2,385	39,090
Total Liabilities	-	695	33,404	-	-	397,904	409,461	-	6,755	39,090
Deferred Inflow of Resources										
Unavailable revenue-asset sale in escrow	-	-	-	-	-	-	-	-	-	-
Unavailable revenue-lease agreements	-	-	-	-	-	-	-	-	-	-
Unavailable revenue-property taxes and specials assessments	-	-	-	4,215	-	28,527	-	4,616	4,485	2,468
Total Deferred Inflow of Resources	-	-	-	4,215	-	28,527	-	4,616	4,485	2,468
Fund Balances										
Restricted	48,230	34,118	74,614	9,830	2,002,406	-	-	11,551	19,995	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(50,007)	(23,741)	-	-	(39,090)
Total Fund Balances	48,230	34,118	74,614	9,830	2,002,406	(50,007)	(23,741)	11,551	19,995	(39,090)
Total Liabilities, Deferred Inflows and Fund Balances	$ 48,230	$ 34,813	$ 108,018	$ 14,045	$ 2,002,406	$ 376,424	$ 385,720	$ 16,167	$ 31,235	$ 2,468

City and County of Butte-Silver Bow, Montana
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	Fire	Comprehensive Insurance	Crime Control	Land Planning	Junk Vehicle	Superfund Wtr Quality District	Sidewalks	Uptown Parking	URA Economic Development	Community Development
Assets										
Cash and cash equivalents	$ 883,405	$ 49,410	$ 116,529	$ 41,702	$ 14,791	$ 143,767	$ 38,053	$ 33	$ 277,676	$ 78,810
Investments	87,839	125,444	-	-	-	-	-	-	1,214,045	11,023
Receivables:										
Taxes	301,742	34,953	-	-	-	-	-	-	243,020	-
Accounts	14	-	14,509	11,915	-	-	-	-	-	1,040
Special assessments	-	-	-	-	-	-	4,648	386	24,992	-
Loans	-	-	-	-	-	-	-	-	4,541,861	48,671
Interfund	-	-	-	-	-	-	-	-	200,000	-
Restricted assets										
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Total Assets	1,273,000	209,807	131,038	53,617	14,791	143,767	42,701	419	6,501,594	139,544
Liabilities, Deferred Inflows and Fund Balances										
Liabilities										
Vouchers payable	76,971	4,137	-	-	-	-	-	-	639	14,040
Accounts payable	-	-	-	-	-	-	-	-	-	-
Accrued salaries and benefits payable	99,094	-	1,682	-	979	1,683	-	-	4,040	2,738
Performance bonds payable	-	-	-	-	-	-	-	-	-	-
Due to others	-	-	-	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	-	-	-	-
Total Liabilities	176,065	4,137	1,682	-	979	1,683	-	-	4,679	16,778
Deferred Inflow of Resources										
Unavailable revenue-asset sale in escrow	-	-	-	-	-	-	-	-	44,802	-
Unavailable revenue-lease agreements	-	-	-	-	-	-	-	-	-	-
Unavailable revenue-property taxes and specials assessments	301,742	34,953	-	-	-	-	4,648	386	268,012	-
Total Deferred Inflow of Resources	301,742	34,953	-	-	-	-	4,648	386	312,814	-
Fund Balances										
Restricted	795,193	170,717	129,356	53,617	13,812	142,084	38,053	33	4,541,861	48,671
Assigned	-	-	-	-	-	-	-	-	1,642,240	74,095
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	795,193	170,717	129,356	53,617	13,812	142,084	38,053	33	6,184,101	122,766
Total Liabilities, Deferred Inflows and Fund Balances	$ 1,273,000	$ 209,807	$ 131,038	$ 53,617	$ 14,791	$ 143,767	$ 42,701	$ 419	$ 6,501,594	$ 139,544

City and County of Butte-Silver Bow, Montana
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	Hard-Rock Mine Trust Reserve	Community Development Block Grants Projects	Montana Pole Institution	911 Emergency	CTEP Grants	DNRC Grants	Clark Tailings O & M Trust	PIT Watch ED Program	Arco Historic Preservation Grant	East Butte R R A
Assets										
Cash and cash equivalents	$ -	$ 108,466	$ 28,111	$ 273,399	$ 25,087	$ 20,455	$ 11,825	$ 158,934	$ 201,927	$ 9,277
Investments	-	-	365,011	10,689	-	-	100,509	296	372,703	150,600
Receivables:										
Taxes	-	-	-	-	-	-	-	-	-	56,293
Accounts	-	-	-	24,938	13,270	47,198	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-
Loans	-	9,624	-	-	-	-	-	-	-	-
Interfund	-	-	-	-	-	-	-	-	-	-
Restricted assets										
Cash and cash equivalents	171,863	-	-	-	-	-	-	-	-	-
Investments	8,143,215	-	-	-	-	-	-	-	-	-
Total Assets	8,315,078	118,090	393,122	309,026	38,357	67,653	112,334	159,230	574,630	216,170
Liabilities, Deferred Inflows and Fund Balances										
Liabilities										
Vouchers payable	-	220	-	6,751	46,992	-	-	-	496	-
Accounts payable	49,104	-	-	-	-	5,074	-	-	2,068	-
Accrued salaries and benefits payable	-	-	-	1,229	-	-	-	-	-	-
Performance bonds payable	-	-	-	-	-	-	-	-	-	-
Due to others	-	-	230,000	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	43,101	-	-	-	200,000
Total Liabilities	49,104	220	230,000	7,980	46,992	48,175	-	-	2,564	200,000
Deferred Inflow of Resources										
Unavailable revenue-asset sale in escrow	-	-	-	-	-	-	-	-	-	-
Unavailable revenue-lease agreements	-	-	-	-	-	-	-	-	-	-
Unavailable revenue-property taxes and specials assessments	-	-	-	-	-	-	-	-	-	56,293
Total Deferred Inflow of Resources	-	-	-	-	-	-	-	-	-	56,293
Fund Balances										
Restricted	8,265,974	9,624	163,122	301,046	-	-	112,334	159,230	572,066	-
Assigned	-	108,246	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(8,635)	19,478	-	-	-	(40,123)
Total Fund Balances	8,265,974	117,870	163,122	301,046	(8,635)	19,478	112,334	159,230	572,066	(40,123)
Total Liabilities, Deferred Inflows and Fund Balances	$ 8,315,078	$ 118,090	$ 393,122	$ 309,026	$ 38,357	$ 67,653	$ 112,334	$ 159,230	$ 574,630	$ 216,170

City and County of Butte-Silver Bow, Montana
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	TIFID Revolving Loan	County Land Planning	Department of Justice Grant	Montana Historical Preservation	Superfund Health Studies	ARCO Superfund Land Mgt-GIS	Anaconda ARCO Community Readjustment	Superfund Residential Metals	State of Montana Natural Resource & Damage Program Project	East Butte RRA Revolving Loan
Assets										
Cash and cash equivalents	$ 200,291	$ 70,537	$ 48,311	$ 453	$ 26,215	$ 13,150	$ 34,783	$ 56,959	$ -	$ -
Investments	1,404,100	-	-	-	-	-	238,548	-	-	518
Receivables:										
Taxes	-	-	-	-	-	-	-	-	-	-
Accounts	-	-	-	-		-	23,012	-	489,166	-
Special assessments	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	421,740	-	-	178,425
Interfund	-	-	-	-	-	-	-	-	-	-
Restricted assets										
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Total Assets	1,604,391	70,537	48,311	453	26,215	13,150	718,083	56,959	489,166	178,943
Liabilities, Deferred Inflows and Fund Balances										
Liabilities										
Vouchers payable	-	-	-	-	-	79	-	51,358	139,995	-
Accounts payable	-	-	-	-	-	-	-	-	-	-
Accrued salaries and benefits payable	-	-	-	-	326	2,658	-	23,960	1,378	-
Performance bonds payable	-	-	-	-	-	-	-	-	-	-
Due to others	-	-	-	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	-	-	584,737	-
Total Liabilities	-	-	-	-	326	2,737	-	75,318	726,110	-
Deferred Inflow of Resources										
Unavailable revenue-asset sale in escrow	-	-	-	-	-	-	-	-	-	-
Unavailable revenue-lease agreements	-	-	-	-	-	-	-	-	-	-
Unavailable revenue-property taxes and specials assessments	-	-	-	-	-	-	-	-	-	-
Total Deferred Inflow of Resources	-	-	-	-	-	-	-	-	-	-
Fund Balances										
Restricted	1,604,391	70,537	48,311	453	25,889	10,413	421,739	-	-	178,425
Assigned	-	-	-	-	-	-	296,344	-	-	518
Unassigned	-	-	-	-	-	-	-	(18,359)	(236,944)	-
Total Fund Balances	1,604,391	70,537	48,311	453	25,889	10,413	718,083	(18,359)	(236,944)	178,943
Total Liabilities, Deferred Inflows and Fund Balances	$ 1,604,391	$ 70,537	$ 48,311	$ 453	$ 26,215	$ 13,150	$ 718,083	$ 56,959	$ 489,166	$ 178,943

City and County of Butte-Silver Bow, Montana
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	Superfund Storm Water System	MT DOC-NSP3 Grant	Safe Routes to Schools	Total Nonmajor Special Revenue Funds
Assets				
Cash and cash equivalents	$ 414,188	$ 267,491	$ 4,044	$ 7,468,144
Investments	-	-	-	5,321,446
Receivables:				
Taxes	-	-	-	950,262
Accounts	-	-	-	1,305,735
Special assessments	-	-	-	269,280
Loans	-	-	-	5,200,321
Interfund	-	-	-	700,000
Restricted assets				
Cash and cash equivalents	-	-	-	171,863
Investments	-	-	-	8,143,215
Total Assets	414,188	267,491	4,044	29,530,266
Liabilities, Deferred Inflows and Fund Balances				
Liabilities				
Vouchers payable	77,293	3,618	-	677,207
Accounts payable	15,504	-	-	79,300
Accrued salaries and benefits payable	25,170	-	-	348,242
Performance bonds payable	-	-	-	1,216
Due to others	-	-	-	230,000
Interfund payable	-	-	-	1,803,076
Total Liabilities	117,967	3,618	-	3,139,041
Deferred Inflow of Resources				
Unavailable revenue-asset sale in escrow	-	-	-	44,802
Unavailable revenue-lease agreements	-	-	-	70,092
Unavailable revenue-property taxes and specials assessments	-	-	-	1,219,542
Total Deferred Inflow of Resources	-	-	-	1,334,436
Fund Balances				
Restricted	296,221	263,873	4,044	23,533,310
Assigned	-	-	-	2,121,443
Unassigned	-	-	-	(597,964)
Total Fund Balances	296,221	263,873	4,044	25,056,789
Total Liabilities, Deferred Inflows and Fund Balances	$ 414,188	$ 267,491	$ 4,044	$ 29,530,266

City and County of Butte-Silver Bow, Montana
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
June 30, 2016

	Combined Special Improvement District	Divide Garbage	Melrose Garbage	SID#1025 Blacktail Loop	Road	Bridge	Noxious Weed	Parking Commission	District Court	Civic Center
Revenues										
Property taxes	$ -	$ -	$ -	$ -	$ 2,110,070	$ 374,220	$ 234,951	$ -	$ 813,228	$ 551,464
Special assessments	1,502,744	13,892	402	975	-	-	-	-	-	-
Intergovernmental	5,574	-	-	-	1,908,184	51,678	21,557	84	188,170	45,483
Charges for services	-	-	10,782	-	66,469	-	95,422	65,647	12,362	421,688
Fines and forfeitures	-	-	-	-	-	-	-	43,289	-	-
Private grants and donations	-	-	-	-	57,915	19,180	11,514	-	48,860	117,231
Investment earnings	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	13,784
Licensing and permits		-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	22,737	-	-	-	2,227	8,546
Total Revenues	1,508,318	13,892	11,184	975	4,165,375	445,078	363,444	109,020	1,064,847	1,158,196
Expenditures										
Current:										
General government	461,982	-	-	-	-	-	-	-	818,525	-
Public safety	-	-	-	-	-	-	-	-	221,441	-
Public works	1,005,428	11,133	9,880	-	2,594,218	339,316	350,865	165,312	-	-
Public health	13,969	-	-	-	-	-	-	-	94,800	-
Social and economic services	-	-	-	-	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-	-	-	-	1,018,725
Housing and community development	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	1,479,363	-	-	-	-	112,388
Debt Service:										
Principal	-	-	-	-	151,528	-	-	-	-	-
Interest	-	-	-	-	8,784	-	-	-	-	-
Total Expenditures	1,481,379	11,133	9,880	-	4,233,893	339,316	350,865	165,312	1,134,766	1,131,113
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,939	2,759	1,304	975	(68,518)	105,762	12,579	(56,292)	(69,919)	27,083
Other Financing Sources (Uses)										
Transfers in	15,000	-	-	-	-	-	-	3,832	-	-
Issuance of general obligation notes	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	15,000	-	-	-	-	-	-	3,832	-	-
Net Change in Fund Balances	41,939	2,759	1,304	975	(68,518)	105,762	12,579	(52,460)	(69,919)	27,083
Fund Balances Beginning of Year	965,238	2,131	8,584	355	833,051	134,014	118,785	(148,083)	396,487	378,868
Fund Balances End of Year	$ 1,007,177	$ 4,890	$ 9,888	$ 1,330	$ 764,533	$ 239,776	$ 131,364	$ (200,543)	$ 326,568	$ 405,951

City and County of Butte-Silver Bow, Montana
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
June 30, 2016

	Parks	Library	Public Archives	Econ Dev 1 Mill Levy	Economic Development Hard Rock Program	Transit	Health	Senior Citizens	Developmental Disabled	Damages And Judgements
Revenues										
Property taxes	$ -	$ -	$ -	$ 50,073	$ -	$ 309,037	$ -	$ 55,481	$ 52,062	$ 15,677
Special assessments	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	13,656	30,529	10,921	-	712,371	1,296,873	13,574	40,375	21,806
Charges for services	-	-	23,503	-	-	28,569	163,293	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Private grants and donations	-	6,020	26,984	2,864	-	20,424	207,728	2,980	3,153	984
Investment earnings	-	-	61	-	5,180	-	-	-	-	-
Rent						4,800				
Licensing and permits	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	710	-	-	9,513	513	-	-	-
Total Revenues	-	19,676	81,787	63,858	5,180	1,084,714	1,668,407	72,035	95,590	38,467
Expenditures										
Current:										
General government	-	-	-	-	-	-	-	-	-	39,264
Public safety	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	1,093,848	-	-	-	-
Public health	-	-	-	-	-	-	1,413,892	-	-	-
Social and economic services	-	-	-	-	-	-	-	76,044	99,185	-
Cultural and recreation	-	4,690	449,560	-	-	-	-	-	-	-
Housing and community development	-	-	-	68,000	68,902	-	-	-	-	-
Capital Outlay	-	-	47,348	-	-	-	-	-	-	-
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	6,556	-	-	-	-
Total Expenditures	-	4,690	496,908	68,000	68,902	1,100,404	1,413,892	76,044	99,185	39,264
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	14,986	(415,121)	(4,142)	(63,722)	(15,690)	254,515	(4,009)	(3,595)	(797)
Other Financing Sources (Uses)										
Transfers in	-	-	395,644	-	-	-	351	-	-	-
Issuance of general obligation notes	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(351)	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(351)	395,644	-	-	-	351	-	-	-
Net Change in Fund Balances	-	14,635	(19,477)	(4,142)	(63,722)	(15,690)	254,866	(4,009)	(3,595)	(797)
Fund Balances Beginning of Year	48,230	19,483	94,091	13,972	2,066,128	(34,317)	(278,607)	15,560	23,590	(38,293)
Fund Balances End of Year	$ 48,230	$ 34,118	$ 74,614	$ 9,830	$ 2,002,406	$ (50,007)	$ (23,741)	$ 11,551	$ 19,995	$ (39,090)

City and County of Butte-Silver Bow, Montana
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
June 30, 2016

	Fire	Comprehensive Insurance	Crime Control	Land Planning	Junk Vehicle	Superfund Water Quality District	Sidewalks	Uptown Parking	URA Economic Development	Community Development
Revenues										
Property taxes	$ 3,608,208	$ 383,972	$ -	$ -	$ -	$ -	$ 267	$ 261	$ 550,295	$ -
Special assessments	-	-	-	-	-	-	1,488	1,095	14,186	-
Intergovernmental	1,256,283	45,220	53,828	4,300	44,125	44	-	-	95	6,111
Charges for services	37,492	-	23,191	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Private grants and donations	42,178	13,799	-	-	-	64,280	-	-	-	8,486
Investment earnings	-	174	-	-	-	-	-	-	157,680	171
Rent										550
Licensing and permits	1,326									
Miscellaneous	131	4,304	-	-	-	-	-	-	13,436	-
Total Revenues	4,945,618	447,469	77,019	4,300	44,125	64,324	1,755	1,356	735,692	15,318
Expenditures										
Current:										
General government	-	546,697	-	5,000	-	63,970	-	-	-	-
Public safety	5,189,719	-	82,393	-	-	-	-	-	-	-
Public works	-	-	-	-	40,041	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-
Social and economic services	-	-	-	-	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-	-	-	-	-
Housing and community development	-	-	-	-	-	-	-	-	549,955	136,866
Capital Outlay	470,426	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	43,901	-	-	-	-	-	-	-	-	-
Interest	1,244	-	-	-	-	-	-	-	-	-
Total Expenditures	5,705,290	546,697	82,393	5,000	40,041	63,970	-	-	549,955	136,866
Excess (Deficiency) of Revenues Over (Under) Expenditures	(759,672)	(99,228)	(5,374)	(700)	4,084	354	1,755	1,356	185,737	(121,548)
Other Financing Sources (Uses)										
Transfers in	144,192	-	8,750	-	-	-	-	-	-	102,006
Issuance of general obligation notes	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(3,832)	(5,414)	-
Total Other Financing Sources (Uses)	144,192	-	8,750	-	-	-	-	(3,832)	(5,414)	102,006
Net Change in Fund Balances	(615,480)	(99,228)	3,376	(700)	4,084	354	1,755	(2,476)	180,323	(19,542)
Fund Balances Beginning of Year	1,410,673	269,945	125,980	54,317	9,728	141,730	36,298	2,509	6,003,778	142,308
Fund Balances End of Year	$ 795,193	$ 170,717	$ 129,356	$ 53,617	$ 13,812	$ 142,084	$ 38,053	$ 33	$ 6,184,101	$ 122,766

City and County of Butte-Silver Bow, Montana
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
June 30, 2016

	Hard-Rock Mine Trust Reserve	Community Development Block Grants Projects	Montana Pole Institution	911 Emergency	CTEP Grants	DNRC Grants	Clark Tailings O & M Trust	PIT Watch ED Program	ARCO Historic Preservation Grant	East Butte R R A
Revenues										
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 149,190
Special assessments	-	-	-	-	-	-	-	-	-	-
Intergovernmental	388,052	-	-	285,437	35,790	104,348	-	-	-	8,840
Charges for services	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Private grants and donations	-	-	-	-	-	-	-	-	-	-
Investment earnings	33,159	104	14,486	45	-	-	426	-	1,577	54
Rent				-	-	-	-	-	-	-
Licensing and permits				-	-	-	-	-	-	-
Miscellaneous	-	-	-	119	-	-	-	-	1,500	-
Total Revenues	421,211	104	14,486	285,601	35,790	104,348	426	-	3,077	158,084
Expenditures										
Current:										
General government	-	-	-	-	-	54,009	-	5,401	20,909	-
Public safety	-	-	-	208,369	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	3,536	-	-	-
Social and economic services	-	-	-	-	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-	-	-	-	-
Housing and community development	-	742	-	-	-	-	-	-	-	78,074
Capital Outlay	-	-	-	-	77,338	50,617	-	-	-	-
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	742	-	208,369	77,338	104,626	3,536	5,401	20,909	78,074
Excess (Deficiency) of Revenues Over (Under) Expenditures	421,211	(638)	14,486	77,232	(41,548)	(278)	(3,110)	(5,401)	(17,832)	80,010
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	41,558	20,455	-	-	-	19,965
Issuance of general obligation notes	-	-	-	-	-	-	-	-	-	-
Transfers out	-		-	-	-	-	-	-	(70,897)	-
Total Other Financing Sources (Uses)	-	-	-	-	41,558	20,455	-	-	(70,897)	19,965
Net Change in Fund Balances	421,211	(638)	14,486	77,232	10	20,177	(3,110)	(5,401)	(88,729)	99,975
Fund Balances Beginning of Year	7,844,763	118,508	148,636	223,814	(8,645)	(699)	115,444	164,631	660,795	(140,098)
Fund Balances End of Year	$ 8,265,974	$ 117,870	$ 163,122	$ 301,046	$ (8,635)	$ 19,478	$ 112,334	$ 159,230	$ 572,066	$ (40,123)

City and County of Butte-Silver Bow, Montana
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
June 30, 2016

	TIFID Revolving Loan	County Land Planning	Department of Justice Grant	Montana Historical Preservation	Superfund Health Studies	ARCO Superfund Land Mgt-GIS	Anaconda ARCO Community Readjustment	Superfund Residential Metals	State of Montana Natural Resource & Damage Program Project	East Butte RRA Revolving Loan
Revenues										
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Special assessments	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	16,493	-	8	77	-	417	1,372,209	-
Charges for services	-	6,570	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Private grants and donations	-	-	-	-	15,941	126,013	-	1,114,272	-	-
Investment earnings	4,346	-	-	-	-	-	13,275	-	-	5,589
Rent	-	-	-	-	-	-	-	-	-	
Licensing and permits	-	-	-	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total Revenues	4,346	6,570	16,493	-	15,949	126,090	13,275	1,114,689	1,372,209	5,589
Expenditures										
Current:										
General government	-	-	-	-	-	124,778	-	-	179,480	-
Public safety	-	-	16,493	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Public health	-	-	-	-	12,044	-	-	1,105,043	-	-
Social and economic services	-	-	-	-	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-	-	-	-	-
Housing and community development	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	1,186,820	-
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total Expenditures		-	16,493	-	12,044	124,778	-	1,105,043	1,366,300	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,346	6,570	-	-	3,905	1,312	13,275	9,646	5,909	5,589
Other Financing Sources (Uses)										
Transfers in	400,000	-	-	-	-	-	-	-	8,935	-
Issuance of general obligation notes	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(10,000)	-	-	-	-	-	-	(27,275)	(19,965)
Total Other Financing Sources (Uses)	400,000	(10,000)	-	-	-	-	-	-	(18,340)	(19,965)
Net Change in Fund Balances	404,346	(3,430)	-	-	3,905	1,312	13,275	9,646	(12,431)	(14,376)
Fund Balances Beginning of Year	1,200,045	73,967	48,311	453	21,984	9,101	704,808	(28,005)	(224,513)	193,319
Fund Balances End of Year	$ 1,604,391	$ 70,537	$ 48,311	$ 453	$ 25,889	$ 10,413	$ 718,083	$ (18,359)	$ (236,944)	$ 178,943

City and County of Butte-Silver Bow, Montana
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
June 30, 2016

	Superfund Storm Water System	MT DOC-NSP3 Grant	Safe Routes to Schools	Nonmajor Special Revenue Funds
Revenues				
Property taxes	$ -	$ -	$ -	$ 9,258,456
Special assessments	-	-	-	1,534,782
Intergovernmental	384	-	-	7,982,896
Charges for services	-	-	-	954,988
Fines and forfeitures	-	-	-	43,289
Private grants and donations	1,174,149	-	-	3,084,955
Investment earnings	-	-	-	236,327
Rent				19,134
Licensing and permits				1,326
Miscellaneous	-	613,997	-	677,733
Total Revenues	1,174,533	613,997	-	23,793,886
Expenditures				
Current:				
General government	-	399,417	-	2,719,432
Public safety	-	-	-	5,718,415
Public works	799,091	-	-	6,409,132
Public health	-	-	-	2,643,284
Social and economic services	-	-	-	175,229
Cultural and recreation	-	-	-	1,472,975
Housing and community development	-	-	-	902,539
Capital Outlay	572,852	-	-	3,997,152
Debt Service:				
Principal	21,122	-	-	216,551
Interest	3,004	-	-	19,588
Total Expenditures	1,396,069	399,417	-	24,274,297
Excess (Deficiency) of Revenues Over (Under) Expenditures	(221,536)	214,580	-	(480,411)
Other Financing Sources (Uses)				
Transfers in	-	-	-	1,160,688
Issuance of general obligation notes	151,523	-	-	151,523
Transfers out	(51)	-	-	(137,785)
Total Other Financing Sources (Uses)	151,472	-	-	1,174,426
Net Change in Fund Balances	(70,064)	214,580	-	694,015
Fund Balances Beginning of Year	366,285	49,293	4,044	24,362,774
Fund Balances End of Year	$ 296,221	$ 263,873	$ 4,044	$ 25,056,789

City and County of Butte-Silver Bow, Montana
Combined Special Improvement District Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Special assessments	$ 1,561,429	$ 1,561,429	$ 1,502,744	$ (58,685)
Intergovernmental	5,594	5,594	5,574	(20)
Total Revenues	1,567,023	1,567,023	1,508,318	(58,705)
Expenditures				
Current:				
General government	597,348	597,348	461,982	135,366
Public works	1,248,981	1,248,981	1,005,428	243,917
Public health	18,119	18,119	13,969	4,150
Capital Outlay	-	-	-	-
Total Expenditures	1,864,448	1,864,448	1,481,379	383,433
Excess (Deficiency) of Revenues Over (Under) Expenditures	(297,425)	(297,425)	26,939	324,728
Other Financing Sources				
Transfers in - Solid waste fund	15,000	15,000	15,000	-
Total Other Financing Sources (Uses)	15,000	15,000	15,000	-
Net Change in Fund Balances	$ (282,425)	$ (282,425)	41,939	$ 324,728
Fund Balances Beginning of Year			965,238	
Fund Balances End of Year			$ 1,007,177	

City and County of Butte-Silver Bow, Montana
Divide Garbage Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Special assessmenets	$ 14,030	$ 47,030	$ 13,892	$ (33,138)
Total Revenues	14,030	47,030	13,892	(33,138)
Expenditures				
Current:				
Public works	16,160	16,160	11,133	5,027
Total Expenditures	16,160	16,160	11,133	5,027
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,130)	30,870	2,759	(28,111)
Net Change in Fund Balances	$ (2,130)	$ 30,870	2,759	$ (28,111)
Fund Balances Beginning of Year			2,131	
Fund Balances End of Year			$ 4,890	

City and County of Butte-Silver Bow, Montana
Melrose Garbage Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Special assessmenets	$ 150	$ 150	$ 402	$ 252
Charges for services	10,000	10,000	10,782	782
Total Revenues	10,150	10,150	11,184	1,034
Expenditures				
Current:				
Public works	10,000	10,000	9,880	120
Total Expenditures	10,000	10,000	9,880	120
Excess (Deficiency) of Revenues Over (Under) Expenditures	150	150	1,304	1,154
Net Change in Fund Balances	$ 150	$ 150	1,304	$ 1,154
Fund Balances Beginning of Year			8,584	
Fund Balances End of Year			$ 9,888	

City and County of Butte-Silver Bow, Montana
SID #1025 Blacktail Loop Fund
Schedule of Revenues and Changes
in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Special assessments	$ 250	$ 250	$ 975	$ 725
Total Revenues	250	250	975	725
Excess (Deficiency) of Revenues Over (Under) Expenditures	250	250	975	725
Net Change in Fund Balances	$ 250	$ 250	975	$ 725
Fund Balances Beginning of Year			355	
Fund Balances End of Year			$ 1,330	

City and County of Butte-Silver Bow, Montana
Road Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes:				
Real property	$ 1,572,956	$ 1,572,956	$ 1,549,158	$ (23,798)
Personal property	30,356	30,356	25,451	(4,905)
Motor vehicle-local option tax	576,444	576,444	535,461	(40,983)
Intergovernmental	1,913,736	1,913,755	1,908,184	(5,571)
Charges for services	67,000	67,000	66,469	(531)
Private Grants and Donations	57,915	57,915	57,915	-
Miscellaneous	30,000	30,000	22,737	(7,263)
Total Revenues	4,248,407	4,248,426	4,165,375	(83,051)
Expenditures				
Current:				
Public works	3,171,551	2,809,113	2,594,218	214,895
Capital Outlay	1,174,094	1,536,551	1,479,363	57,188
Debt Service				
Principal	152,000	152,000	151,528	472
Interest	12,300	12,300	8,784	3,516
Total Expenditures	4,509,945	4,509,964	4,233,893	276,071
Excess (Deficiency) of Revenues Over (Under) Expenditures	(261,538)	(261,538)	(68,518)	193,020
Other Financing Sources				
Transfers in - SID #1025 Blacktail loop revolving fund	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	$ (261,538)	$ (261,538)	(68,518)	$ 193,020
Fund Balances Beginning of Year			833,051	
Fund Balances End of Year			$ 764,533	

City and County of Butte-Silver Bow, Montana
Bridge Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes:				
Real property	$ 371,169	$ 371,169	$ 366,299	$ (4,870)
Personal property	7,791	7,791	7,921	130
Intergovernmental	51,680	51,682	51,678	(4)
Private grants and donations	19,180	19,180	19,180	-
Total Revenues	449,820	449,822	445,078	(4,744)
Expenditures				
Current:				
Public works	453,383	453,383	339,316	114,067
Capital Outlay	50,000	50,000	-	50,000
Total Expenditures	503,383	503,383	339,316	164,067
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,563)	(53,561)	105,762	159,323
Net Change in Fund Balances	$ (53,563)	$ (53,561)	105,762	$ 159,323
Fund Balances Beginning of Year			134,014	
Fund Balances End of Year			$ 239,776	

City and County of Butte-Silver Bow, Montana
Noxious Weed Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes:				
Real property	$ 231,468	$ 231,468	$ 228,107	$ (3,361)
Personal property	7,614	7,614	6,844	(770)
Intergovernmental	23,585	23,587	21,557	(2,030)
Charges for services	118,000	118,000	95,422	(22,578)
Private grants and donations	11,514	11,514	11,514	-
Total Revenues	392,181	392,183	363,444	(28,739)
Expenditures				
Current:				
Public works	370,059	370,061	350,865	19,196
Capital Outlay	72,098	72,098	-	72,098
Total Expenditures	442,157	442,159	350,865	91,294
Excess (Deficiency) of Revenues Over (Under) Expenditures	(49,976)	(49,976)	12,579	62,555
Net Change in Fund Balances	$ (49,976)	$ (49,976)	12,579	$ 62,555
Fund Balances Beginning of Year			118,785	
Fund Balances End of Year			$ 131,364	

City and County of Butte-Silver Bow, Montana
Parking Commission Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 95	$ 95	$ 84	$ (11)
Charges for services	85,000	84,145	65,647	(18,498)
Fines and forfeitures	75,000	75,000	43,289	(31,711)
Total Revenues	160,095	159,240	109,020	(50,220)
Expenditures				
Current:				
Public works	210,282	210,282	165,312	44,970
Total Expenditures	210,282	210,282	165,312	44,970
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,187)	(51,042)	(56,292)	(5,250)
Other Financing Sources (Uses)				
Transfers in-Uptown Parking SID	4,509	4,509	3,832	677
Net Change in Fund Balances	$ (50,187)	$ (51,042)	(52,460)	$ (5,250)
Fund Balances Beginning of Year			(148,083)	
Fund Balances End of Year			$ (200,543)	

City and County of Butte-Silver Bow, Montana
District Court Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes:				
Real property	$ 755,446	$ 755,446	$ 748,173	$ (7,273)
Personal property	15,714	15,714	20,579	4,865
Motor vehicle	45,000	45,000	44,476	(524)
Intergovernmental	295,018	295,018	188,170	(106,848)
Charges for services	12,500	12,500	12,362	(138)
Private grants and donations	48,860	48,860	48,860	-
Miscellaneous	-	-	2,227	2,227
Total Revenues	1,172,538	1,172,538	1,064,847	(107,691)
Expenditures				
Current:				
General government	923,922	923,924	818,525	105,399
Public safety	239,700	239,700	221,441	18,259
Public health	188,977	188,977	94,800	94,177
Total Expenditures	1,352,599	1,352,601	1,134,766	217,835
Excess (Deficiency) of Revenues Over (Under) Expenditures	(180,061)	(180,063)	(69,919)	110,144
Net Change in Fund Balances	$ (180,061)	$ (180,063)	(69,919)	$ 110,144
Fund Balances Beginning of Year			396,487	
Fund Balances End of Year			$ 326,568	

City and County of Butte-Silver Bow, Montana
Civic Center Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes:				
Real property	$ 548,598	$ 548,598	$ 540,059	$ (8,539)
Personal property	10,663	10,663	11,405	742
Intergovernmental	45,586	45,586	45,483	(103)
Charges for services	312,000	355,291	421,688	66,397
Private grants and donations	27,771	66,991	117,231	50,240
Rent	10,368	10,368	13,784	3,416
Miscellaneous	19,000	24,786	8,546	(16,240)
Total Revenues	973,986	1,062,283	1,158,196	95,913
Expenditures				
Current:				
Culture and recreation	1,054,998	1,141,771	1,018,725	123,046
Capital Outlay	121,591	123,115	112,388	10,727
Total Expenditures	1,176,589	1,264,886	1,131,113	133,773
Excess (Deficiency) of Revenues Over (Under) Expenditures	(202,603)	(202,603)	27,083	229,686
Net Change in Fund Balances	$ (202,603)	$ (202,603)	27,083	$ 229,686
Fund Balances Beginning of Year			378,868	
Fund Balances End of Year			$ 405,951	

City and County of Butte-Silver Bow, Montana
Parks Fund
Schedule of Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Miscellaneous	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
Expenditures				
Current:				
Culture and recreation	21,529	21,529	-	21,529
Total Expenditures	21,529	21,529	-	21,529
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,529)	(21,529)	-	21,529
Net Change in Fund Balances	$ (21,529)	$ (21,529)	-	$ 21,529
Fund Balances Beginning of Year			48,230	
Fund Balances End of Year			$ 48,230	

City and County of Butte-Silver Bow, Montana
Library Grants Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 13,656	$ 13,656	$ 13,656	$ -
Private grants and donations	3,500	3,500	6,020	2,520
Total Revenues	17,156	17,156	19,676	2,520
Expenditures				
Current:				
Culture and recreation	36,642	36,291	4,690	31,601
Total Expenditures	36,642	36,291	4,690	31,601
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,486)	(19,135)	14,986	34,121
Other Financing Sources (Uses)				
Transfers out	-	(351)	(351)	-
Net Change in Fund Balances	$ (19,486)	$ (19,135)	14,635	$ 34,121
Fund Balances Beginning of Year			19,483	
Fund Balances End of Year			$ 34,118	

City and County of Butte-Silver Bow, Montana
Public Archives Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 11,218	$ 67,268	$ 30,529	$ (36,739)
Charges for services	15,500	15,500	23,503	8,003
Private grants and donations	9,500	9,500	26,984	17,484
Investment earnings	25	25	61	36
Miscellaneous	500	500	710	210
Total Revenues	36,743	92,793	81,787	(11,006)
Expenditures				
Current:				
Culture and recreation	452,488	508,538	449,560	58,978
Capital Outlay	48,639	48,639	47,348	1,291
Total Expenditures	501,127	557,177	496,908	60,269
Excess (Deficiency) of Revenues Over (Under) Expenditures	(464,384)	(464,384)	(415,121)	(71,275)
Other Financing Sources				
Transfers in - General fund	395,644	395,644	395,644	-
Total Other Financing Sources	395,644	395,644	395,644	-
Net Change in Fund Balances	$ (68,740)	$ (68,740)	(19,477)	$ (71,275)
Fund Balances Beginning of Year			94,091	
Fund Balances End of Year			$ 74,614	

City and County of Butte-Silver Bow, Montana
Economic Development 1 Mill Levy
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes:				
Real property	$ 49,274	$ 49,274	$ 48,726	$ (548)
Personal property	966	966	1,347	381
Intergovernmental	10,921	10,921	10,921	-
Private grants and donations	2,864	2,864	2,864	-
Special assessments	50	50	-	(50)
Total Revenues	64,075	64,075	63,858	(217)
Expenditures				
Current:				
Housing and community development	68,000	68,000	68,000	-
Total Expenditures	68,000	68,000	68,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,925)	(3,925)	(4,142)	(217)
Net Change in Fund Balances	$ (3,925)	$ (3,925)	(4,142)	$ (217)
Fund Balances Beginning of Year			13,972	
Fund Balances End of Year			$ 9,830	

City and County of Butte-Silver Bow, Montana
Economic Development-Hard Rock Program Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	$ -	$ -	$ 5,180	$ 5,180
Total Revenues	-	-	5,180	5,180
Expenditures				
Current:				
Housing and community development	300,000	300,000	68,902	231,098
Total Expenditures	300,000	300,000	68,902	231,098
Excess (Deficiency) of Revenues Over (Under) Expenditures	(300,000)	(300,000)	(63,722)	236,278
Net Change in Fund Balances	$ (300,000)	$ (300,000)	(63,722)	$ 236,278
Fund Balances Beginning of Year			2,066,128	
Fund Balances End of Year			$ 2,002,406	

City and County of Butte-Silver Bow, Montana
Transit Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes:				
Real property	$ 302,464	$ 302,464	$ 299,574	$ (2,890)
Personal property	5,684	5,684	9,463	3,779
Special assessments	500	500	-	(500)
Intergovernmental	756,616	756,616	712,371	(44,245)
Charges for services	72,041	72,041	28,569	(43,472)
Private grants and donations	20,424	20,424	20,424	-
Rent	-	-	4,800	4,800
Miscellaneous	5,000	5,000	9,513	4,513
Total Revenues	1,162,729	1,162,729	1,084,714	(78,015)
Expenditures				
Current:				
Public works	1,298,737	1,298,737	1,093,848	204,889
Capital Outlay	59,600	59,600	-	59,600
Interest	6,556	6,556	6,556	-
Total Expenditures	1,364,893	1,364,893	1,100,404	264,489
Excess (Deficiency) of Revenues Over (Under) Expenditures	(202,164)	(202,164)	(15,690)	186,474
Net Change in Fund Balances	$ (202,164)	$ (202,164)	(15,690)	$ 186,474
Fund Balances Beginning of Year			(34,317)	
Fund Balances End of Year			$ (50,007)	

City and County of Butte-Silver Bow, Montana
Health Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 1,398,086	$ 1,398,099	$ 1,296,873	$ (101,226)
Charges for services	217,000	217,000	163,293	(53,707)
Private grants and donations	75,555	75,555	207,728	132,173
Miscellaneous	-	-	513	513
Total Revenues	1,690,641	1,690,654	1,668,407	(22,247)
Expenditures				
Current:				
Public health	1,532,619	1,559,965	1,413,892	146,073
Capital Outlay	75,173	47,840	-	47,840
Total Expenditures	1,607,792	1,607,805	1,413,892	193,913
Excess (Deficiency) of Revenues Over (Under) Expenditures	82,849	82,849	254,515	171,666
Other Financing Sources				
Transfers in - Civic Center	-	-	351	351
Total Other Financing Sources	-	-	351	351
Net Change in Fund Balances	$ 82,849	$ 82,849	254,866	$ 172,368
Fund Balances Beginning of Year			(278,607)	
Fund Balances End of Year			$ (23,741)	

City and County of Butte-Silver Bow, Montana
Senior Citizens Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes:				
Real property	$ 54,656	$ 54,656	$ 54,050	$ (606)
Personal property	1,202	1,202	1,431	229
Intergovernmental	13,574	13,574	13,574	
Private grants and donations	2,980	2,980	2,980	-
Total Revenues	72,412	72,412	72,035	(377)
Expenditures				
Current:				
Social and economic services	76,044	76,044	76,044	-
Total Expenditures	76,044	76,044	76,044	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,632)	(3,632)	(4,009)	(377)
Net Change in Fund Balances	$ (3,632)	$ (3,632)	(4,009)	$ (377)
Fund Balances Beginning of Year			15,560	
Fund Balances End of Year			$ 11,551	

City and County of Butte-Silver Bow, Montana
Developmentally Disabled Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Real property	$ 51,183	$ 51,183	$ 50,604	$ (579)
Personal property	995	995	1,458	463
Private grants and donations	3,153	3,153	3,153	-
Miscellaneous	1,000	1,000	-	(1,000)
Intergovernmental	27,075	40,377	40,375	(2)
Total Revenues	83,406	96,708	95,590	(1,118)
Expenditures				
Current:				
Social and economic services	92,466	105,768	99,185	6,583
Total Expenditures	92,466	105,768	99,185	6,583
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,060)	(9,060)	(3,595)	5,465
Net Change in Fund Balances	$ (9,060)	$ (9,060)	(3,595)	$ 5,465
Fund Balances Beginning of Year			23,590	
Fund Balances End of Year			$ 19,995	

City and County of Butte-Silver Bow, Montana
Damages and Judgments Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Real property	$ 14,662	$ 14,662	$ 14,974	$ 312
Personal property	727	727	703	(24)
Special assessments	100	100	-	(100)
Private grants and donations	984	984	984	-
Intergovernmental	21,806	21,806	21,806	-
Total Revenues	38,279	38,279	38,467	188
Expenditures				
Current:				
General government	-	-	39,264	(39,264)
Total Expenditures	-	-	39,264	(39,264)
Excess (Deficiency) of Revenues Over (Under) Expenditures	38,279	38,279	(797)	(39,076)
Net Change in Fund Balances	$ 38,279	$ 38,279	(797)	$ (39,076)
Fund Balances Beginning of Year			(38,293)	
Fund Balances End of Year			$ (39,090)	

City and County of Butte-Silver Bow, Montana
Fire Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes:				
Real property	$ 3,568,977	$ 3,568,977	$ 3,516,177	$ (52,800)
Personal property	64,506	64,506	92,031	27,525
Special assessments	3,500	3,500	-	(3,500)
Intergovernmental	1,174,236	1,261,316	1,256,283	(5,033)
Licenses and permits	-	-	1,326	1,326
Charges for services	-	37,492	37,492	-
Private grants and donations	42,175	42,175	42,178	3
Miscellaneous	-	-	131	131
Total Revenues	4,853,394	4,977,966	4,945,618	(32,348)
Expenditures				
Current:				
Public safety	4,958,286	5,189,719	5,189,719	-
Capital Outlay	1,098,088	1,033,756	470,426	563,330
Debt Service:				
Principal	99,422	56,893	43,901	12,992
Interest	5,415	5,415	1,244	4,171
Total Expenditures	6,161,211	6,285,783	5,705,290	580,493
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,307,817)	(1,307,817)	(759,672)	548,145
Other Financing Sources				
Proceeds from General Obligation Bond	803,000	803,000	-	(803,000)
Transfers in - Ramsay TIFID	144,192	144,192	144,192	-
Total Other Financing Sources	947,192	947,192	144,192	(803,000)
Net Change in Fund Balances	$ (360,625)	$ (360,625)	(615,480)	$ (254,855)
Fund Balances Beginning of Year			1,410,673	
Fund Balances End of Year			$ 795,193	

City and County of Butte-Silver Bow, Montana
Comprehensive Insurance Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Real property	$ 371,661	$ 371,661	$ 374,265	$ 2,604
Personal property	10,838	10,838	9,707	(1,131)
Intergovernmental	45,220	45,220	45,220	-
Private grants and donations	13,799	13,799	13,799	-
Miscellaneous	-	-	4,304	4,304
Investment earnings	-	-	174	174
Total Revenues	441,518	441,518	447,469	5,951
Expenditures				
Current:				
General government	618,420	618,420	546,697	71,723
Total Expenditures	618,420	618,420	546,697	71,723
Excess (Deficiency) of Revenues Over (Under) Expenditures	(176,902)	(176,902)	(99,228)	77,674
Net Change in Fund Balances	$ (176,902)	$ (176,902)	(99,228)	$ 77,674
Fund Balances Beginning of Year			269,945	
Fund Balances End of Year			$ 170,717	

City and County of Butte-Silver Bow, Montana
Crime Control Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 36,553	$ 36,555	$ 53,828	$ 17,273
Charges for services	23,000	23,000	23,191	191
Total Revenues	59,553	59,555	77,019	17,464
Expenditures				
Current:				
Public safety	110,995	110,997	82,393	28,604
Capital Outlay	28,000	28,000	-	28,000
Total Expenditures	138,995	138,997	82,393	56,604
Excess (Deficiency) of Revenues Over (Under) Expenditures	(79,442)	(79,442)	(5,374)	74,068
Other Financing Sources				
Transfers in - General fund	8,750	8,750	8,750	-
Net Change in Fund Balances	$ (70,692)	$ (70,692)	3,376	$ 74,068
Fund Balances Beginning of Year			125,980	
Fund Balances End of Year			$ 129,356	

City and County of Butte-Silver Bow, Montana
Land Planning Fund
Schedule of Revenues and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 4,300	$ 4,300	$ 4,300	$ -
Total Revenues	4,300	4,300	4,300	-
Expenditures				
Current:				
General government	55,000	55,000	5,000	50,000
Total Expenditures	55,000	55,000	5,000	50,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,700)	(50,700)	(700)	50,000
Net Change in Fund Balances	$ (50,700)	$ (50,700)	(700)	$ 50,000
Fund Balances Beginning of Year			54,317	
Fund Balances End of Year			$ 53,617	

City and County of Butte-Silver Bow, Montana
Junk Vehicle Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 42,525	$ 42,525	$ 44,125	$ 1,600
Total Revenues	42,525	42,525	44,125	1,600
Expenditures				
Current:				
Public works	50,133	50,133	40,041	10,092
Total Expenditures	50,133	50,133	40,041	10,092
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,608)	(7,608)	4,084	11,692
Net Change in Fund Balances	$ (7,608)	$ (7,608)	4,084	$ 11,692
Fund Balances Beginning of Year			9,728	
Fund Balances End of Year			$ 13,812	

City and County of Butte-Silver Bow, Montana
Superfund Water Quality District
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 44	$ 45	$ 44	$ (1)
Private grants and donations	66,402	66,402	64,280	(2,122)
Total Revenues	66,446	66,447	64,324	(2,123)
Expenditures				
Current:				
General government	65,730	65,731	63,970	1,761
Total Expenditures	65,730	65,731	63,970	1,761
Excess (Deficiency) of Revenues Over (Under) Expenditures	716	716	354	(362)
Net Change in Fund Balances	$ 716	$ 716	354	$ (362)
Fund Balances Beginning of Year			141,730	
Fund Balances End of Year			$ 142,084	

City and County of Butte-Silver Bow, Montana
Sidewalks Fund
Schedule of Revenues and Changes
in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Personal property	$ 500	$ 500	$ 267	$ (233)
Special assessments	4,037	4,037	1,488	(2,549)
Total Revenues	4,537	4,537	1,755	(2,782)
Expenditures				
Current:				
Public Works	385,000	385,000	-	385,000
Total Expenditures	385,000	385,000	-	385,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(380,463)	(380,463)	1,755	(387,782)
Other Financing Sources (Uses)				
Proceeds from notes and loans	385,000	385,000	-	(385,000)
Net Change in Fund Balances	$ 4,537	$ 4,537	1,755	$ (2,782)
Fund Balances Beginning of Year			36,298	
Fund Balances End of Year			$ 38,053	

City and County of Butte-Silver Bow, Montana
Uptown Parking Fund
Schedule of Revenues and Changes
in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes:				
Personal property	$ -	$ -	$ 261	$ 261
Special assessments	2,000	2,000	1,095	(905)
Total Revenues	2,000	2,000	1,356	(644)
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,000	2,000	1,356	(644)
Other Financing Sources (Uses)				
Transfers out	(4,509)	(4,509)	(3,832)	677
Net Change in Fund Balances	$ -	$ -	(2,476)	$ (644)
Fund Balances Beginning of Year			2,509	
Fund Balances End of Year			$ 33	

City and County of Butte-Silver Bow, Montana
Urban Revitalization Agency Economic Development Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Real property	$ 743,753	$ 743,753	$ 546,626	$ (197,127)
Personal property	2,200	2,200	3,669	1,469
Special assessments	20,000	20,000	14,186	(5,814)
Intergovernmental	106	106	95	(11)
Investment earnings	101,625	101,625	157,680	56,055
Miscellaneous	1,250	1,250	13,436	12,186
Total Revenues	868,934	868,934	735,692	(133,242)
Expenditures				
Current:				
Housing and community development	2,104,439	2,104,439	549,955	1,554,484
Total Expenditures	2,104,439	2,104,439	549,955	1,554,484
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,235,505)	(1,235,505)	185,737	1,421,242
Other Financing Sources (Uses)				
Transfers out:				-
General fund	(5,414)	(5,414)	(5,414)	-
Total Other Financing Sources (Uses)	(5,414)	(5,414)	(5,414)	-
Net Change in Fund Balances	$ (1,240,919)	$ (1,240,919)	180,323	$ 1,421,242
Fund Balances Beginning of Year			6,003,778	
Fund Balances End of Year			$ 6,184,101	

City and County of Butte-Silver Bow, Montana
Community Development Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 81,312	$ 81,315	$ 6,111	$ (75,204)
Private grants and donations	11,500	11,500	8,486	(3,014)
Investment earnings	329	329	171	(158)
Rent	350	350	550	200
Total Revenues	93,491	93,494	15,318	(78,176)
Expenditures				
Current:				
Housing and community development	283,802	283,805	136,866	146,939
Capital Outlay	-	-	-	-
Total Expenditures	283,802	283,805	136,866	146,939
Excess (Deficiency) of Revenues Over (Under) Expenditures	(190,311)	(190,311)	(121,548)	68,763
Other Financing Sources:				
Transfers in:				
General fund	102,006	102,006	102,006	-
Total Other Financing Sources	102,006	102,006	102,006	-
Net Change in Fund Balances	$ (88,305)	$ (88,305)	(19,542)	$ 68,763
Fund Balances Beginning of Year			142,308	
Fund Balances End of Year			$ 122,766	

City and County of Butte-Silver Bow, Montana
Hard Rock Mine Trust Reserve Fund
Schedule of Revenues and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 538,500	$ 538,500	$ 388,052	$ (150,448)
Investment earnings	5,000	5,000	33,159	28,159
Total Revenues	543,500	543,500	421,211	(122,289)
Excess (Deficiency) of Revenues Over (Under) Expenditures	543,500	543,500	421,211	(122,289)
Net Change in Fund Balances	$ 543,500	$ 543,500	421,211	$ (122,289)
Fund Balances Beginning of Year			7,844,763	
Fund Balances End of Year			$ 8,265,974	

City and County of Butte-Silver Bow, Montana
Community Development Block Grant Projects Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Interest revenue	$ -	$ -	$ 104	$ 104
Total Revenues	-	-	104	104
Expenditures				
Current:				
Housing and community development	99,692	99,692	742	98,950
Total Expenditures	99,692	99,692	742	98,950
Excess (Deficiency) of Revenues Over (Under) Expenditures	(99,692)	(99,692)	(638)	99,054
Net Change in Fund Balances	$ (99,692)	$ (99,692)	(638)	$ 99,054
Fund Balances Beginning of Year			118,508	
Fund Balances End of Year			$ 117,870	

City and County of Butte-Silver Bow, Montana
MT Pole Institutional Control
Schedule of Revenues and Changes
in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Interest revenue	$ 3,200	$ 3,200	$ 14,486	$ 11,286
Increase in investments to fair market value	-	-	-	-
Total Revenues	3,200	3,200	14,486	11,286
Expenditures				
Current:				
Public health	45,000	45,000	-	45,000
Total Expenditures	45,000	45,000	-	45,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,800)	(41,800)	14,486	45,000
Net Change in Fund Balances	$ (41,800)	$ (41,800)	14,486	$ 45,000
Fund Balances Beginning of Year			148,636	
Fund Balances End of Year			$ 163,122	

City and County of Butte-Silver Bow, Montana
911 Emergency Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 228,493	$ 228,495	$ 285,437	$ 56,942
Miscellaneous	$ -	$ -	$ 119	119
Investment earnings	15	15	45	30
Total Revenues	228,508	228,510	285,601	57,091
Expenditures				
Current:				
Public safety	219,090	244,392	208,369	36,023
Capital Outlay	129,300	104,000	-	104,000
Total Expenditures	348,390	348,392	208,369	140,023
Excess (Deficiency) of Revenues Over (Under) Expenditures	(119,882)	(119,882)	77,232	197,114
Net Change in Fund Balances	$ (119,882)	$ (119,882)	77,232	$ 197,114
Fund Balances Beginning of Year			223,814	
Fund Balances End of Year			$ 301,046	

City and County of Butte-Silver Bow, Montana
Community Transportation Enhancement Program Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 765,638	$ 765,638	$ 35,790	$ (729,848)
Private Grants and Donations	100,765	100,765	-	(100,765)
Total Revenues	866,403	866,403	35,790	(830,613)
Expenditures				
Current:				
General government	151,041	151,041	-	151,041
Capital Outlay	730,939	730,939	77,338	653,601
Total Expenditures	881,980	881,980	77,338	804,642
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,577)	(15,577)	(41,548)	(25,971)
Other Financing Sources				
Transfers in - ARCO historic preservation fund	17,000	17,000	41,558	24,558
Total Other Financing Sources	17,000	17,000	41,558	24,558
Net Change in Fund Balances	$ 1,423	$ 1,423	10	$ (1,413)
Fund Balances Beginning of Year			(8,645)	
Fund Balances End of Year			$ (8,635)	

City and County of Butte-Silver Bow, Montana
Department of Natural Resource and Conservation Grants Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 309,138	$ 309,138	$ 104,348	$ (204,790)
Private grants and donations	-	-	-	-
Total Revenues	309,138	309,138	104,348	(204,790)
Expenditures				
Current:				
General government	169,147	169,147	54,009	115,138
Capital Outlay	113,152	113,152	50,617	62,535
Total Expenditures	282,299	282,299	104,626	177,673
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,839	26,839	(278)	(27,117)
Other Financing Sources				
Transfers in - ARCO historic preservation fund	-	-	20,455	20,455
Total Other Financing Sources	-	-	20,455	20,455
Net Change in Fund Balances	$ 26,839	$ 26,839	20,177	$ (27,117)
Fund Balances Beginning of Year			(699)	
Fund Balances End of Year			$ 19,478	

City and County of Butte-Silver Bow, Montana
Clark Tailings Operations & Maintenance Trust Fund
Schedule of Revenues and Changes
in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	$ 300	$ 300	$ 426	$ 126
Total Revenues	300	300	426	126
Expenditures				
Current:				
Public health	12,000	12,000	3,536	8,464
Total Expenditures	12,000	12,000	3,536	8,464
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,700)	(11,700)	(3,110)	8,590
Net Change in Fund Balances	$ (11,700)	$ (11,700)	(3,110)	$ 8,590
Fund Balances Beginning of Year			115,444	
Fund Balances End of Year			$ 112,334	

City and County of Butte-Silver Bow, Montana
PIT Watch ED Program Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	$ 55	$ 55	$ -	$ (55)
Total Revenues	55	55	-	(55)
Expenditures				
Current:				
General government	44,074	44,074	5,401	38,673
Total Expenditures	44,074	44,074	5,401	38,673
Excess (Deficiency) of Revenues Over (Under) Expenditures	(44,019)	(44,019)	(5,401)	38,618
Net Change in Fund Balances	$ (44,019)	$ (44,019)	(5,401)	$ 38,618
Fund Balances Beginning of Year			164,631	
Fund Balances End of Year			$ 159,230	

City and County of Butte-Silver Bow, Montana
Arco Historic Preservation Grant Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 13	$ 13	$ -	$ (13)
Interest revenue	550	550	1,577	1,027
Miscellaneous	-	-	1,500	1,500
Total Revenues	563	563	3,077	2,514
Expenditures				
Current:				
General government	184,965	139,952	20,909	119,043
Capital Outlay	100,000	100,000	-	100,000
Total Expenditures	284,965	239,952	20,909	219,043
Excess (Deficiency) of Revenues Over (Under) Expenditures	(284,402)	(239,389)	(17,832)	221,557
Other Financing Sources (Uses)				
Transfers out:				
NRDP grant fund	(8,884)	(8,884)	(8,884)	-
DNRC grant fund	-	(20,455)	(20,455)	-
CTEP grant fund	(17,000)	(41,558)	(41,558)	-
Total Other Financing Sources (Uses)	(25,884)	(70,897)	(70,897)	-
Net Change in Fund Balances	$ (310,286)	$ (310,286)	(88,729)	$ 221,557
Fund Balances Beginning of Year			660,795	
Fund Balances End of Year			$ 572,066	

City and County of Butte-Silver Bow, Montana
East Butte RRA Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes:				
Real property	$ 151,000	$ 151,000	$ 144,300	$ (6,700)
Personal property	4,779	4,779	4,890	111
Intergovernmental	1,152	1,152	8,840	7,688
Investment earnings	19	19	54	35
Total Revenues	156,950	156,950	158,084	1,134
Expenditures				
Current:				
Housing and community development	217,500	217,500	78,074	139,426
Total Expenditures	217,500	217,500	78,074	139,426
Excess (Deficiency) of Revenues Over (Under) Expenditures	(60,550)	(60,550)	80,010	140,560
Other Financing Sources (Uses)				
Transfer in - RRA revolving loan fund	20,483	20,483	19,965	(518)
Transfer out - URA	(30,000)	(30,000)	-	30,000
Total Other Financing Sources (Uses)	(9,517)	(9,517)	19,965	29,482
Net Change in Fund Balances	$ (70,067)	$ (70,067)	99,975	$ 170,042
Fund Balances Beginning of Year			(140,098)	
Fund Balances End of Year			$ (40,123)	

City and County of Butte-Silver Bow, Montana
Tax Increment Financing Industrial District Revolving Loan Fund
Schedule of Revenues and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	$ -	$ -	$ 4,346	$ 4,346
Total Revenues	-	-	4,346	4,346
Expenditures				
Current:				
Housing and Community Development	800,000	800,000	-	800,000
Total Expenditures	800,000	800,000	-	800,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(800,000)	(800,000)	4,346	804,346
Other Financing Sources (Uses)				
Transfers in - Ramsay TIFID	400,000	400,000	400,000	-
Total Other Financing Sources (Uses)	400,000	400,000	400,000	-
Net Change in Fund Balances	$ (400,000)	$ (400,000)	404,346	$ 804,346
Fund Balances Beginning of Year			1,200,045	
Fund Balances End of Year			$ 1,604,391	

City and County of Butte-Silver Bow, Montana
County Land Planning Fund
Schedule of Revenues and Changes
in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Charges for services	$ 6,000	$ 6,000	$ 6,570	$ 570
Total Revenues	6,000	6,000	6,570	570
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,000	6,000	6,570	570
Other Financing Sources (Uses)				
Transfers out - GIS Operations	$ (10,000)	$ (10,000)	$ (10,000)	$ -
Total Other Financing Sources (Uses)	(10,000)	(10,000)	(10,000)	-
Net Change in Fund Balances	$ (4,000)	$ (4,000)	(3,430)	$ 570
Fund Balances Beginning of Year			73,967	
Fund Balances End of Year			$ 70,537	

City and County of Butte-Silver Bow, Montana
Department of Justice Grants Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 16,493	$ 16,493	$ 16,493	$ -
Total Revenues	16,493	16,493	16,493	-
Expenditures				
Current:				
Public safety	34,493	34,493	16,493	18,000
Capital Outlay	-	-	-	-
Total Expenditures	34,493	34,493	16,493	18,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,000)	(18,000)	-	18,000
Net Change in Fund Balances	$ (18,000)	$ (18,000)	-	$ 18,000
Fund Balances Beginning of Year			48,311	
Fund Balances End of Year			$ 48,311	

City and County of Butte-Silver Bow, Montana
Superfund Health Studies Fund
Schedule of Revenues and Changes
in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 9	$ 9	$ 8	$ (1)
Private grants and donations	15,536	15,536	15,941	405
Total Revenues	15,545	15,545	15,949	404
Expenditures				
Current:				
Public health	15,536	15,536	12,044	3,492
Totall Expenditures	15,536	15,536	12,044	3,492
Excess (Deficiency) of Revenues Over (Under) Expenditures	9	9	3,905	3,896
Net Change in Fund Balances	$ 9	$ 9	3,905	$ 3,896
Fund Balances Beginning of Year			21,984	
Fund Balances End of Year			$ 25,889	

City and County of Butte-Silver Bow, Montana
ARCO Superfund Land Management/GIS Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 77	$ 78	$ 77	$ (1)
Private grants and donations	131,460	131,460	126,013	(5,447)
Total Revenues	131,537	131,538	126,090	(5,448)
Expenditures				
Current:				
General government	131,460	131,461	124,778	6,683
Capital Outlay	-	-	-	-
Totall Expenditures	131,460	131,461	124,778	6,683
Excess (Deficiency) of Revenues Over (Under) Expenditures	77	77	1,312	1,235
Net Change in Fund Balances	$ 77	$ 77	1,312	$ 1,235
Fund Balances Beginning of Year			9,101	
Fund Balances End of Year			$ 10,413	

City and County of Butte-Silver Bow, Montana
Anaconda-ARCO Community Readjustment
Schedule of Revenues and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	$ 9,000	$ 9,000	$ 13,275	$ 4,275
Total Revenues	9,000	9,000	13,275	4,275
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,000	9,000	13,275	4,275
Net Change in Fund Balances	$ 9,000	$ 9,000	13,275	$ 4,275
Fund Balances Beginning of Year			704,808	
Fund Balances End of Year			$ 718,083	

City and County of Butte-Silver Bow, Montana
Superfund Residential Metals Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 428	$ 428	$ 417	$ (11)
Private grants and donations	1,114,270	1,114,270	1,114,272	2
Total Revenues	1,114,698	1,114,698	1,114,689	(9)
Expenditures				
Current:				
Public health	1,114,270	1,114,270	1,105,043	9,227
Capital outlay	-	-	-	-
Total Expenditures	1,114,270	1,114,270	1,105,043	9,227
Excess (Deficiency) of Revenues Over (Under) Expenditures	428	428	9,646	9,218
Net Change in Fund Balances	$ 428	$ 428	9,646	$ 9,218
Fund Balances Beginning of Year			(28,005)	
Fund Balances End of Year			$ (18,359)	

City and County of Butte-Silver Bow, Montana
State of Montana Department of Natural Resource & Conservation Program Projects Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 2,751,049	$ 2,751,049	$ 1,372,209	$ (1,378,840)
Miscellaneous revenue	300	300	-	(300)
Total Revenues	2,751,349	2,751,349	1,372,209	(1,379,140)
Expenditures				
Current:				
General government	526,662	520,019	179,480	340,539
Capital outlay	2,236,871	2,243,514	1,186,820	1,056,694
Total Expenditures	2,763,533	2,763,533	1,366,300	1,397,233
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,184)	(12,184)	5,909	18,093
Other Financing Sources (Uses)				
Transfers in	8,884	8,884	8,935	(51)
Transfers out - general fund	(50,000)	(50,000)	(27,275)	22,725
Total Other Financing Sources (Uses)	(41,116)	(41,116)	(18,340)	22,674
Net Change in Fund Balances	$ (62,184)	$ (62,184)	(12,431)	$ 40,767
Fund Balances Beginning of Year			(224,513)	
Fund Balances End of Year			$ (236,944)	

City and County of Butte-Silver Bow, Montana
East Butte RRA Revolving Loan Fund
Schedule of Revenues and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	$ 5,590	$ 5,590	$ 5,589	$ (1)
Total Revenues	5,590	5,590	5,589	(1)
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,590	5,590	5,589	(1)
Other Financing Sources (Uses)				
Transfers out - East Butte RRA	(20,483)	(20,483)	(19,965)	518
Total Other Financing Sources (Uses)	(20,483)	(20,483)	(19,965)	518
Net Change in Fund Balances	$ (14,893)	$ (14,893)	(14,376)	$ 517
Fund Balances Beginning of Year			193,319	
Fund Balances End of Year			$ 178,943	

City and County of Butte-Silver Bow, Montana
Superfund Stormwater System
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 488	$ 523	$ 384	$ (139)
Private grants and donations	1,902,554	1,902,554	1,174,149	(728,405)
Total Revenues	1,903,042	1,903,077	1,174,533	(728,544)
Expenditures				
Current:				
Public works	1,247,693	1,223,548	799,091	424,457
Capital Outlay	805,000	805,000	572,852	232,148
Debt Service				
Principal	-	21,123	21,122	1
Interest	-	3,005	3,004	1
Total Expenditures	2,052,693	2,052,676	1,396,069	656,607
Excess (Deficiency) of Revenues Over (Under) Expenditures	(149,651)	(149,599)	(221,536)	(71,937)
OTHER FINANCING SOURCES (USES)				
Capital Lease	-	-	151,523	151,523
Transfer out NRD Grants	-	(52)	(51)	1
Other Financing Sources/Uses	-	(52)	151,472	151,523
Net Change in Fund Balances	$ (149,651)	$ (149,703)	(70,064)	$ 79,586
Fund Balances Beginning of Year			366,285	
Fund Balances End of Year			$ 296,221	

City and County of Butte-Silver Bow, Montana
MT Dept of Commerce NSP3 Grants Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 12	$ 12	$ -	$ (12)
Miscellaneous revenue	983,726	983,726	613,997	(369,729)
Total Revenues	983,738	983,738	613,997	(369,741)
Expenditures				
Current:				
General government	1,012,213	1,012,213	399,417	612,796
Total Expenditures	1,012,213	1,012,213	399,417	612,796
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,475)	(28,475)	214,580	243,055
Net Change in Fund Balances	$ (28,475)	$ (28,475)	214,580	$ 243,055
Fund Balances Beginning of Year			49,293	
Fund Balances End of Year			$ 263,873	

City and County of Butte-Silver Bow, Montana
Safe Routes to Schools
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Miscellaneous revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Current:				
General government	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	$ -	$ -
Net Change in Fund Balances	$ -	$ -	-	$ -
Fund Balances Beginning of Year			4,044	
Fund Balances End of Year			$ 4,044	

Non-major Governmental Funds

Debt Service Funds

The debt service funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

Civic Center Bond Issue

This fund was established per the bond indenture to account for the debt service payments related to the Civic Center General Obligations Bond Issue.

LEA Detention Center & Administration Project

General obligation bonds funding the renovation of the Local Law Enforcement Agency administrative offices, 911-Dispatch Center and the new 75-bed Detention Center.

Ladder Truck Debt Service

This fund accounts for the annual debt service requirements relating to the issue of $978,554 in General Obligation Bonds for the purchase of an aerial ladder truck approved by voters in November 2006.

Archives Debt Service

This fund accounts for the annual debt service requirements relating to the issue of $7,500,000 in General Obligation Bonds for the renovation of the old Archives building and construction of the new storage vault.

General Obligations Bonds Series 2011

This fund accounts for the annual debt service requirements relating to the issue of $9,505,000 in General Obligation Bonds for the purpose of refunding the Civic Center and LEA Detention Center & Administration Project bond issues.

ASIMI Bond

This fund accounts for the Principle and Interest payments related to the TIFID bond issues for the purpose of constructing infrastructure in the Ramsay TIFID.

City and County of Butte-Silver Bow, Montana
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2016

	Civic CenterBond Issue	LEA Detention Center and Administration Projects	Ladder Truck Debt Service	Archives	General Obligation Bonds Series 2011	Ramsay TIFID (ASiMI) Bond	Total Nonmajor Debt Service Funds
Assets							
Cash and cash equivalents	$ 196	$ 1,434	$ 16,302	$ -	$ -	$ 1,217,380	$ 1,235,312
Restricted cash and cash equivalents	-	-		444,329	975,466	1,247,809	2,667,604
Property tax receivables	214	1,141	7,682	41,062	77,547	-	127,646
Total Assets	$ 410	$ 2,575	$ 23,984	$ 485,391	$ 1,053,013	$ 2,465,189	$ 4,030,562
Liabilities							
Liabilities							
Interfund payable	-	-	-	360,966	810,421	-	1,171,387
Total Liabilities	-	-	-	360,966	810,421	-	1,171,387
Deferred Inflow of Resources							
Unavailable revenue-property taxes and specials assessments	214	1,141	7,682	41,062	77,547	-	127,646
Fund Balances							
Restricted	196	1,434	16,302	83,363	165,045	1,247,809	1,514,149
Assigned	-	-	-	-	-	1,217,380	1,217,380
Total Fund Balances	196	1,434	16,302	83,363	165,045	2,465,189	2,731,529
Total Liabilities, Deferred Inflows and Fund Balances	$ 410	$ 2,575	$ 23,984	$ 485,391	$ 1,053,013	$ 2,465,189	$ 4,030,562

City and County of Butte-Silver Bow, Montana
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2016

	Civic Center Bond Issue	LEA Detention Center and Adminstration Projects	Ladder Truck Bond Issue	Archives Bond Issue	General Obligations Bonds Series 2011	Ramsay TIFID (ASiMI) Bond	Total Nonmajor Debt Service Funds
Revenues							
Property taxes	$ 195	$ 1,060	$ 91,487	$ 493,239	$ 912,150	$ -	$ 1,498,131
Intergovernmental	-	-	-	-	26,913	-	26,913
Private grants and donations	-	-	5,207	28,090	57,134	-	90,431
Total Revenues	195	1,060	96,694	521,329	996,197	-	1,615,475
Expenditures							
Current:							
Public Safety	-	-	-		350		350
Culture and recreation	-	-	-	700	-	-	700
Housing & Community Development	-	-	-	-	-	5,000	5,000
Debt Service:							
Principal retirement	-	-	100,214	310,000	850,000	5,995,000	7,255,214
Interest and fiscal charges	-	-	2,816	244,069	193,688	466,900	907,473
Total Expenditures	-	-	103,030	554,769	1,044,038	6,466,900	8,168,737
Excess (Deficiency) of Revenues Over (Under) Expenditures	195	1,060	(6,336)	(33,440)	(47,841)	(6,466,900)	(6,553,262)
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	43,058	6,562,220	6,605,278
Transfers out	(6,884)	(36,174)	-	-	-	-	(43,058)
Total Other Financing Sources (Uses)	(6,884)	(36,174)	-	-	43,058	6,562,220	6,562,220
Net Change in Fund Balances	(6,689)	(35,114)	(6,336)	(33,440)	(4,783)	95,320	8,958
Fund Balances Beginning of Year	6,885	36,548	22,638	116,803	169,828	2,369,869	2,722,571
Fund Balances End of Year	$ 196	$ 1,434	$ 16,302	$ 83,363	$ 165,045	$ 2,465,189	$ 2,731,529

City and County of Butte-Silver Bow, Montana
Civic Center Bond Issue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Real property	$ -	$ -	$ 75	$ 75
Personal property	-	-	120	120
Total Revenues	-	-	195	195
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	195	195
Other Financing Sources (Uses)				
Transfers out - General Obligation Bond Refunding Series 2011	(6,884)	(6,884)	(6,884)	-
Net Change in Fund Balances	$ (6,884)	$ (6,884)	(6,689)	$ 195
Fund Balances Beginning of Year			6,885	
Fund Balances End of Year			$ 196	

City and County of Butte-Silver Bow, Montana
LEA Detention Center & Administration Project Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes:				
Real property	$ -	$ -	$ 386	$ 386
Personal property	-	-	674	674
Total Revenues	-	-	1,060	1,060
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	1,060	1,060
Other Financing Sources (Uses)				
Transfers out - General Obligation Bond Refunding Series 2011	(36,174)	(36,174)	(36,174)	-
Net Change in Fund Balance	$ (36,174)	$ (36,174)	(35,114)	$ 1,060
Fund Balances Beginning of Year			36,548	
Fund Balances End of Year			$ 1,434	

City and County of Butte-Silver Bow, Montana
Ladder Truck Bond Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes:				
Real property	$ 90,021	$ 90,021	$ 89,249	$ (772)
Personal property	1,400	1,400	2,238	838
Private grants and donations	5,207	5,207	5,207	-
Total Revenues	96,628	96,628	96,694	66
Expenditures				
Debt Service:				
Principal	100,214	100,214	100,214	-
Interest	3,260	3,260	2,816	444
Total Expenditures	103,474	103,474	103,030	444
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,846)	(6,846)	(6,336)	510
Net Change in Fund Balance	$ (6,846)	$ (6,846)	(6,336)	$ 510
Fund Balances Beginning of Year			22,638	
Fund Balances End of Year			$ 16,302	

City and County of Butte-Silver Bow, Montana
Archives Bond Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes:				
Real property	$ 485,981	$ 485,981	$ 481,443	$ (4,538)
Personal property	7,560	7,560	11,796	4,236
Private grants and donations	28,089	28,089	28,090	1
Total Revenues	521,630	521,630	521,329	(301)
Expenditures				
Current:				
Cultural and recreation	1,200	1,200	700	500
Debt Service:				
Principal	310,000	310,000	310,000	-
Interest	244,075	244,075	244,069	6
Total Expenditures	555,275	555,275	554,769	506
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,645)	(33,645)	(33,440)	205
Net Change in Fund Balance	$ (33,645)	$ (33,645)	(33,440)	$ 205
Fund Balances Beginning of Year			116,803	
Fund Balances End of Year			$ 83,363	

City and County of Butte-Silver Bow, Montana
General Obligation Bond Refunding Series 2011
Schedule of Expenditures and Changes
in Fund Balances - Budget and Actual
For Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes:				
Real property	$ 899,571	$ 899,571	$ 889,714	$ (9,857)
Personal property	13,956	13,956	22,436	8,480
Intergovernmental	26,913	26,913	26,913	-
Private grants and donations	57,134	57,134	57,134	-
Total Revenues	997,574	997,574	996,197	(1,377)
Expenditures				
Current:				
Public safety	500	500	350	150
Debt Service:				
Principal	850,000	850,000	850,000	-
Interest	193,688	193,688	193,688	-
Total Expenditures	1,044,188	1,044,188	1,044,038	150
Excess (Deficiency) of Revenues Over (Under) Expenditures	(46,614)	(46,614)	(47,841)	(1,227)
Other Financing Sources (Uses)				
Transfer in-Civic Center Debt Service Fund	6,884	6,884	6,884	-
Transfer in- LEA Detention Center & Administrative Projects	36,174	36,174	36,174	-
Total Other Financing Sources (Uses)	43,058	43,058	43,058	-
Net Change in Fund Balance	$ (3,556)	$ (3,556)	(4,783)	$ (1,227)
Fund Balances Beginning of Year			169,828	
Fund Balances End of Year			$ 165,045	

City and County of Butte-Silver Bow, Montana
Ramsay Tax Increment Finance Industrial District (ASiMI) Bond Fund
Schedule of Revenues and Changes
in Fund Balances - Budget and Actual
For Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Expenditures				
Current:				
Housing and community development	$ 5,000	$ 5,000	$ 5,000	$ -
Debt Service:				
Principal	5,995,000	5,995,000	5,995,000	-
Interest	542,063	542,063	466,900	75,163
Total Expenditures	6,542,063	6,542,063	6,466,900	75,163
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,542,063)	(6,542,063)	(6,466,900)	75,163
Other Financing Sources				
Transfers in - Ramsay TIFID#2 fund	6,562,220	6,562,220	6,562,220	-
Total Other Financing Sources	6,562,220	6,562,220	6,562,220	-
Net Change in Fund Balances	$ 20,157	$ 20,157	95,320	$ 75,163
Fund Balances Beginning of Year			2,369,869	
Fund Balances End of Year			$ 2,465,189	

Non-major Governmental Funds

Capital Project Funds

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Capital Improvements

Accounts for various capital acquisitions and/or improvements by the city-county.

Archives Building Fund

This capital project improvement fund was established to account for the costs of renovating and expanding the Butte-Silver Bow Public Archives Building. The project is funded by a voter approved General Obligation Bond Issue totaling $7.5 million. Construction began in the fall of 2008 and was substantially complete by August 2011.

Junk Vehicle Capital Reserve

Accounts for Butte-Silver Bow's collection of motor vehicle license fees assessed for the purpose of transporting and disposing of abandoned vehicles. The State of Montana Junk Vehicle Program allows a 10% carryover to a capital reserve fund for future capital expenditures to operate the program.

TIFID Electrical Upgrade

Accounts for the upgrades to the electrical substation near the REC facility. The project is funded with $1.552 million in tax increment bond funds resulting from a refunding of the 1996 & 1997 tax increment bonds.

Silver Lake Water Distribution System Improvements

Accounts for a capital project constructing the Silver Lake Water System for supply and distribution of water from Silver Lake. The capital is financed through funds received from ARCO.

Aquatic Facility

This budget was established to account for the construction of an $8.7 million Aquatic Facility, approved by voters on June 7, 2016. The Facility will be funded with $1.5 million granted to the project from various donors for special amenities and bonds issued in the amount of $ 7.2 million. Granted funds are reflected above, and the remainder of the funds will be presented once bonds are issued.

City and County of Butte-Silver Bow, Montana
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2016

	Capital Improvements	Archives Building Fund	Junk Vehicle Capital Reserve	TIFID Electrical Upgrade	Silver Lake Water Distribution System Improvements	Aquatic Facility Capital Project	Total Nonmajor Capital Projects Funds
Assets							
Cash and cash equivalents	$ 178,122	$ 4,708	$ 3,526	216,774	$ 157,473	$ 1,000	$ 561,603
Investments	1,704,634	-	3,101	-	-	-	1,707,735
Restricted investments	-	-	-	-	-	500,119	500,119
Accounts receivable	-	-	-	-	-	-	-
Inerfund receivable	273,800	-	-	-	-	-	273,800
Loans receivable	14,087	-	-	-	-	-	14,087
Total Assets	$ 2,170,643	$ 4,708	$ 6,627	$ 216,774	$ 157,473	$ 501,119	$ 3,057,344
Liabilities							
Vouchers payable	-	4,708	-	-	6,325	-	11,033
Total Liabilities	-	4,708	-	-	6,325	-	11,033
Fund Balances							
Restricted	2,170,643	-	6,627	216,774	151,148	501,119	3,046,311
Total Fund Balances	2,170,643	-	6,627	216,774	151,148	501,119	3,046,311
Total liabilities and fund balance	$ 2,170,643	$ 4,708	$ 6,627	$ 216,774	$ 157,473	$ 501,119	$ 3,057,344

City and County of Butte-Silver Bow, Montana
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For Fiscal Year Ended June 30, 2016

	Capital Improvements	Archives Building Fund	Junk Vehicle Capital Reserve	TIFID Electrical Upgrade Project	Silver Lake Water Distribution System Improvements	Aquatic Facility Capital Project	Total Nonmajor Capital Projects Funds
Revenues							
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fines and forfeitures	79,543	-	-	-	-	-	79,543
Private grants and donations	-	-	-	-	-	501,000	501,000
Miscellaneous	-	-	-	-	-	-	-
Investment earnings	7,677	19	13	-	-	15	7,724
Increase (Decrease) investment to fair market value	1,573	-	-	-	-	104	1,677
Total Revenues	88,793	19	13	-	-	501,119	589,944
Expenditures							
Public safety	-	-	-	-	-	-	-
Cultural and recreation	-	3,878	-	-	-	-	3,878
Capital Outlay	83,502	4,711	-	-	97,006	-	185,219
Total Expenditures	83,502	8,589	-	-	97,006	-	189,097
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,291	(8,570)	13	-	(97,006)	501,119	400,847
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(6,309)	-	-	-	-	(6,309)
Total Other Financing Sources (Uses)	-	(6,309)	-	-	-	-	(6,309)
Net Change in Fund Balances	5,291	(14,879)	13	-	(97,006)	501,119	394,538
Fund Balances Beginning of Year	2,165,352	14,879	6,614	216,774	248,154	-	2,651,773
Fund Balances End of Year	$ 2,170,643	$ -	$ 6,627	$ 216,774	$ 151,148	$ 501,119	$ 3,046,311

City and County of Butte-Silver Bow, Montana
Capital Improvements Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Fines and forfeitures	$ 80,000	$ 80,000	$ 79,543	$ (457)
Investment earnings	3,000	3,000	7,677	4,677
Increase investments to fair market value	800	800	1,573	773
Total Revenues	83,800	83,800	88,793	4,993
Capital Outlay	405,663	405,663	83,502	322,161
Total Expenditures	405,663	405,663	83,502	322,161
Excess (Deficiency) of Revenues Over (Under) Expenditures	(321,863)	(321,863)	5,291	327,154
Net Change in Fund Balances	$ (321,863)	$ (321,863)	5,291	$ 327,154
Fund Balances Beginning of Year			2,165,352	
Fund Balances End of Year			$ 2,170,643	

City and County of Butte-Silver Bow, Montana
Archives Building Project Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	$ -	$ -	$ 19	$ 19
Expenditures				
Cultural and recreation	3,878	3,878	3,878	-
Capital Outlay	4,711	4,711	4,711	-
Total Expenditures	8,589	8,589	8,589	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,589)	(8,589)	(8,570)	19
Other Financing Sources (Uses)				
Transfer out-General fund	(6,309)	(6,309)	(6,309)	-
Total Other Financing Sources (Uses)	(6,309)	(6,309)	(6,309)	-
Net Change in Fund Balances	$ (14,898)	$ (14,898)	(14,879)	$ 19
Fund Balances Beginning of Year			14,879	
Fund Balances End of Year			$ -	

City and County of Butte-Silver Bow, Montana
Junk Vehicle Capital Improvement Fund
Schedule of Revenues and Changes
in Fund Balances - Budget and Actual
For Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	$ -	$ -	$ 13	$ 13
Total Revenues	-	-	13	13
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	13	13
Net Change in Fund Balances	$ -	$ -	13	$ 13
Fund Balances Beginning of Year			6,614	
Fund Balances End of Year			$ 6,627	

City and County of Butte-Silver Bow, Montana
Tax Increment Finance Industrial District Electrical Upgrade
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Expenditures				
Capital outlay	$ 216,774	$ 216,774	$ -	$ 216,774
Total Expenditures	216,774	216,774	-	216,774
Excess (Deficiency) of Revenues Over (Under) Expenditures	(216,774)	(216,774)	-	216,774
Net Change in Fund Balances	$ (216,774)	$ (216,774)	-	$ 216,774
Fund Balances Beginning of Year			216,774	
Fund Balances End of Year			$ 216,774	

City and County of Butte-Silver Bow, Montana
Silver Lake Water Distribution System Improvements Fund
Schedule of Expenditures and Changes
in Fund Balances - Budget and Actual
For Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Expenditures				
Capital outlay	$ 248,154	$ 248,154	$ 97,006	$ 151,148
Total Expenditures	248,154	248,154	97,006	151,148
Excess (Deficiency) of Revenues Over (Under) Expenditures	(248,154)	(248,154)	(97,006)	151,148
Net Change in Fund Balances	$ (248,154)	$ (248,154)	(97,006)	$ 151,148
Fund Balances Beginning of Year			$ 248,154	
Fund Balances End of Year			$ 151,148	

City and County of Butte-Silver Bow, Montana
Aquatic Facility Capital Project Fund
Schedule of Expenditures and Changes
in Fund Balances - Budget and Actual
For Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Private grants and donations	$ -	$ -	$ 501,000	$ 501,000
Investment earnings	-	-	15	15
Increase investments to fair market value	-	-	104	104
Total Revenues	-	-	501,119	501,119
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	501,119	501,119
Net Change in Fund Balances	$ -	$ -	501,119	$ 501,119
Fund Balances Beginning of Year			-	
Fund Balances End of Year			$ 501,119	

Non-major Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

Community Facilities

Accounting for the operations of the city-county owned Community Facility Buildings. Revenues are generated through space rental and expenditures are for building maintenance. This also includes a building, which is currently under major renovation.

Small Business Incubator

Accounts for the operations of a local government owned business incubator, which is intended to assist in Economic Development efforts.

Silver Lake Water System

Accounts for the activities of the local government's industrial water system. The City and County of Butte-Silver Bow acquired the water system in 1997 as part of a lawsuit settlement. The existence of this fund assures that the revenue and expenditures of this fund are segregated from the municipal water system. The revenues are generated exclusively from industrial water users.

Storm Water System Project

This fund was created by ordinance in fiscal year 2014. It was established for the maintenance and operations costs associated with maintaining new storm water system and improvements per the Butte-Silver Bow Storm Water Ordinance. 22,508 units were assessed charges in fiscal year 2014.

MR Infrastructure Project

This fund was established in August 2003 after the passage of Resolution #03-56. This resolution gave the approval to borrow funds from the State Board of Investments Infrastructure Loan Program to be used on the transformer project at Montana Resources Incorporated. The local government assesses a use fee on the infrastructure to Montana Resources sufficient to meet the debt service obligations.

City and County of Butte-Silver Bow, Montana
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2016

	Community Facilities	Small Business Incubator	Silver Lake Water System	Storm Water System Project	MR Infrastructure Project	Total Nonmajor Enterprise Funds
Assets						
Current Assets:						
Cash and cash equivalents	$ 201,684	$ 50,499	$ 442,879	$ 418,734	$ -	$ 1,113,796
Investments	-	86,128	406,044	65,287	-	557,459
Accounts receivable	-	5,480	304,486	-	-	309,966
Special assessments receivable	-	-	-	58,058	-	58,058
Total Current Assets	201,684	142,107	1,153,409	542,079	-	2,039,279
Noncurrent Assets:						
Capital assets:						
Nondepreciable	-	72,375	-	-	-	72,375
Depreciable, net	256,130	150,391	1,085,200	494,638	1,127,614	3,113,973
Total Noncurrent Assets	256,130	222,766	1,085,200	494,638	1,127,614	3,186,348
Total Assets	457,814	364,873	2,238,609	1,036,717	1,127,614	5,225,627
Deferred Outflows of Resources						
Deferred outflows from pensions	-	3,702	-	-	-	3,702
Total deferred outflows of resources	-	3,702	-	-	-	3,702
Liabilities						
Current Liabilities:						
Vouchers payable	6,028	68,578	1,434	7,118	-	83,158
Accrued wages and benefits payable	-	2,859	1,491	2,002	-	6,352
Compensated absences	-	276	-	-	-	276
Total Current Liabilities	6,028	71,713	2,925	9,120	-	89,786
Noncurrent Liabilities:						
Compensated absences	-	1,567	-	-	-	1,567
Net pension liability	-	43,318	-	-	-	43,318
Total noncurrent liabilities	-	44,885	-	-	-	44,885
Total Liabilities	6,028	116,598	2,925	9,120	-	134,671
Deferred Inflow of Resources						
Deferred inflows from pensions	-	4,175	-	-	-	4,175
Total Deferred inflow of resources	-	4,175	-	-	-	4,175
Net Position						
Invested in capital assets	256,130	222,766	1,085,200	494,638	1,127,614	3,186,348
Unrestricted	195,656	25,036	1,150,484	532,959	-	1,904,135
Total Net Position	$ 451,786	$ 247,802	$ 2,235,684	$ 1,027,597	$ 1,127,614	$ 5,090,483

City and County of Butte-Silver Bow, Montana
Combining Statement of Revenues,
Expenses and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For Fiscal Year Ended June 30, 2016

	Community Facilities	Small Business Incubator	Silver Lake Water System	Storm Water System Project	MR Infrastructure Project	Total Nonmajor Enterprise Funds
Operating Revenues						
Charges for services	$ -	$ 81,524	$ 320,513	$ 344,802	$ -	$ 746,839
Rent revenue	39,397	-	-	-	-	39,397
Miscellaneous	-	1,382	-	5,991	-	7,373
Total Operating Revenues	39,397	82,906	320,513	350,793	-	793,609
Operating Expenses						
Personal services	-	71,929	22,199	85,376	-	179,504
Operation and maintenance	41,686	119,050	147,629	85,506	-	393,871
Depreciation	18,128	8,901	56,096	23,655	92,680	199,460
Total Operating Expenses	59,814	199,880	225,924	194,537	92,680	772,835
Operating Income (Loss)	(20,417)	(116,974)	94,589	156,256	(92,680)	20,774
Non-Operating Revenues (Expenses)						
Investment earnings	-	365	1,719	277	-	2,361
Intergovernmnetal	-	1,093	15	90	-	1,198
Total Non-Operating Revenues (Expenses)	-	1,458	1,734	367	-	3,559
Income (Loss) Before Tranfers In (Out)	(20,417)	(115,516)	96,323	156,623	(92,680)	24,333
Transfers in (out):						
Ramsay TIFID #2 fund	-	15,000	-	-	-	15,000
Change in Net Position	(20,417)	(100,516)	96,323	156,623	(92,680)	39,333
Net position, beginning of year	472,203	348,318	2,139,361	870,974	1,220,294	5,051,150
Net Position, End of Year	$ 451,786	$ 247,802	$ 2,235,684	$ 1,027,597	$ 1,127,614	$ 5,090,483

City and County of Butte-Silver Bow, Montana
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For Fiscal Year Ended June 30, 2016

	Community Facilities	Small Business Incubator	Silver Lake Water System	Storm Water System Project	MR Infrastructure Project	Total Nonmajor Enterprise Funds
Increase (Decrease) in Cash and Cash Equivalents						
Cash Flows from Operating Activities						
Cash received from customers	$ 39,397	$ 96,392	$ 356,289	$ 355,075	$ -	$ 847,153
Cash payments for personal services	-	(71,692)	(21,377)	(89,472)	-	(182,541)
Cash payments for goods and services	(35,723)	(51,803)	(147,061)	(145,341)	-	(379,928)
Net Cash Provided by (Used in) Operating Activities	3,674	(27,103)	187,851	120,262	-	284,684
Cash Flows from Noncapital Financing Activities						
Intergovernmental loan	-	-	-	-	-	-
Transfers in (out)	-	15,000	-	-	-	15,000
Net Cash Provided by (Used in) Noncapital Financing Activities	-	15,000	-	-	-	15,000
Cash Flows from Capital and Related Financing Activities						
Payments for capital acquisitions	-	(66,942)	-	(97,716)	-	(164,658)
Net Cash Provided by (Used in) Capital and Related Financing Activities	-	(66,942)	-	(97,716)	-	(164,658)
Cash Flows from Investing Activities						
Interest on investments	-	365	1,719	277	-	2,361
Net Increase (Decrease) in Cash and Cash Equivalents	3,674	(78,680)	189,570	22,823	-	137,387
Cash and Cash Equivalents Beginning of Year	198,010	215,307	659,353	461,198	-	1,533,868
Cash and Cash Equivalents End of Year	$ 201,684	$ 136,627	$ 848,923	$ 484,021	$ -	$ 1,671,255
Reconciliation to Combining Statement of Net Assets						
Cash and cash equivalents	$ 201,684	$ 50,499	$ 442,879	$ 418,734	$ -	$ 1,113,796
Investments	-	86,128	406,044	65,287	-	557,459
Total	$ 201,684	$ 136,627	$ 848,923	$ 484,021	$ -	$ 1,671,255

City and County of Butte-Silver Bow, Montana
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For Fiscal Year Ended June 30, 2016

	Community Facilities	Small Business Incubator	Silver Lake Water System	Storm Water System Project	MR Infrastructure Project	Total Nonmajor Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Operating Income (Loss)	$ (20,417)	$ (116,974)	$ 94,589	$ 156,256	$ (92,680)	$ 20,774
Adjustments:						
Depreciation	18,128	8,901	56,096	23,655	92,680	199,460
Intergovernmental revenue on-behalf payments	-	49	15	90	-	154
Adjustments to pension expense	-	(237)	-	-	-	(237)
(Increase) Decrease in Assets:						
Accounts receivable	-	13,486	35,777	4,282	-	53,545
Increase (Decrease) in Liabilities:						
Vouchers payable	5,963	67,247	568	(59,835)	-	13,943
Accrued wages and benefits payable	-	959	806	(3,810)	-	(2,045)
Compensated absences payable	-	(534)	-	(376)	-	(910)
Net Cash Provided by (Used in) Operating Activities	$ 3,674	$ (27,103)	$ 187,851	$ 120,262	$ -	$ 284,684

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the Government on a cost reimbursement basis.

Central Equipment

Accounts for the city-county vehicles and equipment maintenance shop as well as a janitorial service provided to some departments.

Central Administrative Services

Accounts for the personnel and payroll function of the local government.

Central EDP & Communications

Accounts for the computer operations and centralized phone system of the local government.

GIS Services

Accounts for the accumulation and allocation of costs associated with the government's geographical information system (GIS).

City and County of Butte-Silver Bow, Montana
Combining Statement of Net Position
Internal Service Funds
June 30, 2016

	Central Equipment	Central Administration Services	Central EDP & Communications	GIS Services	Total
Assets					
Current Assets:					
Cash and cash equivalents	$ 211,613	$ 197,841	$ 647,338	$ 97,819	$ 1,154,611
Accounts receivable	60,479	-	1,865	-	62,344
Total Current Assets	272,092	197,841	649,203	97,819	1,216,955
Noncurrent Assets:					
Capital assets:					
Nondepreciable	40,000	-	-	-	40,000
Depreciable, net	1,205,940	168,073	53,367	6,630	1,434,010
Total Noncurrent Assets	1,245,940	168,073	53,367	6,630	1,474,010
Total Assets	1,518,032	365,914	702,570	104,449	2,690,965
Deferred Outflows of Resources					
Deferred outflows from pensions	44,741	25,134	29,122	5,052	104,049
Total deferred outflows of resources	44,741	25,134	29,122	5,052	104,049
Liabilities					
Current Liabilities:					
Vouchers payable	71,230	23,112	11,349	1,413	107,104
Accrued wages and benefits payable	29,358	12,732	18,627	901	61,618
Compensated absences payable	5,377	2,777	4,437	-	12,591
Total Current Liabilities	105,965	38,621	34,413	2,314	181,313
Noncurrent Liabilities					
Compensated absences payable	114,648	52,970	129,203	-	296,821
Net pension liability	522,923	291,428	342,408	59,339	1,216,098
Total noncurrent liabilities	637,571	344,398	471,611	59,339	1,512,919
Total Liabilities	743,536	383,019	506,023	61,653	1,694,231
Deferred Inflow of Resources					
Deferred inflows from pensions	46,373	11,268	43,119	7,085	107,845
Total Deferred inflow of resources	46,373	11,268	43,119	7,085	107,845
Net Position					
Net Investment in capital assets	1,245,940	168,073	53,367	6,630	1,474,010
Unrestricted	(473,076)	(171,312)	129,183	34,133	(481,072)
Total Net Position	$ 772,864	$ (3,239)	$ 182,550	$ 40,763	$ 992,938

City and County of Butte-Silver Bow, Montana
Combining Statement of Revenues,
Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2016

	Central Equipment	Central Administration Services	Central EDP & Communications	GIS Services	Total
Operating Revenues					
Charges for services	$ 1,704,062	$ 519,478	$ 966,213	$ 57,385	$ 3,247,138
Miscellaneous	-	5,340	-	4,785	10,125
Total Operating Revenues	1,704,062	524,818	966,213	62,170	3,257,263
Operating Expenses					
Personal services	772,923	393,607	567,783	83,700	1,818,013
Operations and maintenance	656,151	120,967	192,889	8,404	978,411
Depreciation	186,303	8,172	4,192	1,464	200,131
Total Operating Expenses	1,615,377	522,746	764,864	93,568	2,996,555
Operating Income (Loss)	88,685	2,072	201,349	(31,398)	260,708
Non-Operating Revenues (Expenses)					
Intergovernmental	70,040	9,797	7,115	1,292	88,244
Total Non-Operating Revenues (Expenses)	70,040	9,797	7,115	1,292	88,244
Income (Loss) Before Capital Grants & Transfers	158,725	11,869	208,464	(30,106)	348,952
Capital Grants and Transfers in (out):					
Capital Grants	330,625	-	-	-	330,625
Transfer in - County Land Planning	-	-	-	10,000	10,000
Change in Net Position	489,350	11,869	208,464	(20,106)	689,577
Total Net Position, Beginning of Year	283,514	(15,108)	(25,914)	60,869	303,361
Net Position, End of Year	$ 772,864	$ (3,239)	$ 182,550	$ 40,763	$ 992,938

City and County of Butte-Silver Bow, Montana
Combining Statement of Cash Flows
Internal Service Funds
For Fiscal Year Ended June 30, 2016

	Central Equipment	Central Administration Services	Central EDP & Communications	GIS Services	Total
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities					
Cash receipts from interfund services provided	$ 1,650,242	$ 524,818	$ 966,646	$ 62,170	$ 3,203,876
Cash payments for personnel services	(757,269)	(385,596)	(484,946)	(96,204)	(1,724,015)
Cash payments for goods and services	(624,773)	(103,468)	(194,218)	(7,790)	(930,249)
Net Cash Provided by Operating Activities	268,200	35,754	287,482	(41,824)	549,612
Cash Flows from Noncapital Financing Activities					
Payments on interfund loan	(50,000)	-	-	-	(50,000)
Transfers in (out)	-	-	-	10,000	10,000
Net Cash Flows from Noncapital Financing Activities	(50,000)	-	-	10,000	(40,000)
Cash Flows from Capital and Related Financing Activities					
Capital Grants	330,652	-	-	-	330,652
Payments for capital acquisitions	(479,331)	-	-	-	(479,331)
Net Cash (Used in) Capital and Related Financing Activities	(148,679)	-	-	-	(148,679)
Net Increase (Decrease) in Cash and Cash Equivalents	69,521	35,754	287,482	(31,824)	360,933
Cash and Cash Equivalents Beginning of Year	142,092	162,087	359,856	129,643	793,678
Cash and Cash Equivalents End of Year	$ 211,613	$ 197,841	$ 647,338	$ 97,819	$ 1,154,611

City and County of Butte-Silver Bow, Montana
Combining Statement of Cash Flows
Internal Service Funds
For Fiscal Year Ended June 30, 2016

	Central Equipment	Central Administration Services	Central EDP & Communications	GIS Services	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating Income (Loss)	$ 88,685	$ 2,072	$ 201,349	$ (31,398)	$ 260,708
Adjustments:					
Depreciation	186,303	8,172	4,192	1,464	200,131
Intergovernmental revenue on behalf payments	56,840	281	361	64	57,546
Adjustments to pension expense	(2,992)	(2,158)	(1,530)	(278)	(6,958)
(Increase) Decrease in Assets:					
Accounts receivable	(53,820)	-	433	-	(53,387)
Increase (Decrease) in Liabilities:					
Vouchers payable	(24,977)	17,498	(1,330)	614	(8,195)
Accrued wages and benefits payable	9,381	2,925	7,284	(964)	18,626
Compensated absences payable	8,780	6,964	76,723	(11,326)	81,141
Net Cash Provided by Operating Activities	$ 268,200	$ 35,754	$ 287,482	$ (41,824)	$ 549,612

Trust & Agency Funds

Trust funds are used to account for assets held by the government in a trustee capacity. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other government and/or other funds.

School District #1 Individual Investment Funds

Accounts for individual investments made on behalf of School District #1 by the City and County of Butte-Silver Bow, under the direction of School District #1 Business Manager.

School Districts External Investment Pool

Accounts for funds invested in the State of Montana Investment Pool. This pool is administered by the Montana Board of Investments and has been deemed 2a7-like. Funds are invested under the direction of the School District #1 Business Manager by Butte-Silver Bow. The funds include investments for School District #1, #3, #4, and #5. The funds are invested under the direction of the various schools business managers/clerks, or as required by Montana Statute.

Property Tax Fund

Accounts for all property taxes collected by the county for schools, state, other cities and towns, and districts.

School District Trust Fund

To account for revenues collected and cash and investments for various school districts within the City and County of Butte-Silver Bow.

Fees and Judgments Due to State

To account for various fees and judgments collected by the local government which are due to the state.

Tax Deed Land & Redemption Fund

To account for land that has been tax deeded by Butte-Silver Bow until which time a tax sale of property is held. It also accounts for the land which is under contract to be redeemed.

Butte-Silver Bow Trust Funds

parking fees which revert to an outside entity, garnishment of child support, alimony and other awards of the court, public administrator functions and court ordered operation of a cemetery.

PRP Group Trust Funds

Fe Railroad and ARCO to be distributed for superfund activities per contract. The two projects are entitled the Priority Soils Operable Unit (BPSOU) and Time Critical Removal Action.

City and County of Butte-Silver Bow, Montana
Combining Statement of Fiduciary Net Position
Trust Funds
June 30, 2016

	School District #1 Individual Investment Funds	School Districts External Investment Pool	Total
Assets			
Investments	$ 8,099,011	$ 14,548,183	$ 22,647,194
Net Position			
Net position held in trust for pool participants	$ 8,099,011	$ 14,548,183	$ 22,647,194

City and County of Butte-Silver Bow, Montana
Combining Statement of Changes in Fiduciary Net Position
Trust Funds
For Fiscal Year Ended June 30, 2016

	School District #1 Individual Investment Funds	School Districts External Investment Pool	Total
Additions			
Shares and investments purchased	$ 1,370,000	$ 241,462,633	$ 242,832,633
Investment earnings	116,897	70,546	187,443
Total Additions	1,486,897	241,533,179	243,020,076
Deductions			
Shares and investments redeemed	1,461,632	243,310,103	244,771,735
Increase (Decrease) in Net Position	25,265	(1,776,924)	(1,751,659)
Net Position Held in Trust For Pool Participants Beginning of Year	8,073,746	16,325,107	24,398,853
Net Position Held in Trust For Pool Participants End of Year	$ 8,099,011	$ 14,548,183	$ 22,647,194

City and County of Butte-Silver Bow, Montana
Statement of Changes in Fiduciary Assets and Liabilities
For Fiscal Year Ended June 30, 2016

Property Tax Fund	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
Assets				
Cash and cash equivalents	$ 292,061	$ 1,611,061	$ 1,640,483	$ 262,639
Investments	119,646	546	38	120,155
Receivables	1,800,823	24,578,312	24,594,903	1,784,232
Total Assets	2,212,530	26,189,919	26,235,424	2,167,026
Liabilities				
Accounts payable	105,257	100,301	92,920	112,638
Interest payable	19,990	6,703	38	26,655
Intergovernmental payable:				
Due to special districts	156,987	674,589	691,589	139,987
Due to state	457,074	6,154,299	6,124,936	486,436
Due to schools	1,185,753	17,140,742	17,175,416	1,151,080
Due to component unit	61,934	1,259,783	1,273,300	48,418
Due to cities and towns	225,535	895,420	919,143	201,812
Total Liabilities	$ 2,212,530	$ 26,231,837	$ 26,277,341	$ 2,167,026

School District Trust Fund	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
Assets				
Cash and cash equivalents	$ 9,920,393	$ 210,052,935	$ 207,320,149	$ 12,653,179
Total Assets	9,920,393	210,052,935	207,320,149	12,653,179
Liabilities				
Due to schools	9,920,393	210,052,935	207,320,149	12,653,179
Total Liabilities	$ 9,920,393	$ 210,052,935	$ 207,320,149	$ 12,653,179

City and County of Butte-Silver Bow, Montana
Statement of Changes in Fiduciary Assets and Liabilities
For Fiscal Year Ended June 30, 2016

Fees & Judgments Due to State	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
Assets				
Cash and cash equivalents	$ 537,894	$ 16,081,185	$ 16,171,714	$ 447,365
Total Assets	537,894	16,081,185	16,171,714	447,365
Liabilities				
Due to state	537,894	14,088,460	14,178,989	447,365
Total Liabilities	$ 537,894	$ 14,088,460	$ 14,178,989	$ 447,365

Tax Deed Land & Redemption Fund	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
Assets				
Cash and cash equivalents	$ 482	$ 149,101	$ 149,101	$ 482
Contracts receivable	10,074	116,465	110,548	15,992
Land acquired by tax deed	226,640	88,003	49,830	264,813
Total Assets	237,196	353,569	309,478	281,287
Liabilities				
Accounts payable	237,196	197,772	153,681	281,287
Vouchers payable	-	-	-	-
Total Liabilities	$ 237,196	$ 197,772	$ 153,681	$ 281,287

Butte-Silver Bow Trust Funds	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
Assets				
Cash and cash equivalents	$ 148,768	$ 403,063	$ 366,763	$ 185,068
Investments	349,380	328,134	71	677,442
Total Assets	498,148	731,197	366,834	862,510
Liabilities				
Warrants payable	-	-	-	-
Accounts payable	495,968	45,032	22,899	518,101
Vouchers Payable	2,180	16,002	17,441	740
Due to others	-	360,665	16,996	343,669
Total Liabilities	$ 498,148	$ 421,699	$ 57,336	$ 862,510

City and County of Butte-Silver Bow, Montana
Statement of Changes in Fiduciary Assets and Liabilities
For Fiscal Year Ended June 30, 2016

PRP Group Trust Funds	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
Assets				
Cash and cash equivalents	$ 20,840	$ -	$ -	$ 20,840
Total Assets	20,840	-	-	20,840
Liabilities				
Due to others	20,840	-	-	20,840
Total Liabilities	$ 20,840	$ -	$ -	$ 20,840

Total	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
Assets				
Cash and cash equivalents	$ 10,920,441	$ 228,297,345	$ 225,648,210	$ 13,569,576
Investments	469,026	328,680	109	797,597
Receivables	1,810,897	24,694,777	24,705,451	1,800,223
Land acquired by tax deed	226,640	88,003	49,830	264,813
Total Assets	13,427,004	253,408,805	250,403,600	16,432,210
Liabilities				
Warrants Payable	-	-	-	-
Accounts payable	838,421	343,105	269,499	912,026
Vouchers payable	2,180	16,002	17,441	740
Interest payable	19,990	6,703	38	26,655
Intergovernmental payable:				-
Due to special districts	156,987	674,589	691,589	139,987
Due to state	994,968	20,242,759	20,303,925	933,801
Due to schools	11,106,146	227,193,678	224,495,565	13,804,259
Due to component unit	61,934	1,259,783	1,273,300	48,418
Due to cities and towns	225,540	895,420	919,143	201,817
Due to others	20,838	360,665	16,996	364,507
Total Liabilities	$ 13,427,004	$ 250,992,702	$ 247,987,496	$ 16,432,210

BUTTE-SILVER BOW

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MONTANA

This part of the City and County of Butte-Silver Bow, Montana's (City and County) comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information has not been audited.

Contents **Exhibits**

Financial Trends **I - XIIa**

These exhibits contain trend information that may assist the reader in assessing the City and County's current financial performance by placing it in a historical perspective.

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Revenue Capacity **XIII - XVIb**

These exhibits contain information that may assist the reader in assessing the viability of the City and County's most significant "own-source" revenue sources. Property taxes are the City and County's primary "own revenue source."

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Debt Capacity **XVII - XXI**

These exhibits present information that may assist the reader in analyzing the affordability of the City and County's current levels of outstanding debt and the City and County's ability to issue additional debt in the future.

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Demographic and Economic Information **XXII - XXIII**

This exhibit offers demographic and economic indicators that are commonly used for financial analysis and that can inform one's understanding the City and County's present and ongoing financial status.

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Operating Information **XXIV - XXVII**

These exhibits contain service and infrastructure indicators that can inform one's understanding how the information in the City and County's financial statements relates to the services the City and County provides and the activities it performs.

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Data Source:

Unless otherwise noted, the information in these exhibits is derived from the comprehensive annual financial reports for the relevant year.

Exhibit I

City and County of Butte-Silver Bow, Montana
Government-Wide Net Position by Category [1]
Last Ten Fiscal Years
(accrual basis of accounting)

	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30,2011	June 30,2012	June 30,2013	June 30,2014	June 30,2015	June 30,2016
Governmental Activities										
Net investment in capital assets[2]	$ 37,880,187	$ 38,272,244	$ 38,442,287	$ 47,028,355	$ 50,401,892	$ 57,219,300	$ 63,076,268	$ 66,024,334	$ 71,867,193	$ 79,253,693
Restricted	5,052,725	6,363,688	8,445,945	9,159,399	48,008,881	50,344,473	56,913,460	59,550,982	64,242,850	56,950,393
Unrestricted	43,817,437	46,260,401	46,805,978	40,833,029	3,258,886	3,665,055	7,192,230	7,784,308	(15,777,502)	(12,360,537)
Subtotal Governmental Activities Net Position	86,750,349	90,896,333	93,694,210	97,020,783	101,669,659	111,228,828	127,181,958	133,359,624	120,332,542	123,843,549
Business-type Activities										
Net investment in capital assets	39,663,322	43,757,726	50,181,875	55,900,034	65,748,260	76,568,957	80,412,219	81,199,290	84,459,995	96,985,790
Restricted	8,087,767	8,235,735	3,392,346	2,903,981	1,887,333	1,751,107	2,086,667	1,894,668	1,213,000	1,787,067
Unrestricted	13,340,494	12,651,209	15,614,520	15,100,428	13,983,687	13,003,185	9,996,531	10,992,919	7,987,367	12,481,649
Subtotal Business-type Activities Net Position	61,091,583	64,644,670	69,188,741	73,904,443	81,619,280	91,323,249	92,495,417	94,086,877	93,660,362	111,254,506
Primary Government										
Net investment in capital assets	77,543,509	82,029,970	88,624,162	102,928,389	116,150,152	133,788,257	143,488,487	147,223,624	156,327,188	176,239,483
Restricted	13,140,492	14,599,423	11,838,291	12,063,380	49,896,214	52,095,580	59,000,127	61,445,650	65,455,850	58,737,460
Unrestricted	57,157,931	58,911,610	62,420,498	55,933,457	17,242,573	16,668,240	17,188,761	18,777,227	(7,790,134)	121,111
Total Primary Government Net Position	$ 147,841,932	$ 155,541,003	$ 162,882,951	$ 170,925,226	$ 183,288,939	$ 202,552,077	$ 219,677,375	$ 227,446,501	$ 213,992,904	$ 235,098,054

	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30,2011	June 30,2012	June 30,2013	June 30,2014	June 30,2015	June 30,2016
Governmental Activities										
Net investment in capital assets[2]	43.7%	42.1%	41.0%	48.5%	49.6%	51.4%	49.6%	49.5%	59.7%	64.0%
Restricted	5.8%	7.0%	9.0%	9.4%	47.2%	45.3%	44.7%	44.7%	53.4%	46.0%
Unrestricted	50.5%	50.9%	50.0%	42.1%	3.2%	3.3%	5.7%	5.8%	-13.1%	-10.0%
Subtotal Governmental Activities Net Position	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Business-type Activities										
Net investment in capital assets	64.9%	67.7%	72.5%	75.6%	80.6%	83.8%	86.9%	86.3%	90.2%	87.2%
Restricted	13.2%	12.7%	4.9%	3.9%	2.3%	1.9%	2.3%	2.0%	1.3%	1.6%
Unrestricted	21.8%	19.6%	22.6%	20.4%	17.1%	14.2%	10.8%	11.7%	8.5%	11.2%
Subtotal Business-type Activities Net Position	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Primary Government										
Net investment in capital assets	52.5%	52.7%	54.4%	60.2%	63.4%	66.1%	65.3%	64.7%	73.1%	75.0%
Restricted	8.9%	9.4%	7.3%	7.1%	27.2%	25.7%	26.9%	27.0%	30.6%	25.0%
Unrestricted	38.7%	37.9%	38.3%	32.7%	9.4%	8.2%	7.8%	8.3%	-3.6%	0.1%
Total Primary Government Net Position	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

[1] Accounting standards require that net position be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net position is considered restricted only when (1) an external party, such as the State of Montana or the federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the City and County. There are no restrictions currently reported as a result of enabling legislation.

2 A deficit was reported in fiscal years 2003 - 2006 since the City and County had not reported its infrastructure retroactively, although there was outstanding debt related to infrastructure. In fiscal year 2007, over $37.3 million of book value of infrastructure was added to the government-wide statement of net position.

Exhibit Ia

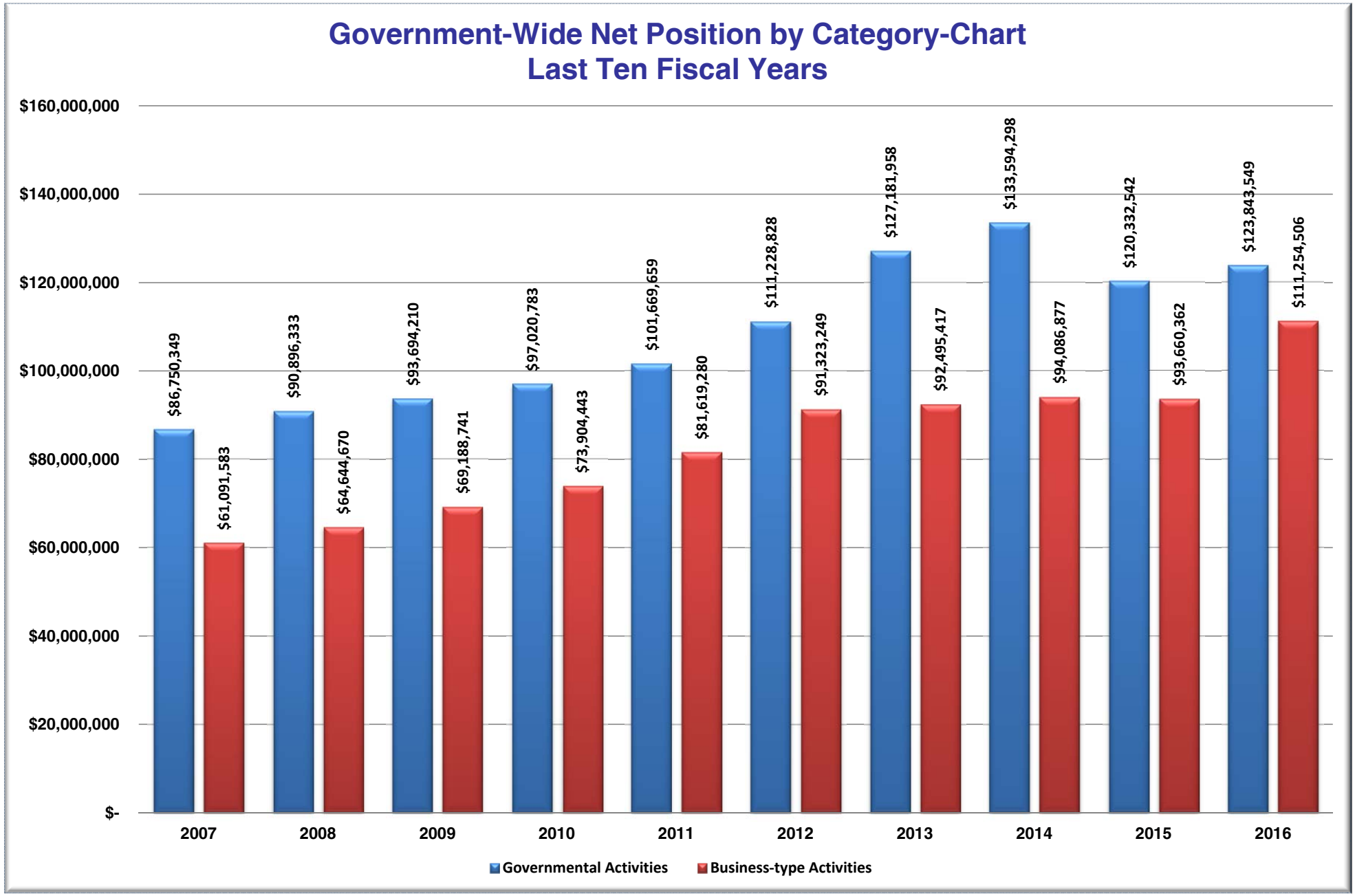

Government-Wide Net Position by Category-Chart
Last Ten Fiscal Years
$160,000,000
$140,000,000
$120,000,000
$100,000,000
$80,000,000
$60,000,000
$40,000,000
$20,000,000
$-
$86,750,349
$61,091,583
$90,896,333
$64,644,670
$93,694,210
$69,188,741
$97,020,783
$73,904,443
$101,669,659
$81,619,280
$111,228,828
$91,323,249
$127,181,958
$92,495,417
$133,594,298
$94,086,877
$120,332,542
$93,660,362
$123,843,549
$111,254,506
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
Governmental Activities
Business-type Activities

Exhibit II

City and County of Butte-Silver Bow, Montana
Changes in Net Position - Governmental Activities
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
Source	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Expenses:										
General government	$ 9,827,805	$ 10,226,319	$ 10,866,213	$ 12,091,322	$ 13,176,267	$12,901,775	$ 16,309,194	$15,461,234	$ 14,929,889	$ 16,037,269
Public safety	11,501,342	12,870,631	14,105,614	14,293,718	14,411,049	14,977,684	15,848,869	16,683,675	17,499,981	16,957,453
Public works	5,505,350	6,138,150	6,601,992	6,870,507	6,711,497	7,345,814	8,601,763	8,982,667	8,069,104	8,443,986
Public health	3,024,805	3,407,409	4,141,100	4,530,875	4,292,094	4,102,699	3,378,195	2,867,355	4,353,244	4,395,311
Social and economic services	201,839	216,137	236,774	237,155	248,113	267,919	269,670	273,380	287,730	307,358
Culture and recreation	2,509,329	2,729,001	2,815,238	2,993,172	3,393,276	3,481,491	3,729,018	4,056,301	4,379,444	4,657,932
Housing and community development	7,417,989	5,108,680	5,272,460	4,781,874	7,180,028	5,299,101	7,116,256	5,467,638	4,548,435	6,035,926
Interest and fiscal charges	2,211,530	2,131,812	2,167,905	2,072,750	1,597,707	1,602,014	1,242,890	1,114,344	1,023,475	759,486
Total Expenses	42,199,989	42,828,139	46,207,295	47,871,373	51,010,030	49,978,498	56,495,855	54,906,594	55,091,302	57,594,721
Program Revenues:										
Charges for services:										
General government	1,909,372	4,445,776	4,241,383	4,426,863	4,579,421	4,858,792	6,455,214	6,455,214	7,581,958	7,615,849
Public safety	1,307,795	1,053,947	1,134,235	1,089,915	1,079,128	1,079,128	30,879	311,651	431,589	73,576
Public works	6,547,889	367,210	140,185	114,812	125,918	125,918	363,144	363,144	1,383,520	1,483,640
Other activities	597,152	573,947	1,241,495	1,125,064	1,073,583	1,073,583	551,267	595,278	540,684	727,410
Operating grants and contributions	12,719,370	12,752,094	16,604,680	16,455,376	14,512,131	17,847,412	28,281,896	15,772,142	14,117,260	14,697,720
Capital grants and contributions	312,124	753,789	-	-	4,678,246	4,182,411	3,123,752	3,744,461	7,447,081	2,810,483
Total Program Revenues	23,393,702	19,946,763	23,361,978	23,212,030	26,048,427	29,167,244	38,806,152	27,241,890	31,502,091	27,408,678
Net (Expense) Revenue	(18,806,287)	(22,881,376)	(22,845,317)	(24,659,343)	(24,961,603)	(20,811,254)	(17,689,703)	(27,664,704)	(23,589,211)	(30,186,044)
General Revenues and Transfers In:										
Taxes:										
Property	22,622,589	23,056,407	22,661,639	26,272,299	26,787,812	27,827,222	30,637,108	32,181,326	29,531,545	30,260,583
Franchise	288,216	300,714	321,282	330,218	350,428	350,428	398,075	398,075	399,416	402,377
Motor fuel	665,350	656,136	643,665	-	625,158	643,505	643,614	643,614	634,392	632,035
Investment earnings	2,504,774	2,145,787	937,855	396,421	355,257	342,376	235,723	199,806	255,327	950,574
Gain on the sale of capital assets	-	-	-	-	-	-	-	17,000	-	20,000
Miscellaneous	789,360	569,371	872,978	1,084,810	1,600,472	960,627	1,482,050	700,374	597,095	874,739
Transfers in	246,265	298,945	205,774	246,265	246,264	246,265	246,265	246,265	442,446	556,742
General Revenues and Transfers In:	27,116,554	27,027,360	25,643,193	28,330,013	29,965,391	30,370,423	33,642,835	34,386,460	31,860,221	33,697,050
Change in Net Position	$ 8,310,267	$ 4,145,984	$ 2,797,876	$ 3,670,670	$ 5,003,788	$ 9,559,169	$ 15,953,132	$ 6,721,756	$ 8,271,010	$ 3,511,006

Exhibit III

City and County of Butte-Silver Bow, Montana
Changes in Net Position - Governmental Activities - Percentage of Total
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
Source	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Expenses:										
General government	23.3%	23.9%	23.5%	25.3%	25.8%	25.8%	28.9%	28.2%	27.2%	27.8%
Public safety	27.3%	30.1%	30.5%	29.9%	28.3%	30.0%	28.1%	30.4%	31.9%	29.4%
Public works	13.0%	14.3%	14.3%	14.4%	13.2%	14.7%	15.2%	16.4%	14.7%	14.7%
Public health	7.2%	8.0%	9.0%	9.5%	8.4%	8.2%	6.0%	5.2%	7.9%	7.6%
Social and economic services	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Culture and recreation	5.9%	6.4%	6.1%	6.3%	6.7%	7.0%	6.6%	7.4%	8.0%	8.1%
Housing and community development	17.6%	11.9%	11.4%	10.0%	14.1%	10.6%	12.6%	10.0%	8.3%	10.5%
Interest and fiscal charges	5.2%	5.0%	4.7%	4.3%	3.1%	3.2%	2.2%	2.0%	1.9%	1.3%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Program Revenues:										
Charges for services:										
General government	8.2%	22.3%	18.2%	19.1%	17.6%	16.7%	16.6%	23.7%	24.1%	27.8%
Public safety	5.6%	5.3%	4.9%	4.7%	4.1%	3.7%	0.1%	1.1%	1.4%	0.3%
Public works	28.0%	1.8%	0.6%	0.5%	0.5%	0.4%	0.9%	1.3%	4.4%	5.4%
Other activities	2.6%	2.9%	5.3%	4.8%	4.1%	3.7%	1.4%	2.2%	1.7%	2.7%
Operating grants and contributions	54.4%	63.9%	71.1%	70.9%	55.7%	61.2%	72.9%	57.9%	44.8%	53.6%
Capital grants and contributions	1.3%	3.8%	0.0%	0.0%	18.0%	14.3%	8.0%	13.7%	23.6%	10.3%
Total Program Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
General Revenues and Transfers In:										
Taxes:										
Property	83.4%	85.3%	88.4%	92.7%	89.4%	91.6%	91.1%	93.6%	92.7%	89.8%
Franchise	1.1%	1.1%	1.3%	1.2%	1.2%	1.2%	1.2%	1.2%	1.3%	1.2%
Motor fuel	2.5%	2.4%	2.5%	0.0%	2.1%	2.1%	1.9%	1.9%	2.0%	1.9%
Investment earnings	9.2%	7.9%	3.7%	1.4%	1.2%	1.1%	0.7%	0.6%	0.8%	2.8%
Gain on the sale of capital assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.05%	0.0%	0.1%
Miscellaneous	2.9%	2.1%	3.4%	3.8%	5.3%	3.2%	4.4%	2.0%	1.9%	2.6%
Transfers in	0.9%	1.1%	0.8%	0.9%	0.8%	0.8%	0.7%	0.7%	1.4%	1.7%
General Revenues and Transfers In:	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Exhibit IV

City and County of Butte-Silver Bow, Montana
Changes in Net Position - Business-Type Activities
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
Source	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Expenses:										
Community facilities	$ 132,174	$ 550,183	$ 96,146	$ 84,988	$ 82,468	$ 63,155	$ 61,072	$ 57,551	$ 51,241	$ 59,814
Home health	478,038	463,873	477,407	455,141	431,861	481,204	444,272	330,585	16,884	-
Small business incubator	163,866	159,863	145,363	159,511	155,872	138,603	132,124	147,572	157,757	199,880
Water utility division	6,860,855	7,144,643	7,105,960	7,148,937	7,763,105	7,894,275	8,607,362	9,707,599	10,898,536	9,392,674
Metro sewer operations	3,451,722	3,447,702	3,415,305	3,458,844	3,686,853	3,853,671	3,978,771	4,446,076	4,565,633	5,707,749
Solid waste	1,847,420	2,096,777	2,027,230	2,181,947	2,170,407	2,352,772	2,510,707	2,661,399	2,774,180	2,748,446
Silver lake water system	325,308	229,247	237,431	228,506	416,201	198,485	263,678	248,210	301,735	194,537
Storm Water System Project	-	-	-	-	-	91,693	140,020	135,335	141,092	225,924
MR infrastructure project	94,298	94,107	94,806	92,681	92,680	92,680	92,681	92,680	92,680	92,680
Total Expenses	13,353,681	14,186,395	13,599,648	13,810,555	14,799,447	15,166,538	16,230,687	17,827,007	18,999,738	18,621,704
Program Revenues:										
Charges for services:										
Water utility division	7,022,225	7,091,827	7,102,346	6,802,722	6,107,699	7,248,235	8,098,141	8,760,730	8,604,483	8,714,267
Metro sewer operations	3,136,061	3,129,455	3,126,532	3,144,573	2,993,824	4,669,526	4,705,056	5,235,157	5,804,864	6,489,265
Solid waste	2,460,317	2,618,059	2,478,040	2,698,390	2,941,414	2,259,390	2,189,640	2,107,143	2,278,652	2,879,140
Other activities	1,800,880	868,096	750,527	727,752	1,259,049	774,766	783,291	805,174	500,814	465,723
Silver lake water system	-	-	-	-	-	1,045,280	92,808	142,912	348,956	320,513
Operating grants and contributions	1,196,557	3,246,789	4,418,961	5,117,876	230	230	3,415	504,414	121,050	124,457
Capital grants and contributions	-	-	-	-	8,678,630	8,328,536	1,259,602	1,923,702	6,214,625	17,686,066
Total Program Revenues	15,616,040	16,954,226	17,876,406	18,491,313	21,980,846	24,325,963	17,131,953	19,479,232	23,873,444	36,679,431
Net (Expense) Revenue	2,262,359	2,767,831	4,276,758	4,680,758	7,181,399	9,159,425	901,266	1,652,225	4,873,706	18,057,727
General Revenues and Transfers :										
Restricted investment earnings	889,296	725,949	258,092	50,062	42,948	38,508	35,654	27,652	26,036	46,626
Gain on sale of capital assets	-	-	-	-	-	-	-	9,850	13,272	-
Miscellaneous	165,373	358,252	214,997	231,147	736,754	752,138	481,513	147,998	104,687	46,533
Transfers	(246,265)	(298,945)	(205,774)	(246,265)	(246,264)	(246,265)	(246,265)	(246,265)	(442,446)	(556,742)
Total General Revenues and Transfers	808,404	785,256	267,315	34,944	533,438	544,381	270,902	(60,765)	(298,451)	(463,583)
Change in Net Position	$ 3,070,763	$ 3,553,087	$ 4,544,073	$ 4,715,702	$ 7,714,837	$ 9,703,806	$ 1,172,168	$ 1,591,460	$ 4,575,255	$ 17,594,144

Exhibit V

City and County of Butte-Silver Bow, Montana
Changes in Net Position - Business-Type Activities - Percentage of Total
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
Source	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Expenses:										
Community facilities	1.0%	3.9%	0.7%	0.6%	0.6%	0.4%	0.38%	0.32%	0.27%	0.32%
Home health	3.6%	3.3%	3.5%	3.3%	2.9%	3.2%	2.74%	1.85%	0.09%	0.00%
Small business incubator	1.2%	1.1%	1.1%	1.2%	1.1%	0.9%	0.81%	0.83%	0.83%	1.07%
Water utility division	51.4%	50.4%	52.3%	51.8%	52.5%	52.1%	53.03%	54.45%	57.36%	50.44%
Metro sewer operations	25.8%	24.3%	25.1%	25.0%	24.9%	25.4%	24.51%	24.94%	24.03%	30.65%
Solid waste	13.8%	14.8%	14.9%	15.8%	14.7%	15.5%	15.47%	14.93%	14.60%	14.76%
Silver lake water system	2.4%	1.6%	1.7%	1.7%	2.8%	1.3%	1.62%	1.39%	1.59%	1.04%
Storm Water System Project	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.86%	0.76%	0.74%	1.21%
MR infrastructure project	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.57%	0.52%	0.49%	0.50%
Total Expenses	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Program Revenues:										
Charges for services:										
Water utility division	45.0%	41.8%	39.7%	36.8%	27.8%	29.8%	47.27%	44.97%	36.04%	23.76%
Metro sewer operations	20.1%	18.5%	17.5%	17.0%	13.6%	19.2%	27.46%	26.88%	24.32%	17.69%
Solid waste	15.8%	15.4%	13.9%	14.6%	13.4%	9.3%	12.78%	10.82%	9.54%	7.85%
Other activities	11.5%	5.1%	4.2%	3.9%	5.7%	3.2%	4.57%	4.13%	2.10%	1.27%
Silver lake water system	0.0%	0.0%	0.0%	0.0%	0.0%	4.3%	0.54%	0.73%	1.46%	0.87%
Operating grants and contributions	7.7%	19.2%	24.7%	27.7%	0.0%	0.0%	0.02%	2.59%	0.51%	0.34%
Capital grants and contributions	0.0%	0.0%	0.0%	0.0%	39.5%	34.2%	7.35%	9.88%	26.03%	48.22%
Total Program Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Exhibit VI

City and County of Butte-Silver Bow, Montana
Changes in Net Position - Total
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
Source	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Expenses:										
Governmental activities [1]	$ 42,199,989	$ 42,828,139	$ 46,207,295	$ 47,871,373	$ 51,010,030	$ 49,978,498	$ 56,495,855	$ 54,906,594	$ 55,091,302	$ 57,594,721
Business-type activities [2]	13,353,681	14,186,395	13,599,648	13,810,555	14,799,447	15,166,538	16,230,687	17,827,007	18,999,738	18,621,704
Total Expenses	55,553,670	57,014,534	59,806,943	61,681,928	65,809,477	65,145,036	72,726,542	72,733,601	74,091,040	76,216,425
Program Revenues:										
Governmental activities [1]	23,393,702	19,946,763	23,361,978	23,212,030	26,048,427	29,167,244	38,806,152	27,241,890	31,502,091	27,408,678
Business-type activities [2]	15,616,040	16,954,226	17,876,406	18,491,313	21,980,846	24,326,126	17,131,953	19,479,232	23,873,444	36,679,431
Total Program Revenues	39,009,742	36,900,989	41,238,384	41,703,343	48,029,273	53,493,370	55,938,105	46,721,122	55,375,535	64,088,109
Net (Expense) Revenue	(16,543,928)	(20,113,545)	(18,568,559)	(19,978,585)	(17,780,204)	(11,651,666)	(16,788,437)	(26,012,479)	(18,715,505)	(12,128,317)
General Revenues and Transfers:										
Governmental activities [1]	27,116,554	27,027,360	25,643,193	28,330,013	29,965,391	30,370,423	33,642,835	34,386,460	31,860,221	33,697,050
Business-type activities [2]	808,404	785,256	267,315	34,944	533,438	544,381	270,902	(60,765)	(298,451)	(463,583)
Total General Revenues and Transfers	27,924,958	27,812,616	25,910,508	28,364,957	30,498,829	30,914,804	33,913,737	34,325,695	31,561,770	33,233,467
Change in Net Position	$ 11,381,030	$ 7,699,071	$ 7,341,949	$ 8,386,372	$ 12,718,625	$ 19,263,138	$ 17,125,300	$ 8,313,216	$ 12,846,265	$ 21,105,150

Data Source:

[2] See Exhibit II

[3] See Exhibit IV

Exhibit VII

City and County of Butte-Silver Bow, Montana
Tax Revenues by Source - Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)

	Amounts			
Fiscal Year Ended June 30,	**Property**	**Franchise**	**Motor Fuel**	**Total**
2007	$ 22,622,589	$ 288,216	$ 665,350	$ 23,576,155
2008	$ 23,056,407	$ 300,714	$ 656,136	$ 24,013,257
2009	$ 22,661,639	$ 321,282	$ 643,665	$ 23,626,586
2010	$ 26,272,299	$ 330,218	$ 631,574	$ 26,602,517
2011	$ 26,787,812	$ 350,428	$ 625,158	$ 27,763,398
2012	$ 27,827,222	$ 350,428	$ 643,505	$ 28,821,155
2013	$ 30,637,108	$ 398,075	$ 643,614	$ 31,678,797
2014	$ 32,181,326	$ 398,075	$ 643,614	$ 33,223,015
2015	$ 29,531,545	$ 399,416	$ 634,392	$ 30,565,353
2016	$ 30,260,583	$ 402,377	$ 632,035	$ 31,294,995
Percentage Change In Dollars Over 10 Years ago	96.4%	65.2%	-6.2%	91.9%

	Percentage of Total			
Fiscal Year Ended June 30,	**Property**	**Franchise**	**Motor Fuel**	**Total**
2007	96.0%	1.2%	2.8%	100.0%
2008	96.0%	1.3%	2.7%	100.0%
2009	95.9%	1.4%	2.7%	100.0%
2010	98.8%	1.2%	2.4%	100.0%
2011	96.5%	1.3%	2.3%	100.0%
2012	96.6%	1.2%	2.2%	100.0%
2013	96.7%	1.3%	2.0%	100.0%
2014	96.9%	1.2%	1.9%	100.0%
2015	96.6%	1.3%	2.1%	100.0%
2016	96.7%	1.3%	2.0%	100.0%

Data Source:
Applicable years' comprehensive annual financial report.

Exhibit VIIa

City and County of Butte-Silver Bow, Montana
Tax Revenues by Source - Governmental Funds-Chart
Last Ten Fiscal Years
(modified accrual basis of accounting)

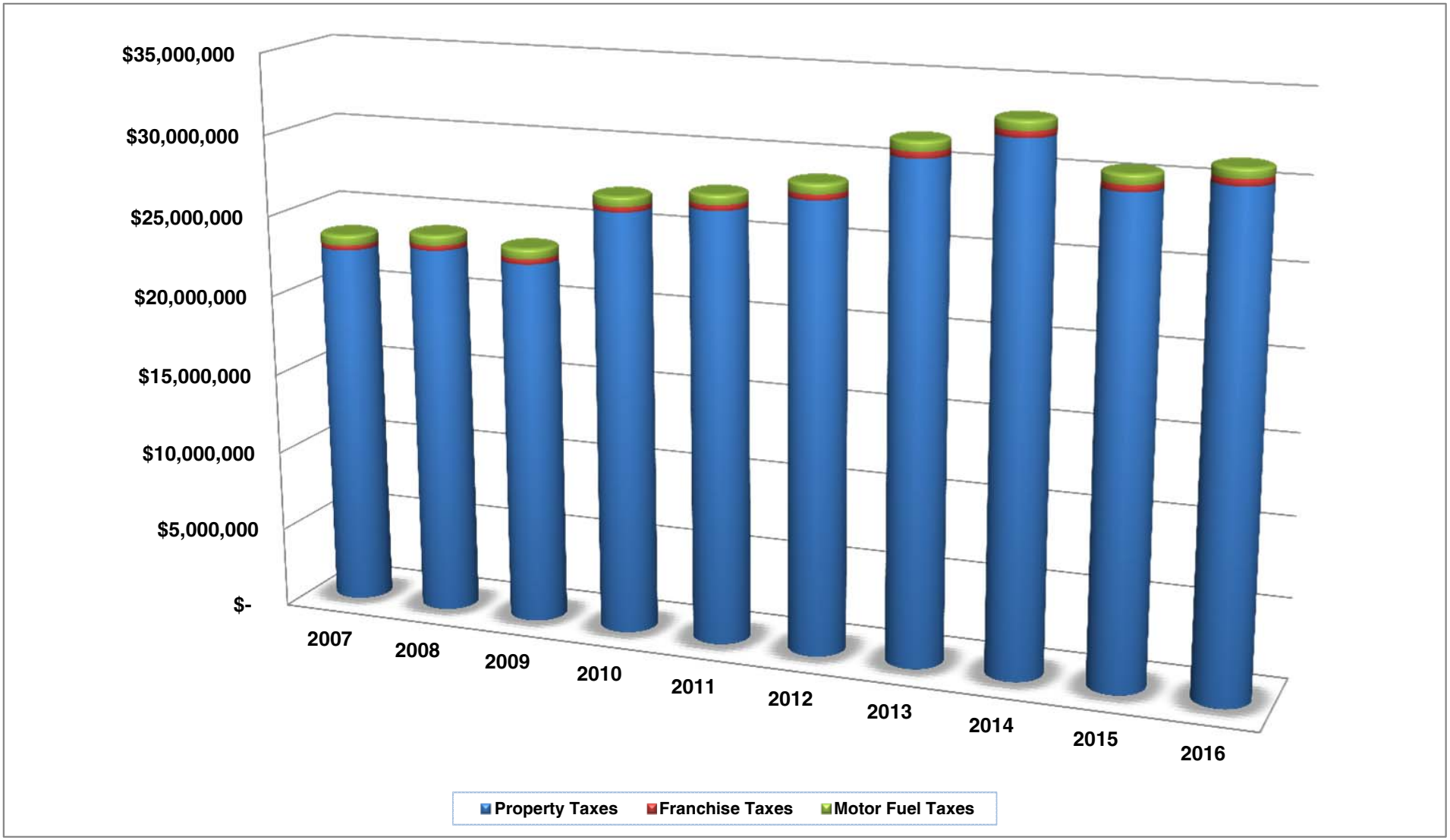


Exhibit VIII

City and County of Butte-Silver Bow, Montana
Fund Balances - Governmental Funds
Fiscal Years 2004 - 2010 [2]
(modified accrual basis of accounting)

For Fiscal Year Ending June 30,

	2004	2005	2006	2007	2008	2009	2010
General Fund							
Reserved	$ -	$ 1,010,921	$ 1,301,210	$ 1,374,435	$ 1,850,364	$ 2,146,461	$ 1,869,470
Unreserved	7,069,850	4,839,324	4,922,303	5,100,825	4,583,046	4,193,244	4,606,908
Subtotal General Fund	7,069,850	5,850,245	6,223,513	6,475,260	6,433,410	6,339,705	6,476,378
General Fund Percentage Change	8.1%	-17.3%	6.4%	4.0%	-0.6%	-1.5%	2.2%
All Other Governmental Funds							
Reserved	7,631,881	7,740,375	9,949,927	8,464,836	10,151,918	11,988,488	14,031,410
Unreserved							
Special revenue funds[1]	19,358,505	21,043,519	20,901,824	28,613,794	29,235,044	27,031,863	24,767,997
Debt service funds	-	-	-	-	-	-	-
Capital projects fund	4,464,972	4,220,666	4,287,624	4,375,157	4,351,734	9,754,832	5,320,398
Subtotal All Other Governmental Funds	31,455,358	33,004,560	35,139,375	41,453,787	43,738,696	48,775,183	44,119,805
Total Governmental Funds							
Reserved	7,631,881	8,751,296	11,251,137	9,839,271	12,002,282	14,134,949	15,900,880
Unreserved	30,893,327	30,103,509	30,111,751	38,089,776	38,169,824	40,979,939	34,695,303
Total Governmental Funds	$ 38,525,208	$ 38,854,805	$ 41,362,888	$ 47,929,047	$ 50,172,106	$ 55,114,888	$ 50,596,183
All Governmental Funds Percentage Change	-13.4%	0.9%	6.5%	15.9% [1]	4.7%	9.9%	-8.2%

Notes:

[1] In fiscal year 2007, the City and County received a $5 million contribution from ARCO, which was unspent at June 30, 2007.

[2] The City and County implemented GASB Statement No. 54 in fiscal year 2011, therefore the fund balances for 2011 - 2013 are presented on a subsequent table.

Data Source:

Applicable years' comprehensive annual financial report.

Exhibit VIIIa

City and County of Butte-Silver Bow, Montana
Fund Balances - Governmental Funds
Last Six Fiscal Years
(modified accrual basis of accounting)

	June 30,					
	2011	**2012**	**2013**	**2014**	**2015**	**2016**
General Fund						
Restricted	$ 1,472,578	$ 1,688,036	$ 556,878	$ 642,291	$ 1,914,225	$ 1,230,760
Unassigned	4,870,939	4,473,581	5,533,497	5,210,404	5,886,489	6,416,643
Total General Fund	6,343,517	6,161,617	6,090,375	5,852,695	7,800,714	7,647,403
General Fund Percentage Change	-2.1%	-2.9%	-1.2%	-3.9%	33.3%	-2.0%
All Other Governmental Funds						
Restricted						
Special revenue funds	39,268,276	42,739,475	50,845,614	53,635,990	57,263,966	52,389,933
Debt service funds	2,168,637	2,814,405	2,582,468	2,530,743	2,412,886	1,514,149
Capital projects funds	5,099,390	3,102,557	2,928,500	2,827,371	2,651,773	3,046,311
Assigned						
Special revenue funds	298,714	329,012	3,745,485	3,980,406	2,186,246	2,121,443
Debt service funds	347,638	211,422	215,295	84,484	309,685	1,217,380
Capital projects funds	146,139	338,050	332,239	331,962	-	-
Unassigned						
Special Revenue Funds	(1,344,413)	(489,205)	(1,518,293)	(1,288,747)	(901,260)	(597,964)
Subtotal All Other Governmental Funds	45,984,381	49,045,716	59,131,308	62,102,209	63,923,296	59,691,252
All Other Governmental Funds Percentage Change	4.2%	6.7%	20.6%	5.0%	2.9%	-6.6%
Total Governmental Funds						
Restricted	48,008,881	50,344,473	56,913,460	59,636,395	64,242,850	58,181,153
Assigned	792,491	878,484	4,293,019	4,396,852	2,495,931	3,338,823
Unassigned	3,526,526	3,984,376	4,015,204	3,921,657	4,985,229	5,818,679
Total Governmental Funds	$ 52,327,898	$ 55,207,333	$ 65,221,683	$ 67,954,904	$ 71,724,010	$ 67,338,655
All Governmental Funds Percentage Change	3.4%	5.5%	18.1% [1]	4.2%	5.5%	-6.1%

Notes:
The County implemented GASB Statement No. 54 in fiscal year 2011.

[1] In fiscal year 2013, the City and County received a $9.75 million contribution from ARCO, which was unspent at June 30, 2013.

Data Source:
Applicable years' comprehensive annual financial report.

City and County of Butte-Silver Bow, Montana
General Governmental Revenues by Source (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

For the Fiscal Year Ended June 30,

Source	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Revenues:										
Taxes	$ 21,278,904	$ 21,626,722	$ 24,857,438	$25,497,819	$ 27,298,789	$ 28,089,986	$30,671,872	$30,656,063	$30,999,034	$29,814,775
Licenses and permits	805,522	877,399	830,666	928,139	915,665	908,840	923,446	930,775	1,036,383	982,974
Intergovernmental	7,399,545	9,000,547	11,171,822	10,212,639	11,683,405	12,490,588	12,122,994	16,755,995	18,715,447	13,697,105
Charges for services	4,943,359	5,220,217	5,615,561	5,483,436	5,688,730	6,065,730	6,340,499	2,717,945	2,558,203	2,456,819
Fines and forfeitures	582,229	643,978	632,353	675,297	604,083	513,279	534,634	455,725	455,105	489,469
Special assessments	1,259,772	1,306,335	1,287,271	1,375,779	1,383,897	1,271,343	1,318,172	1,500,518	1,532,277	1,534,782
Health insurance contributions	2,895,136	3,175,460	3,213,761	3,295,629	3,276,856	3,746,273	3,798,277	4,547,547	4,781,786	4,900,205
Other grants and donations	6,840,412	703,469	1,370,834	1,683,976	3,518,458	5,118,977	14,018,672	1,808,954	3,651,568	4,443,133
Letter of credit in lieu of taxes	260,560	352,075	-	-	-	-	-	-	-	-
Investment earnings	2,504,774	2,145,787	937,855	396,421	355,257	342,376	235,723	201,345	254,342	602,042
Increase (Decrease) in investments to Fair Market Value	-	-	-	-	-	-	-	(1,539)	985	348,532
Rent	-	-	-	-	-	-	-	-	-	59,453
Miscellaneous	378,402	567,440	809,217	1,080,856	1,591,208	994,491	1,476,686	687,632	585,735	805,161
Total Revenues	$ 49,148,615	$ 45,619,430	$ 50,726,778	$50,629,991	$ 56,316,348	$ 59,541,883	$71,440,975	$60,260,960	$64,570,865	$60,134,450
% change from prior year	20.3%	-7.2%	11.2%	-0.2%	11.2%	5.7%	20.0%	-15.65%	7.15%	-6.87%
Taxes	43.30%	47.41%	49.00%	50.36%	48.47%	47.18%	42.93%	50.87%	48.01%	49.58%
Licenses and permits	1.64%	1.92%	1.64%	1.83%	1.63%	1.53%	1.29%	1.54%	1.61%	1.63%
Intergovernmental	15.06%	19.73%	22.02%	20.17%	20.75%	20.98%	16.97%	27.81%	28.98%	22.78%
Charges for services	10.06%	11.44%	11.07%	10.83%	10.10%	10.19%	8.88%	4.51%	3.96%	4.09%
Fines and forfeitures	1.18%	1.41%	1.25%	1.33%	1.07%	0.91%	0.75%	0.76%	0.70%	0.81%
Special assessments	2.56%	2.86%	2.54%	2.72%	2.46%	2.26%	1.85%	2.49%	2.37%	2.55%
Health insurance contributions	5.89%	6.96%	6.34%	6.51%	5.82%	6.29%	5.32%	7.55%	7.41%	8.15%
Other grants and donations	13.92%	1.54%	2.70%	3.33%	6.25%	8.60%	19.62%	3.00%	5.66%	7.39%
Letter of credit in lieu of taxes	0.53%	0.77%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Investment earnings	5.10%	4.70%	1.85%	0.78%	0.63%	0.58%	0.33%	0.33%	0.39%	1.00%
Increase (Decrease) in investments to Fair market value	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.58%
Rent	-	-	-	-	-	-	-	-	-	0.10%
Miscellaneous	0.77%	1.24%	1.60%	2.13%	2.83%	1.67%	2.07%	1.14%	0.91%	1.34%
Total revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Notes:

[1] Includes all governmental fund types.

[2]In fiscal year 2013, the City and County received a $9.75 million contribution from ARCO. This contribution was an extraordinary item. The adjusted change in revenues in revenues from fiscal year 2013 to fiscal year 2014 would have been -1.94% in comparison to the -15.32%.

Data Source:

Applicable years' comprehensive annual financial report.

Exhibit X

City and County of Butte-Silver Bow, Montana

General Governmental Expenditures by Function (Unaudited) [1]

Last Ten Fiscal Years

(modified accrual basis of accounting)

	For the Fiscal Year Ended June 30,									
Function	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Expenditures:										
Current:										
General government	$ 9,481,676	$ 10,018,640	$ 10,457,497	$ 11,458,574	$ 12,474,199	$ 12,287,148	$ 15,498,469	$ 14,785,356	$ 14,417,570	$ 15,336,345
Public safety	10,876,965	12,311,497	13,161,267	12,997,523	13,509,599	14,156,543	14,952,479	15,766,928	17,133,438	16,429,529
Public works	4,866,008	5,413,879	5,777,139	5,878,676	5,853,713	6,289,553	7,175,285	7,267,846	6,751,251	6,964,462
Public health	3,010,363	3,423,381	4,078,925	4,398,727	4,314,569	4,089,051	3,365,203	2,871,884	4,368,679	4,300,151
Social and economic services	201,889	213,651	234,981	232,947	244,450	266,718	267,669	277,888	293,566	306,629
Culture and recreation	2,344,638	2,563,341	2,594,179	2,823,045	2,985,930	3,204,264	3,295,892	3,650,028	4,019,982	4,259,871
Housing and community development	5,409,237	3,083,104	3,218,235	2,637,652	4,977,792	3,134,041	4,912,038	3,130,182	2,158,994	3,471,255
Total Current	36,190,776	37,027,493	39,522,223	40,427,144	44,360,252	43,427,318	49,467,035	47,750,112	49,143,480	51,068,242
% Change From Prior Year	13.2%	2.3%	6.7%	2.3%	9.7%	-2.1%	13.9%	-3.5%	2.9%	3.9%
Capital Outlay	3,911,062	2,430,736	9,009,423	9,109,766	6,025,536	13,594,069	8,911,599	6,358,996	8,257,423	5,852,067
% Change From Prior Year	15.9%	-37.8%	270.6%	1.1%	-33.9%	125.6%	-34.4%	-28.6%	29.9%	-29.1%
Debt Service[2]										
Principal	3,069,620	3,047,950	2,777,083	3,730,440	4,082,022	2,527,347	2,813,182	2,863,588	2,847,439	7,515,902
Interest and fees	2,304,627	2,180,758	2,121,027	2,132,612	1,890,566	1,652,584	1,280,368	1,185,254	1,093,461	935,319
Bond issuance costs	-	-	193,760	-	272,160	260,644	-	-	-	-
Total Debt Service	5,374,247	5,228,708	5,091,870	5,863,052	6,244,748	4,440,575	4,093,550	4,048,842	3,940,900	8,451,221
% Change From Prior Year	-13.4%	-2.7%	-2.6%	15.1%	6.5%	-28.9%	-7.8%	-1.09%	-2.67%	114.45%
Total Expenditures	$ 45,476,085	$ 44,686,937	$ 53,623,516	$ 55,399,962	$ 56,630,536	$ 61,461,962	$ 62,472,184	$ 58,157,950	$ 61,341,803	$ 65,371,530
Debt Service as a % of Noncapital Expenditures	12.9%	12.4%	11.0%	12.7%	11.8%	8.7%	7.6%	7.82%	7.42%	14.20%

Notes:

[1] Includes all governmental fund types.

2 The classification between principal and interest is not available for fiscal years 1999-2006,

Data Source:

Applicable years' comprehensive annual financial report.

Exhibit XI

City and County of Butte-Silver Bow, Montana

General Governmental Current Expenditures by Function (Unaudited) [1]

Last Ten Fiscal Years

(modified accrual basis of accounting)

For the Fiscal Year Ended June 30,

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenditures:										
Current:										
General government	$ 9,481,676	$ 10,018,640	$ 10,457,497	$ 11,458,574	$ 12,474,199	$ 12,287,148	$ 15,498,469	$ 14,785,356	$ 14,417,570	$ 15,336,345
Public safety	10,876,965	12,311,497	13,161,267	12,997,523	13,509,599	14,156,543	14,952,479	15,766,928	17,133,438	16,429,529
Public works	4,866,008	5,413,879	5,777,139	5,878,676	5,853,713	6,289,553	7,175,285	7,267,846	6,751,251	6,964,462
Public health	3,010,363	3,423,381	4,078,925	4,398,727	4,314,569	4,089,051	3,365,203	2,871,884	4,368,679	4,300,151
Social and economic services	201,889	213,651	234,981	232,947	244,450	266,718	267,669	277,888	293,566	306,629
Culture and recreation	2,344,638	2,563,341	2,594,179	2,823,045	2,985,930	3,204,264	3,295,892	3,650,028	4,019,982	4,259,871
Housing and community development	5,409,237	3,083,104	3,218,235	2,637,652	4,977,792	3,134,041	4,912,038	3,130,182	2,158,994	3,471,255
Total Current	$ 36,190,776	$ 37,027,493	$ 39,522,223	$ 40,427,144	$ 44,360,252	$ 43,427,318	$ 49,467,035	$ 47,750,112	$ 49,143,480	$ 51,068,242
Current:										
General government	26.20%	27.06%	26.46%	28.34%	28.12%	28.29%	31.33%	30.96%	29.34%	30.03%
Public safety	30.05%	33.25%	33.30%	32.15%	30.45%	32.60%	30.23%	33.02%	34.86%	32.17%
Public works	13.45%	14.62%	14.62%	14.54%	13.20%	14.48%	14.51%	15.22%	13.74%	13.64%
Public health	8.32%	9.25%	10.32%	10.88%	9.73%	9.42%	6.80%	6.01%	8.89%	8.42%
Social and economic services	0.56%	0.58%	0.59%	0.58%	0.55%	0.61%	0.54%	0.58%	0.60%	0.60%
Culture and recreation	6.48%	6.92%	6.56%	6.98%	6.73%	7.38%	6.66%	7.64%	8.18%	8.34%
Housing and community development	14.95%	8.33%	8.14%	6.52%	11.22%	7.22%	9.93%	6.56%	4.39%	6.80%
Total Current	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

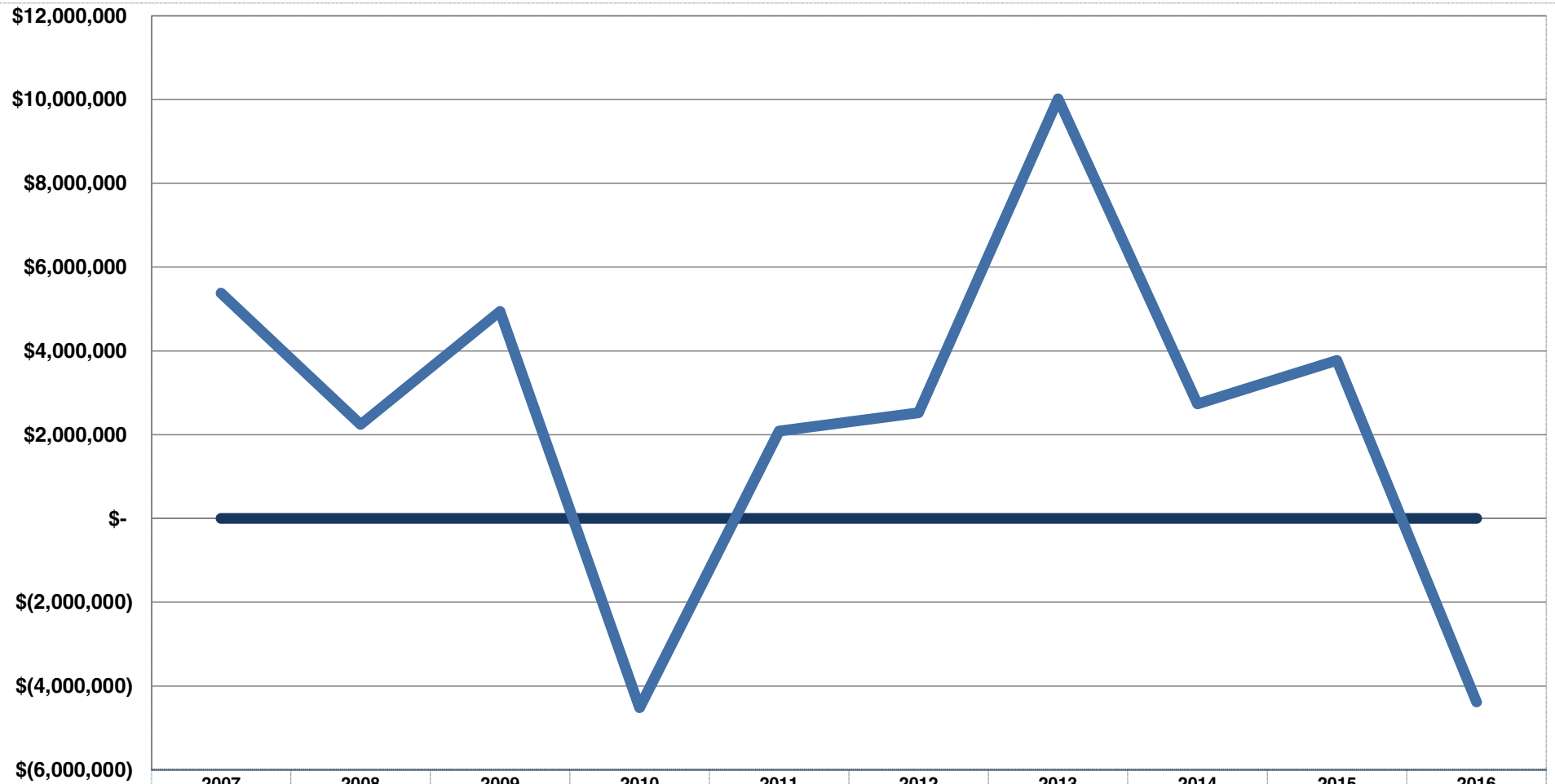
Exhibit XII

City and County of Butte-Silver Bow, Montana
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Revenues - Exhibit IX	$ 49,148,615	$ 45,619,430	$ 50,726,778	$ 50,629,991	$ 56,316,348	$ 59,541,883	$ 71,440,975	$ 60,260,960	$ 64,570,865	$ 60,134,450
Total Expenditures - Exhibit X	45,476,085	44,686,937	53,623,516	55,399,962	56,630,536	61,461,962	62,472,184	58,157,950	61,341,803	65,371,530
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,672,530	932,493	(2,896,738)	(4,769,971)	(314,188)	(1,920,079)	8,968,791	2,103,010	3,229,062	(5,237,080)
Other Financing Sources (Uses)										
Tax increment bonds issued	-	-	-	-	13,705,000	4,050,000	-	-	-	-
General obligation bonds issued	-	978,554	7,500,000	-	-	9,505,000	799,294	17,000	-	-
Bond premiums	-	-	124,635	-	-	355,770	-	-	-	-
General obligation notes issues	1,432,989	33,067	-	-	-	-	-	-	-	-
Insurance reimbursement	96,663	-	9,110	3,000	-	2,482	-	-	-	11,231
Payment to refunding bond escrow agent	-	-	-	-	(11,655,000)	(9,721,820)	-	-	-	-
Compensation for loss of an asset	-	-	-	-	-	-	-	324,783	97,598	-
Sale of capital assets	-	-	-	2,000	104,550	-	-	-	-	20,000
Issuance of general obligation notes & leases	-	-	-	-	-	-	-	42,163	-	151,523
Superfund grant administration fee	-	-	-	-	-	-	-	-	-	107,934
Internal charges - Copy machine	-	-	-	-	-	-	-	-	-	14,295
Transfers in	10,173,684	6,340,104	6,918,720	6,979,676	7,479,978	5,084,279	5,654,553	5,582,273	4,740,572	8,620,747
Transfers out	(9,997,919)	(6,041,159)	(6,712,946)	(6,733,411)	(7,233,714)	(4,838,014)	(5,408,288)	(5,336,008)	(4,298,126)	(8,074,005)
Total Other Financing Sources (Uses)	1,705,417	1,310,566	7,839,519	251,265	2,400,814	4,437,697	1,045,559	630,211	540,044	851,725
Net Change in Fund Balances	$ 5,377,947	$ 2,243,059	$ 4,942,781	$ (4,518,706)	$ 2,086,626	$ 2,517,618	$ 10,014,350	$ 2,733,221	$ 3,769,106	$ (4,385,355)

Data Source:
Applicable years' comprehensive annual financial report.

City and County of Butte-Silver Bow, Montana
Changes in Fund Balances - Governmental Funds-Chart
Last Ten Fiscal Years
(modified accrual basis of accounting)



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Series1	$5,377,947	$2,243,059	$4,942,781	$(4,518,706)	$2,086,626	$2,517,618	$10,014,350	$2,733,221	$3,769,106	-$4,385,355
Series2	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016

City and County of Butte-Silver Bow, Montana *Exhibit XIII*

Assessed Market Value

Last Ten Fiscal Years

Fiscal Year Ending June 30,	Tax Year	Real/Centrally Assessed Property	Mobile Home	Personal Property	Motor Vehicle	Less: Tax Exempt Property	Total Assessed Market Value	Total Direct Tax Rate[1]
2007	2006	$ 1,817,623,590	$ 10,939,722	$29,215,183	$ 79,485	$ 58,140,238	$ 1,799,717,742	302.27
2008	2007	$ 1,998,987,798	$ 10,388,921	$31,971,153	$ 65,375	$ 59,146,227	$ 1,982,267,020	298.00
2009	2008	$ 2,109,161,389	$ 10,373,592	$36,058,107	$ 76,284	$ 64,113,888	$ 2,091,555,484	296.66
2010	2009	$ 2,651,836,937	$ 10,001,273	$35,204,322	$ 72,798	$ 78,211,071	$ 2,618,904,259	349.84
2011	2010	$ 2,482,909,530	$ 9,697,511	$39,178,194	$ 59,290	$ 84,798,691	$ 2,447,045,834	353.73
2012	2011	$ 2,575,523,449	$ 9,197,897	$41,163,465	$ 50,229	$ 93,796,301	$ 2,532,138,739	351.28
2013	2012	$ 2,243,877,041	$ 8,787,773	$40,912,963	$ 162,116	$ 100,134,151	$ 2,193,605,742	375.25
2014	2013	$ 2,300,947,870	$ 8,660,414	$46,280,126	$ 104,278	$ 102,876,219	$ 2,253,116,469	371.48
2015	2014	$ 2,176,904,734	$ 8,335,704	$45,233,222	$ 48,083	$ 109,472,600	$ 2,121,049,143	400.00
2016	2015	$ 3,202,291,867	$ 13,766,589	$48,129,035	$ 41,754	$ 157,452,276	$ 3,106,776,969	412.09
% Change from 2007 to 2016		47.4%	-15.5%	43.4%	12817.6%	109.5%	44.9%	71.3%

2007	2006	97.8%	0.6%	1.6%	0.0%	100.0%
2008	2007	97.9%	0.5%	1.6%	0.0%	100.0%
2009	2008	97.8%	0.5%	1.7%	0.0%	100.0%
2010	2009	98.3%	0.4%	1.3%	0.0%	100.0%
2011	2010	98.1%	0.4%	1.5%	0.0%	100.0%
2012	2011	98.1%	0.4%	1.6%	0.0%	100.0%
2013	2012	97.8%	0.4%	1.8%	0.0%	100.0%
2014	2013	97.7%	0.4%	2.0%	0.0%	100.0%
2015	2014	97.6%	0.4%	2.0%	0.0%	100.0%
2016	2015	98.1%	0.4%	1.5%	0.0%	100.0%

[1] *These are the number of mills levied to provide funding for local government operations*

Source: Mt Dept. of Revenue; Butte-Silver Bow Budget Office

Exhibit XIV

City and County of Butte-Silver Bow, Montana

Direct and Overlapping Property Tax Rates [1]

Last Ten Fiscal Years

		Direct Rate			Overlapping Rates [2]				
					School District				
Fiscal Year	Tax Year	Operating	Debt Service	Total	Operating	Debt Service	Total	Special Districts	State of Montana
2007	2006	279.50	22.77	302.27	329.47	15.52	344.99	20.02	46.00
2008	2007	272.77	25.23	298.00	316.67	14.98	331.65	19.51	46.00
2009	2008	278.24	18.42	296.66	327.66	1.00	328.66	19.26	46.00
2010	2009	320.67	29.17	349.84	313.80	15.32	329.12	19.39	46.00
2011	2010	317.83	35.90	353.73	309.59	15.27	324.86	19.21	46.00
2012	2011	322.67	28.61	351.28	292.36	13.43	305.79	18.82	46.00
2013	2012	350.65	24.60	375.25	292.71	2.16	294.87	18.79	46.00
2014	2013	343.24	28.24	371.48	323.06	2.46	325.52	16.76	46.00
2015	2014	368.74	31.26	400.00	316.53	2.22	318.75	17.49	46.00
2016	2015	363.65	48.44	412.09	289.53	2.49	292.02	16.66	46.00
% Change From 2006-2015		23.1%	53.0%	26.6%	-13.8%	-523.3%	-18.1%	-20.2%	0.0%

Notes:

[1] Tax rates expressed in rate per $1,000 of annual taxes values (i.e., mills).

[2] Overlapping rates are those of governments that overlap the City and County's geographic boundaries.

Data Source:

City and County Budget Office and Department of Revenue

Exhibit XV

City and County of Butte-Silver Bow, Montana
Principal Property Taxpayers
Current Year and Ten Years Ago

Fiscal Year 2016-Tax Year 2015				Fiscal Year 2007-Tax Year 2006			
Principal Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Principal Taxpayer**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Northwestern Energy [1]	$ 11,645,980	1	17.48%	Northwestern Energy [1]	$ 10,384,468	1	18.31%
Montana Resources, Inc.	11,633,863	2	17.46%	ASiMI [1]	8,559,247	2	15.09%
REC (Formerly ASiMI) [1]	6,837,493	3	10.26%	Montana Resources, Inc.	7,120,244	3	12.55%
Basin Creek Equity Partners, LLC	872,851	4	1.31%	Qwest Corporation	1,073,422	4	1.89%
Praxair, Inc. - REC Affiliated [1]	717,543	5	1.08%	Waterford	414,256	5	0.73%
Bresnan Broadband	674,575	6	1.01%	Wal-mart Real Estate Business	328,129	6	0.58%
Qwest Corporation	643,284	7	0.97%	Hyman David L. & Anne Trustees	300,666	7	0.53%
Wilder Resorts, Inc.	317,954	8	0.48%	Praxair, Inc. [1]	295,562	8	0.52%
Verizon Wireless	286,428	9	0.43%	Wilder Resorts, Inc.	167,688	9	0.30%
Wal-mart Real Estate Business	267,156	10	0.40%	MSE Technology Applications, Inc.	154,418	10	0.27%
Total Principal Taxpayers	33,897,127		50.87%	**Total Principal Taxpayers**	28,798,100		50.77%
All Other Taxpayers	32,740,332		49.13%	**All Other Taxpayers**	27,924,802		49.23%
Total	$ 66,637,459		100.00%	**Total**	$ 56,722,902		100.00%

Notes:

[1] Taxable valuation lies in whole or in part in the Urban Revitalization District or Tax Increment Financing District.

Data Source:
City and County Tax Records

Exhibit XVa

City and County of Butte-Silver Bow, Montana

Principal Tax Payers in the Ramsay Tax Increment Financing Industrial District

Current Tax Year and Ten Years Ago

Fiscal Year 2007- Tax Year 2006

Rank	Property Owner	Aggregate Market Value	Aggregate Taxable Value	Aggregate Taxes Billed	Incremental Taxes Billed
1	ADVANCED SILICON MATERIALS LLC	$ 282,454,915	$ 8,559,247	$ 5,268,388	$ 4,266,987
2	PRAXAIR INC	$ 9,809,737	$ 295,562	$ 181,924	$ 147,345
3	ADVANCED SILICON MATERIALS INC	$ 2,057,140	$ 64,594	$ 39,759	$ 32,202
4	RHODIA INC	$ 1,231,123	$ 39,020	$ 24,018	$ 19,452
5	SCOULAR COMPANY (THE)	$ 985,610	$ 30,948	$ 19,049	$ 15,428
6	BURLINGTON NORTHERN & SANTA FE RAILROAD	$ 788,887	$ 28,005	$ 17,238	$ 13,961
7	UNION PACIFIC RAILROAD COMPANY	$ 153,276	$ 5,441	$ 3,349	$ 2,712
8	UELAND RANCHES INC	$ 164,956	$ 5,079	$ 3,126	$ 2,532
9	PRAXAIR LEASED EQUIPMENT	$ 95,490	$ 2,865	$ 1,763	$ 1,428
10	BGME, LLC	$ 85,245	$ 2,863	$ 1,762	$ 1,427
11	RAUCH WILLIAM J & PATRICIA	$ 65,589	$ 2,059	$ 1,267	$ 1,026
12	PULVER ELMER BUD AND CAROL	$ 48,096	$ 1,510	$ 929	$ 753

Fiscal Year 2016- Tax Year 2015

Rank	Property Owner	Aggregate Market Value	Aggregate Taxable Value	Aggregate Taxes Billed	Incremental Taxes Billed
1	REC INC[1]	$ 252,621,339	$ 6,837,493	$ 4,649,358	$ 3,650,821
2	PRAXAIR INC	$ 27,876,273	$ 717,543	$ 487,915	$ 383,126
3	ARC FEBTTMTOOL LLC	$ 5,689,700	$ 107,536	$ 73,122	$ 57,418
4	BURLINGTON NORTHERN & SANTA FE RAILROAD	$ 1,946,345	$ 57,806	$ 39,307	$ 30,865
5	MONTANA PRECISION PRODUCTS, LLC	$ 3,684,847	$ 55,273	$ 37,585	$ 29,513
6	RHODIA INC	$ 1,689,050	$ 30,653	$ 20,843	$ 16,367
7	SCOULAR COMPANY (THE)	$ 1,541,428	$ 29,133	$ 19,810	$ 15,555
8	UNION PACIFIC RAILROAD COMPANY	$ 728,193	$ 21,627	$ 14,706	$ 11,548
9	BELL-MONT PROPERTIES INC	$ 746,300	$ 14,105	$ 9,591	$ 7,531
10	NORTHWESTERN ENERGY-TRANSMISSION	$ 116,553	$ 13,986	$ 9,510	$ 7,468
11	FEDEX FREIGHT INC BTE/223	$ 409,384	$ 9,738	$ 6,622	$ 5,200
12	RAUCH WILLIAM J & PATRICIA	$ 176,100	$ 2,378	$ 1,617	$ 1,270

[1] REC Inc. was formally Advanced Silcon Materials

Data Source:

City and County Tax Records

City and County of Butte-Silver Bow, Montana

Property Tax Levies and Collections for all Tax Jurisdictions [1]

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Tax Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years [2]	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2007	2006	$ 31,502,912	$ 28,455,913	90.33%	$ 1,800,770	$ 30,256,683	96.04%
2008	2007	$ 32,186,481	$ 29,032,690	90.20%	$ 1,308,240	$ 30,340,930	94.27%
2009	2008	$ 32,123,733	$ 29,464,328	91.72%	$ 1,172,840	$ 30,637,168	95.37%
2010	2009	$ 33,503,983	$ 31,298,511	93.42%	$ 1,416,352	$ 32,714,863	97.64%
2011	2010	$ 33,281,458	$ 31,435,793	94.45%	$ 1,764,665	$ 33,200,458	99.76%
2012	2011	$ 35,931,784	$ 33,568,370	93.42%	$ 1,266,608	$ 34,834,978	96.95%
2013	2012	$ 38,188,890	$ 35,996,426	94.26%	$ 1,531,167	$ 37,527,593	98.27%
2014	2013	$ 40,683,406	$ 38,571,283	94.81%	$ 1,586,707	$ 40,157,990	98.71%
2015	2014	$ 39,797,376	$ 38,308,670	96.26%	$ 2,055,738	$ 40,364,408	101.42%
2016	2015	$ 39,071,539	$ 38,137,617	97.61%	$ 1,416,867	$ 39,554,484	101.24%
Total		$ 356,271,562	$ 358,464,409	100.62%	$ 17,183,465	$ 375,647,874	105.44%

Notes:

[1] Does not include Tax Increment Financing Industrial Districts or Urban Revitalization Agency Districts, but does include School Districts.

[2] The City and County did not implement GASB Statement No. 44, retroactively.

Data Source: -

City and County Tax Collection Records

Exhibit XVIa

City and County of Butte-Silver Bow, Montana

Property Tax Levies and Collections for City-County of Butte-Silver Bow [1]

Last Five Fiscal Years

Fiscal Year Ended June 30,	Tax Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2012	2011	$ 18,964,627	$ 17,458,843	92.06%	$ 656,149	$ 18,114,992	95.52%
2013	2012	$ 21,086,279	$ 18,776,312	89.05%	$ 754,338	$ 19,530,650	92.62%
2014	2013	$ 21,699,055	$ 19,069,639	87.88%	$ 809,241	$ 19,878,880	91.61%
2015	2014	$ 22,401,785	$ 21,795,860	97.30%	$ 1,033,534	$ 22,829,394	101.91%
2016	2015	$ 22,923,273	$ 21,703,248	94.68%	$ 793,099	$ 22,496,347	98.14%
Total		$ 107,075,019	$ 98,803,902	92.28%	$ 4,046,361	$ 102,850,263	96.05%

Notes:

[1] ***This table contains the Taxes levied and Collections for the City and County of Butte-Silver Bow. All other taxing jurisdictions have been excluded.***

Data Source:

City and County Tax Collection Records

Exhibit XVIb

City and County of Butte-Silver Bow, Montana
Taxable Value of the Ramsay Tax Increment Financing Industrial District
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Tax Year	Taxable Value of the District[1]
2007	2006	$ 7,329,928
2008	2007	$ 7,591,745
2009	2008	$ 9,066,668
2010	2009	$ 8,923,386
2011	2010	$ 10,413,555
2012	2011	$ 10,195,950
2013	2012	$ 10,316,085
2014	2013	$ 9,824,217
2015	2014	$ 7,027,160
2016	2015	$ 6,258,770

[1] Taxable value exclusive of base value of $1,720,230

Data Source:
Certified Values from the Montana Department of Revenue

City and County of Butte-Silver Bow, Montana
Ratios of Total Debt Oustanding by Type [1]
Last Ten Fiscal Years

	Governmental Activities					Business-type Activities								
Fiscal Year	**General Obligation Bonds**	**Special Assessment Bonds**	**Capital Leases**	**Notes & Loans**	**Tax Increment Financing Bonds**	**Water Utility Revenue Bonds**	**Solid Waste Revenue Bonds**	**Metro Sewer Revenue Bonds**	**Notes & Loans**	**Capital Leases**	**Total**	**Percentage of Personal Income[2]**	**Population[2]**	**Debt Per Capita**
2007	$ 12,510,000	$ 315,000	$ 445,705	$ 1,762,317	$ 21,300,000	$ 13,243,800	$ -	$ -	$ 78,130	$ -	##########	4.35%	33,489	$ 1,483
2008	12,887,058	280,000	416,774	1,512,861	19,200,000	11,751,863	-	-	39,065	-	46,087,621	3.76%	33,812	1,363
2009	19,806,671	240,000	386,274	1,256,492	17,450,000	9,008,158	-	-	-	-	48,147,595	3.98%	34,008	1,416
2010	18,811,630	200,000	354,120	988,420	14,935,000	8,354,837	-	-	-	-	43,644,007	3.38%	34,239	1,275
2011	17,851,416	155,000	320,223	815,507	13,995,000	6,772,316	-	-	-	-	39,909,462	2.71%	34,388	1,161
2012	16,951,202	105,000	284,489	634,109	16,830,000	6,688,366	-	1,041,322	-	-	42,534,488	2.75%	34,493	1,233
2013	16,155,668	55,000	246,817	1,243,107	15,510,000	5,442,691	-	-	-	-	38,653,283	2.55%	34,512	1,120
2014	14,946,468	-	207,103	1,041,610	14,170,000	3,246,387	-	-	-	-	33,611,568	2.16%	34,680	969
2015	13,702,269	-	165,235	851,252	12,775,000	2,107,000	-	12,203,779	-	7,398	41,811,933	2.72%	34,276	1,220
2016	12,070,346	-	251,499	655,823	6,780,000	2,010,000	-	28,299,032	-	4,228	50,070,928	3.26%	34,864	1,436

Notes:
[1] Details regarding the City and County's outstanding debt can be found in the notes to the basic financial statements.

Data Source:
[2] Exhibit XXII

Exhibit XVIII

City and County of Butte-Silver Bow, Montana
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Year	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Population[1]	Assessed Market Value[2]	Percentage of Assessed Market Value of Property	Debt Per Capita
2007	12,510,000	370,227	12,139,773	33,489	$ 1,799,717,742	0.67%	363
2008	12,887,058	468,545	12,418,513	33,812	$ 1,982,267,020	0.63%	367
2009	19,806,671	206,511	19,600,160	34,008	$ 2,091,555,484	0.94%	576
2010	18,811,630	89,377	18,722,253	34,239	$ 2,618,904,259	0.71%	547
2011	17,851,416	163,220	17,688,196	34,388	$ 2,447,045,834	0.72%	514
2012	16,951,202	293,279	16,657,923	34,493	$ 2,532,138,739	0.66%	483
2013	16,155,668	89,887	16,065,781	34,512	$ 2,193,605,742	0.73%	466
2014	14,946,468	89,138	14,857,330	34,680	$ 2,253,116,469	0.66%	428
2015	13,702,269	309,685	13,392,584	34,276	$ 2,121,049,143	0.63%	391
2016	12,070,346	266,340	11,804,006	34,864	$ 3,106,776,969	0.38%	339

Data Source:

[1] Exhibit XXII

[2] Exhibit XIII

Exhibit XIX

City and County of Butte-Silver Bow, Montana
Governmental Activities Direct and Overlapping Debt
June 30, 2016

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [2]	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes			
Overlapping Debt[1]			
Butte School District Number One, Montana [3]	$ -	100.0%	$ -
City and County Direct Debt			
General obligation bonds	12,070,346		
Special assessment bonds	-		
Tax increment bonds	6,780,000		
Capital leases	251,499		
Notes and loans	655,823		
Total City and County Direct Debt	$ 19,757,668	100.0%	19,757,668
Total Direct and Overlapping Debt			$ 19,757,668

Notes:

[1] Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City-County.

[2] For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another government's taxable assessed value that is within the City's boundaries and dividing it by the City and County's total taxable assessed value.

Data Source:

[3] Butte School District #1, Butte, Montana

Exhibit XX

City and County of Butte-Silver Bow, Montana
Legal Debt Margins
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2007	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Legal Debt Margin										
Debt limit (2.5% of total assessed value)	$ 40,702,665	$ 49,237,905	$ 52,178,893	$ 65,359,959	$ 61,212,613	$ 53,009,291	$ 53,428,534	$ 56,327,912	$ 53,026,229	$ 71,812,730
Net debt applicable to limit:	14,718,022	14,816,693	21,449,437	20,154,170	18,987,146	17,869,800	17,645,592	16,195,181	14,718,757	12,977,668
Legal debt margin	$ 28,192,665	$ 36,350,847	$ 32,372,222	$ 46,548,329	$ 43,361,197	$ 36,058,089	$ 37,692,546	$ 40,132,731	$ 38,307,472	$ 58,835,062
As a percentage of debt limit	69.26%	73.83%	62.04%	71.22%	70.84%	68.02%	70.55%	71.25%	72.24%	81.93%

Legal Debt Margin Calculation for Fiscal Year 2016

Total assessed value	$ 2,872,509,196
Debt limit (2.5% of total assessed value)	71,812,730
Total Current Indebtedness	12,977,668
Less special assessement bonds	-
Total debt applicable to limitation	12,977,668
Total legal debt margin	$ 58,835,062

Exhibit XXI

City andCounty of Butte-Silver Bow

Schedule of Debt Service Requirements and Debt Service Coverages

Last Ten Fiscal Years

Metro Sewer Operations[1]

Fiscal Year	Operating Revenues	Operating Expenses	Less Depreciation & Amortization	Net Revenue Available for Debt Service	Principal	Interest	Total	Debt Service Coverage
2015	$ 5,817,894	$ 4,481,047	$ 1,070,107	$ 2,406,954	-	$ 84,586	$ 84,586	28.46
2016	6,505,441	5,217,877	1,545,430	$ 2,832,994	437,000	299,636	$ 736,636	3.85

Water Utility

Fiscal Year	Operating Revenues	Operating Expenses	Less Depreciation & Amortization	Net Revenue Available for Debt Service	Principal	Interest	Total	Debt Service Coverage
2007	$ 7,106,007	$ 6,224,999	$ 2,201,284	$ 3,082,292	$ 1,530,000	$ 635,855	$2,165,855	1.42
2008 [2]	$ 7,258,140	$ 6,572,564	$ 2,267,677	$ 2,953,253	$ 1,595,000	$ 564,359	$2,159,359	1.37
2009	$ 7,154,881	$ 6,596,459	$ 2,329,557	$ 2,887,979	$ 1,660,000	$ 508,775	$2,168,775	1.33
2010	$ 6,904,199	$ 6,867,426	$ 2,582,629	$ 2,619,402	$ 1,580,000	$ 274,425	$1,854,425	1.41
2011	$ 6,802,283	$ 7,533,610	$ 3,121,916	$ 2,390,589	$ 1,645,000	$ 222,402	$1,867,402	1.28
2012	$ 7,664,876	$ 7,716,837	$ 3,170,978	$ 3,119,017	$ 1,690,000	$ 170,228	$1,860,228	1.68
2013	$ 8,138,864	$ 8,455,765	$ 3,691,086	$ 3,374,185	$ 1,753,000	$ 150,773	$1,903,773	1.77
2014	$ 8,845,836	$ 8,982,087	$ 3,477,154	$ 3,340,903	$ 1,907,000	$ 124,992	$2,031,992	1.64
2015	$ 8,677,035	$ 8,842,982	$ 3,706,308	$ 3,540,361	$ 1,139,387	$ 82,321	$1,221,708	2.90
2016	$ 8,717,563	$ 9,312,592	$ 3,587,354	$ 2,992,325	$ 97,000	$ 62,490	$ 159,490	18.76

Ramsay TIFID - Tax Increment Revenue Bonds, Series 2011

Fiscal Year	Fund Balance Available for Debt Service	Principal[3]	Interest[3]	Total	Debt Service Coverage
2012	$ 6,984,579	$ -	$ 42,553	$ 42,553	164.14
2013	$ 6,888,900	$ 345,000	$ 157,793	$ 502,793	13.70
2014	$ 5,968,794	$ 315,000	$ 147,893	$ 462,893	12.89
2015	$ 4,459,974	$ 325,000	$ 138,293	$ 463,293	9.63
2016	$ 1,697,943	$ 335,000	$ 128,393	$ 463,393	3.66

Notes:

[1] Metro Operations Series 2014 and Series 2015 bonds were issued during fiscal year 2015 and Series 2016 bonds were issued during fiscal year 20

[2] The revenue bonds were fully retired in fiscal year 2007.

3 The principal and Interest amounts only reflect the amounts due on the Series 2011 bonds. Other bonds, which were directly issued and purchase by REC Silicon, Inc, are still outstanding and payable. During fiscl year 2016, $4,625,000 of the Series 2010 bonds were called.

Data Source:

Applicable years' comprehensive annual financial report.

Exhibit XXII

City and County of Butte-Silver Bow, Montana
Demographic and Economic Statistics
Last Ten Years

Year	Population[1]	*(in thousands of dollars)* Personal Income[1]	Per Capita Income[1] City & County	Per Capita Income[1] United States	Per Capita Income[1] County as a % of U.S.	Median Age	City School Enrollment[2]	Unemployment Rates[3] City & County	Unemployment Rates[3] State of Montana	Unemployment Rates[3] United States
2007	33,489	1,141,165	34,076	39,804	86%	41.6	4,431	3.5%	3.4%	4.7%
2008	33,812	1,224,607	36,218	40,873	89%	42.0	4,373	4.3%	4.1%	5.7%
2009	34,008	1,208,378	35,532	39,379	90%	42.0	4,323	5.5%	6.4%	9.7%
2010	34,239	1,289,755	37,669	40,144	94%	42.5	4,328	5.8%	6.7%	9.8%
2011	34,388	1,471,806	42,800	42,332	101%	41.7	4,227	6.0%	6.6%	9.3%
2012	34,493	1,545,215	44,798	44,200	101%	39	4,246	5.8%	6.0%	8.2%
2013	34,512	1,513,001	43,840	44,765	98%	41.3	3,882	5.5%	5.6%	7.2%
2014	34,680	1,556,543	44,883	46,405	97%	41.7	4,197	4.8%	4.7%	6.3%
2015	34,276	1,535,776	44,956	46,512	97%	41	4,143	3.9%	4.0%	5.3%
2016	34,864	1,535,667	44,355	48,112	92%	40.6	4,150	4.5%	4.2%	4.9%

Data Sources:

[1] U.S. Bureau, of Census, http://www.bea.gov/regional/reis/default.cfm?catable=CA1-3&section=2 2007 & 2008, management estimates, most current data available.

[2] Butte School District Number One

[3] Montana Department of Labor & Industry, not seasonally adjusted, http://www.ourfactsyourfuture.org/cgi/dataanalysis/AreaSelection.asp?tableName=Labforce

Exhibit XXIII

City and County of Butte-Silver Bow, Montana
Top Twenty Private Employers

COMPANY NAME	PRODUCT / SERVICE	EMPLOYMENT CLASS
Northwestern Energy	Utilities	8
St. James Community Hospital	Health Services	8
Acadia Montana	Health / Social Services	7
Montana Resources	Mining	7
REC Advanced Silicon Materials	Polysilicon Production	7
Town Pump	Retail	7
Walmart	Retail	7
Aware, Inc.	Health / Social Services	6
Butte Sheltered Workshop	Social Services	6
Butte Adult Mental Health Center	Health / Social Services	6
Butte Convalescent Center	Health / Social Services	6
Community Counseling & Correctional Service	Social Services	6
Easter Seals - Goodwill	Health / Social Services	6
Lady of the Rockies Rehab and Living Center	Health / Social Services	6
Montana Independent Living	Social Services	6
Montana Precision Products (Seacast)	Metal Fabricator	6
Safeway	Retail	6
Southwest Montana Community Health Center	Health / Social Services	6
St. James Healthcare	Health Services	6
Human Resources Council Dist XII	Social Services	5

Source: Montana Department of Labor and Industry (MDLI)

Notes: An average of 15,832 people were employed in Butte-Silver Bow County during 4th quarter 2015.

Top employer lists are provided in alphabetical order within employment class. The listing is not ranked in order of exact employment numbers for individual businesses, as such data is not accessible due to MDLI confidentiality agreements. Data pertains to calendar year 2015, the most recent figures available.

Employment class details are as follows:

Employment Class	Number of Employees
8	500-999
7	250-499
6	100-249
5	50-99

Exhibit XXIV

City and County of Butte-Silver Bow, Montana
Full-Time Equivalent Employees by Function
Last Ten Fiscal Years

	As of June 30,									
Function	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
General Government	201	195	199	200	207	203	227	227	207	205
Public Safety										
Police										
Sheriff	1	1	1	1	1	1	1	1	1	1
Undersheriff	1	1	1	1	1	1	1	1	1	1
Officers	44	44	44	47	48	47	47	48	48	49
Civilians	20	21	21	22	21	23	22	23	31	30
Detention Officers	27	27	27	27	28	27	28	29	29	29
Fire										
Chief	1	1	1	1	1	1	1	1	1	1
Assistant Chief	1	1	1	1	1	1	1	1	1	1
Firefighters and Officers	32	32	32	31	30	30	32	33	32	32
Civilians	1	1	1	1	1	1	1	1	1	1
Highways and Streets										
Engineering	2	2	2	2	3	3	2	4	2	2
Maintenance	17	21	24	24	21	24	19	10	18	18
Sanitation	5	6	6	6	8	8	8	6	8	8
Culture and Recreation	10	8	8	8	8	10	10	22	24	31
Water	41	45	45	50	45	47	45	43	44	44
Sewer	25	28	28	26	27	29	27	31	28	30
Total	429	434	441	448	451	456	472	481	476	483
Percentage Change From Prior Year	4.1%	1.2%	1.6%	1.6%	0.7%	1.1%	3.5%	1.9%	-1%	1%

Exhibit XXV

City and County of Butte-Silver Bow, Montana
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
Function	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Police										
Physical arrests	3,814	1,794	4,191	3,860	3,730	3,649	3,930	4,072	3,968	3,747
Parking violations	15,288	20,695	14,769	7,335	9,576	11,149	11,235	10,465	9,353	7,193
Traffic violations	5,442	5,380	5,403	4,587	4,235	3,475	3,674	3,711	3,252	2,973
Fire										
Inspections	125	117	132	177	185	243	230	226	223	400
Highway and streets										
Street resurfacing (miles)	4.0	3.5	4	6.8	6.1	22.9	4.3	5.96	6.82	10.07
Potholes repaired	1,500	2300	2500	2500	2800	2650	2497	2782	3045	7519
Sanitation										
Refuse collected (tons/day)	219.87	232.77	233.43	243.22	285.58	287.04	244.37	222.76	286.18	316.53
Recyclables collected (tons/day)	23.49	27.26	24.56	20.92	21.43	25.29	23.76	25.55	28.36	22.44
Water										
Connections	11,971	12,273	12,313	12,358	12,399	12,746	12,774	12,775	12,523	12,794
Water main breaks	200	268	284	240	232	212	231	243	215	337
Average daily consumption (thousands of gallons)	7,590	7,500	6,653	5,874	6,559	7,978	7,367	7,802	7,676	7,845
Wastewater										
Average daily sewage treatment (million of gallons/day)	3.60	3.56	3.21	3.58	3.94	3.78	3.75	3.87	3.87	3.77

Data Source:
Various City/County departments

Exhibit XXVI

City and County of Butte-Silver Bow, Montana
Capital Asset and Infrastructure Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
Function	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	24	25	25	26	34	33	33	35	35	38
Fire stations	11	11	11	11	11	11	11	11	11	11
Sanitation										
Collection trucks	8	10	10	10	16	16	16	17	18	18
Highways and streets										
Streets (miles)	715	715	715	715	715	715	715	715	715	715
Streetlights	3,311	3,326	3,327	3,330	3,329	3,330	3,330	3,330	3,333	3,333
Traffic signals	40	40	40	40	48	48	46	50	50	48
Culture and recreation										
Parks acreage	4,195	4,195	4,195	4,195	4,195	4,195	4,195	4,195	4,195	4,249
Parks	44	44	44	44	44	44	44	44	44	45
Swimming pools	-	-	-	-	-	-	-	-	-	-
Tennis courts	14	14	14	14	14	14	14	14	14	14
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	217	217	217	217	217	217	217	217	217	217
Fire hydrants	1,035	1,099	1,100	1,144	1,165	1,187	1,203	1,218	1,252	1,272
Maximum daily capacity							1235			
(millions of gallons)	23	23	23	23	23	23	23	23	23	23
Sewer										
Sanitary sewers (miles)	203.60	203.60	203.60	170.80	176.74	172.04	174.00	174.00	174.00	174.00
Storm sewers (miles)	50.30	50.30	50.30	69.61	69.61	81.27	81.27	81.27	81.83	81.83
Maximum daily treatment capacity										
(million of gallons/day)	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500

Data Source:
Various City/County departments

Exhibit XXVII

City and County of Butte-Silver Bow, Montana
Property Tax Levies (Levy Rates) Ramsay Tax Increment Financing Industrial District
Last Ten Fiscal Years

Fiscal Year	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Tax Year	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Levy Description										
State University Millage	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Statewide School Equalization	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Countywide School Levy	101.93	99.80	96.95	99.11	95.38	92.75	94.79	114.15	103.28	94.68
Mile High Soils	0.91	0.89	1.04	1.05	0.99	1.01	0.94	0.94	1.13	0.92
Port of Montana-Port Authority	3.38	3.30	3.24	3.26	3.22	3.33	3.16	2.80	2.90	2.79
Airport Authority	3.38	3.30	3.24	3.26	3.22	3.33	3.16	2.80	2.90	2.79
Entitlement Levy	12.35	12.02	11.74	11.82	11.69	11.15	11.53	10.22	10.56	10.16
Emergency Services 3T	1.00	1.00	1.00	1.00	16.83	14.58	32.95	32.99	32.58	13.56
County Road	16.99	19.23	11.91	11.41	19.54	21.30	21.33	18.85	20.02	26.31
City-County of Butte-Silver Bow	208.00	196.58	213.18	252.66	281.46	286.79	259.98	251.40	276.60	272.11
City-County Voter Approved Debt Service	22.77	25.23	18.42	29.17	32.70	28.61	24.60	28.24	31.26	24.22
Ramsay Elementary School District No. 3	104.98	102.06	101.82	102.20	96.60	101.62	105.71	24.93	99.68	106.41
Butte High School District No. 1	93.83	87.86	89.36	88.34	89.11	86.10	74.29	86.66	88.45	80.03
Total	615.52	597.27	597.90	649.28	696.74	696.57	678.44	619.98	715.36	679.98

Single Audit

Section

City and County of Butte-Silver Bow
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2016

Federal Grantor/Pass through Grantor/ Program Title	Grant #	Federal CFDA Number	Award Amount	Balance July 1	Cash Receipts or Revenues Recognized	Cash Disbursements/ Expenditures	Balance June 30
United States Department of Health & Human Services							
Direct:							
Reaching People with Disabilities Through Healthy Communities	1362016	93.524	$ 22,800	$ -	$ 13,300	$ 13,300	$ -
Passed through State Department of Health & Human Services:							
Maternal & Child Health Services - Block Grant	16.07.5.01.047.0	93.994	34,673	-	34,673	34,673	-
Maternal & Child Health Services MIECHV	16.07.5.01.084.0	93.505	105,000	-	105,000	105,000	-
Preventive Health/Family Planning	16.07.5.11.003.0	93.217, 93.994	122,545	-	122,545	122,545	-
Preventive Health/Family Planning PREP Grant	15.07.5.11.017.0	93.092	65,000	-	65,000	65,000	-
Immunization Program (01/01/16 - 12/31/16)	16.07.4.31.143.0	93.268	15,633	-	7,817	7,817	-
Immunization Program (01/01/15 - 12/31/15)	15.07.4.31.143.0	93.268	15,633	-	4,021	4,021	-
Montana Cancer Control Program (07/01/15 - 09/30/16)	16.07.3.01.001.0	93.919, 93.800	88,500	-	88,500	88,500	-
Asthma Control Program	16.07.3.01.131.0	93.070	32,000	-	32,000	32,000	-
Developmentally Disabled Program-Title XIX Medicaid	0208/0370-01	93.778	14,375	-	14,375	14,375	-
Emergency Preparedness & Response	16.07.6.11.049.0	93.074	74,009	53,673	74,009	26,421	101,261
HIV Prevention (02/15/15 - 12/31/16)	15.07.4.51.003.0	93.940	35,079	-	15,159	15,159	-
Total for United States Department of Health & Human Services			625,247	53,673	576,399	528,811	101,261
United States Environmental Protection Agency							
Passed through State Department of Environmental Quality:							
Air Quality	516009	66.605	30,478	-	30,478	30,478	-
Total for United States Environmental Protection Agency			30,478	-	30,478	30,478	-
United States Department of Agriculture							
Passed through State Department of Health & Services:							
Woman, Infants & Children (WIC) (10/01/15 - 09/30/16)	16.07.5.21.019.0	10.557	159,312	-	122,536	122,536	-
Woman, Infants & Children (WIC) (10/01/14 - 09/30/15)	15.07.5.21.019.0	10.557	144,219	-	39,647	39,647	-
Passed through State Auditor:							
Forest Reserve		10.665	65,830	-	65,830	65,830	-
Total for United States Department of Agriculture			369,361	-	228,013	228,013	-
United States Department of the Interior							
Passed through State Historic Preservation Office:							
Under Represented Community - Historic Preservation	P16AP00025	15.904	56,000	-	26,811	26,811	-
Historic Preservation (04/01/16 - 3/31/17)	MT-16-013	15.904	5,500	-	1,375	1,375	-
Historic Preservation (04/01/15 - 3/31/16)	MT-15-013	15.904	5,500	-	4,125	4,125	-
Total for United States Department of Interior			67,000	-	32,311	32,311	-

City and County of Butte-Silver Bow
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2016

Federal Grantor/Pass through Grantor/ Program Title	Grant #	Federal CFDA Number	Award Amount	Balance July 1	Cash Receipts or Revenues Recognized	Cash Disbursements/ Expenditures	Balance June 30
United States Department of Transportation							
Direct:							
Moulton Road Safety and Realignment Project Corridor Study	DTFH70-16-E-00014	20.205	173,160	-	173,160	173,160	-
Passed through State Dept. of Transportation:							
Formula Grants for Other Than Urbanized Areas	108320	20.509	663,321	-	663,321	663,321	-
Air Quality Equipment	UPN 8093	20.205	417,158	-	417,158	417,158	-
Montana Street Pedestrian Bridge	UPN 4759	20.205	129,246	-	5,919	5,919	-
Sidewalks	UPN 8575	20.205	421,406	-	21,758	21,758	-
Landscaping	UPN 8833	20.205	123,364	-	8,113	8,113	-
Bike Lanes	UPN 8832	20.205	120,866	-	-	-	-
Alcohol Impaired Driving Countermeasure Incentive (10/01/2015 - 09/30/2016)	108547	20.607	82,800	-	44,406	44,406	-
Alcohol Impaired Driving Countermeasure Incentive (10/01/2014 - 09/30/2015)	107870	20.601	82,800	-	17,092	17,092	-
Buckle Up Montana	107897	20.602	35,000	-	8,359	8,359	-
State and Community Highway Safety-STEP (10/01/2015 - 09/30/2016)	108496	20.600, 20.607	15,000	-	8,567	8,567	-
State and Community Highway Safety-STEP (06/12/2015 - 09/30/2015)	108257	20.600, 20.601	13,000	-	12,964	12,964	-
State and Community Highway Safety-STEP (10/01/2014 - 09/30/2015)	107901	20.600, 20.601, 20.602	15,000	-	4,955	4,955	-
Total for United States Department of Transportation			2,292,121	-	1,385,772	1,385,772	-
United States Department of Justice							
Direct:							
Justice Assistance Grant	2015-DJ-BX-0361	16.738	16,493	-	16,493	16,493	-
Bullet Proof Vest Program (Expires 08/31/2017)	15078131	16.607	4,920	-	3,812	3,812	-
Bullet Proof Vest Program (Expires 08/31/2016)	14073552	16.607	4,676	-	756	756	-
District Court Family Drug Court Program	2012-DC-BX-0068	16.585	524,549	46,680	44,895	91,575	-
COPS Hiring Program	2014UMWX0142	16.710	250,000	-	79,600	79,600	-
Passed through Montana Board of Crime Control:							
Family Drug Court RSAT Program	14-R01-91737	16.593	47,623	-	13,264	13,264	-
Family Drug Court RSAT Program	15-R01-91899	16.593	28,875	-	-	-	-
Victim/Witness Advocacy Program	15-V01-91794	16.575	53,775	-	53,775	53,775	-
Total for United States Department of Justice			930,911	46,680	212,595	259,275	-
United States Department of Defense							
Direct:							
Environmental Infrastructure - Wastewater System Improvements	Section 595, 2015 Funds	12.121	297,000	-	58,635	58,635	-
Environmental Infrastructure - Wastewater System Improvements	Section 595, 2012 Funds	12.121	200,000	-	11,905	11,905	-
Total for United States Department of Defense			497,000	-	70,540	70,540	-

City and County of Butte-Silver Bow
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2016

Federal Grantor/Pass through Grantor/ Program Title	Grant #	Federal CFDA Number	Award Amount	Balance July 1	Cash Receipts or Revenues Recognized	Cash Disbursements/ Expenditures	Balance June 30
United States Department of Homeland Security							
Direct:							
Assistance to Fire Fighters - Fitness Equipment	EMW-2014-FO-03224	97.044	62,783	-	62,424	62,424	-
Passed through State Department of Military Affairs:							
911 Alternative Call Center Equipment	EMW-2015-SS-00005-S01	97.067	185,000	-	73,118	73,118	-
Hazard Mitigation	PDMC-PL-08-MT-2014-002	97.047	25,000	-	20,405	20,405	-
Emergency Management Performance (10/01/15 - 09/30/16)	EMW-2015-EP-00004	97.042	108,489	-	81,075	81,075	-
Emergency Management Performance (10/01/14 - 09/30/15)	EMW-2014-00006	97.042	108,512	-	20,181	20,181	-
Total for United States Department of Homeland Security			489,784	-	257,203	257,203	-
Total Federal Financial Assistance			**$ 5,301,902**	**$ 100,353**	**$ 2,793,311**	**$ 2,792,403**	**$ 101,261**

CITY AND COUNTY OF BUTTE-SILVER BOW, MONTANA

Notes to Schedule of Expenditures of Federal Awards

For Fiscal Year Ended June 30, 2016

Note A: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and County of Butte-Silver Bow, Montana and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with uniform guidance from the Office of Management and Budget's Super-Circular 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements of Federal Awards.

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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*

Council of Commissioners
Butte-Silver Bow
Butte, Montana 59701

We have audited, in accordance with the 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Butte-Silver Bow County, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Butte-Silver Bow County's basic financial statements and have issued our report thereon dated December 29, 2016.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered Butte-Silver Bow 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 Butte-Silver Bow County's internal control. Accordingly, we do not express an opinion on the effectiveness of Butte-Silver Bow County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given

these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. See Findings 16-1and 16-2.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether Butte-Silver Bow County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of Butte-Silver Bow County, Montana in the schedule of findings and questioned costs as items 16-3, 16-4, and 16-5.

Butte-Silver Bow County's Response to Findings
Butte-Silver Bow County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Butte-Silver Bow County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Newland and Company

NEWLAND AND COMPANY
A Professional Corporation

Butte, Montana
December 29, 2016

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

Council of Commissioners
Butte-Silver Bow County
Butte, Montana

Report on Compliance for Each Major Federal Program

We have audited Butte-Silver Bow's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Butte-Silver Bow's major federal programs for the year ended June 30, 2016. Butte-Silver Bow's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Butte-Silver Bow'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 Butte-Silver Bow'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 Butte-Silver Bow's compliance.

Opinion on Each Major Federal Program

In our opinion, Butte-Silver Bow County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of Butte-Silver Bow 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 Butte-Silver Bow'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 Butte-Silver Bow's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 16-1, and 16-2, that we consider to be significant deficiencies.

Butte Silver Bow 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. Butte Silver Bow 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Newland and Company

NEWLAND AND COMPANY
A Professional Corporation

Butte, Montana
December 29, 2016

CITY AND COUNTY OF
BUTTE-SILVER BOW, MONTANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the City and County of Butte-Silver Bow, Montana.

2. Two significant deficiencies relating to the audit of the financial statements are reported in the auditor's comment section as Findings 16-1 and 16-2. These significant deficiencies were not considered to be material weaknesses.

3. No instances of noncompliance material to the financial statements of the City and County of Butte-Silver Bow, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.

4. Two significant deficiencies in internal control over compliance in accordance with Uniform Guidance are reported in the Auditor's Comments section as Findings 16-1 and 16-2, and no instances of noncompliance relating to the audit of the major federal award programs.

5. The auditor's report on compliance over the major federal award programs for the City and County of Butte-Silver Bow expresses an unmodified opinion on all major programs.

6. The programs tested as major programs include:

PROGRAM NAME	CFDA #
Formula Grants	20.509

7. The threshold used for distinguishing between Type A and Type B programs was $750,000.

8. The City and County of Butte-Silver Bow, Montana qualified as a low risk auditee.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

Two significant deficiencies are reported in the Auditor's Comments section as Findings 16-1 and 16-2

C. FINDINGS AND QUESTIONED COSTS – MAJOR AWARDS

Two significant deficiencies are reported in the Auditor's Comments section as Findings 16-1 and 16-2.

Auditor's Comments

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Prior Report Recommendations

City-County of Butte Silver Bow
Butte, Montana

Auditor's Comments

Significant Deficiencies

FINDING 16-1: INTERNAL CONTROLS IN OFFICES OUTSIDE THE TREASURER

Condition – Our examination of cash collections at offices outside the Treasurer revealed a lack of segregation of duties. Employees are involved in both the collection and recording of cash receipts, including billings for services. These offices do have certain internal accounting controls in force; however, most offices lack proper segregation of duties.

Offices	Inadequate Segregation of Duties
Parking commission	X
City Court	X
Civic Center	X
County Attorney	X
Parks and Recreation	X
Health Department	X
Landfill	X
Sheriff Department	X

Criteria – Internal controls rely on segregation of duties to mitigate individuals from performing incompatible functions of authorization, custody, recording, and reconciling transactions.

Cause – Limited personnel in small offices outside of the Treasurer's office.

Effect – Risk of misappropriation of City and County assets and inaccurate financial records as a result of errors or fraud.

Recommendation – We recommend that Butte-Silver Bow investigate the feasibility of improving internal controls over cash collections at the outside offices noted above. Butte-Silver Bow may be able to utilize the services of the county auditor to assist in segregation of duties.

Management's Response – Management is continually assessing the internal controls policy and procedures of the Local Government including internal controls over cash collection in the outside offices. At the present time, Management of the City-County of Butte-Silver Bow believes that it is not feasible in all departments to add personnel to achieve proper segregation of duties, but has instituted procedures and controls to assist the departments in reducing liability or risk to the City-County of Butte-Silver Bow. During fiscal year 2017, the Finance and Budget Director, Auditor, and Treasurer will be make further recommendation for changes that will mitigate risks associated with these external accounts.

FINDING 16-2: INTERNAL CONTROL OVER PAYROLL

Condition – We noted that the Law Enforcement Agency (LEA) Department employee timesheets lacked the proper signature and approval. We noted numerous timesheets which lacked supervisor approval. In addition, we also noted several instances where the daily shift time sheets did not match the bi weekly time sheets submitted to the payroll department.

Criteria – Strong internal control dictates that payroll must be properly reviewed and timesheets have proper authorization approving hours worked.

Cause – Procedures for approval and reconciliation of the shift timesheets to the biweekly timesheets are not being followed.

Effect – Improper internal control over payroll.

Recommendation – We recommend that Butte-Silver Bow implement proper payroll review and approval procedures, that all timesheets be signed and approved verifying actual hours.

Management's Response – Management concurs and has established procedures to comply with Human Resource Policy 4.10, adopted by the Council of Commissioners on September 21, 2016.

Other Matters

FINDING 16-3: PUBLIC ADMINISTRATOR

Condition – The Public Administrator has not posted an annual report in the office of the Clerk of the District Court. In addition, the balance in the Public Administrator cash account is $74,164.00. This amount represents balances in individual estate accounts which have not been distributed.

Criteria – Section 72-15-207, MCA requires that the Public Administrator post an annual report. The report must include the value of the estate, the money which came into the hands of the Administrator from each estate, what has been done with it, the amount of the Administrator's fees and expenses, and the balance remaining with the Administrator, if any.

Cause – The Public Administrator failed to comply with Section 72-15-207, MCA.

Effect – The Public Administrator is not in compliance with Section 72-15-207, MCA.

Recommendation – The Public Administrator should post an annual report in the office of the Clerk of District Court in compliance with Section 72-15-207, MCA. The Public Administrator should also review the individual estate accounts and distribute the funds in compliance with Section 72-15-207 MCA.

Management's Response – Management concurs that the Public Administrator must comply with Section 72-15-207, MCA and issue an annual report with the Clerk of the District Court. On January 1, 2017, a new Public Administrator took office. The newly elected Public Administrator, Finance and Budget Director, County Attorney, Treasurer and Auditor have been working through the requirements under MCA, and developing controls and procedures for the office. The process to escheat the funds to the State of Montana or properly disburse to heirs is underway. The funds have been invested per the order of the District Court and will remain invested until request to disburse is made by the District Court and Public Administrator. The funds collected after January 1, 2017 under the administration of the new Public Administrator have all been properly deposited within the Treasurer's Office and accounted for by the Public Administrator and the Treasurer.

FINDING 16-4: CIVIC CENTER

Condition – During our examination of the Civic Center box office account, we noted that the staff only deposits to the bank approximately twice a month. The Civic Center prepares individual ticket seller and concession reconciliation reports which are reviewed by management. The funds are not deposited in a timely manner. The event deposits are held until the end of the event and deposited in lump sums.

Criteria – Strong internal controls require that all cash funds be deposited intact on a regular basis.

Effect- Risk of misappropriation of City and County assets and inaccurate financial records as a result of errors or fraud.

Recommendation – We recommend the Civic Center deposit collections from events within one or two days. Management should investigate the feasibility of depositing the funds with the Treasurer.

Management Response – Management concurs and will implement a process to assure that the deposit of funds are made within one or two days from the receipt of all funds. Management is also analyzing the efficiency and need for the box office account held outside of the Treasurer's Department. With the automation capabilities and the implementation of the purchasing card system, this account will be used minimally.

Other Matters - Continued

FINDING 16-5 TRANSIT OPERATING GRANT

Condition – During audit of the Transit (5311) Operating Grant we noted the county phone system (Private Branch Exchange (PBX)) charges were duplicated among direct and indirect expenses.

Cause - When submitting for reimbursement the Butte – Silver Bow transit department failed to deduct the PBX indirect expenses from the direct expenses.

Effect – The duplication and over-reimbursement of funds in the amount of $1,440 for direct expenses and $144 for indirect expenses by the State of Montana, which is not in compliance with contract requirements.

Recommendation - We recommend that the Butte-Silver Bow Transit Department review the county phone system for proper allocation of direct and indirect expenses prior to the submittal of the quarterly reports to the State of Montana. We also recommend the county coordinate with the Montana Department of Transportation to reimburse those funds.

Management Response – Management concurs with the recommendation and has been notified by the Montana Department of Transportation that funds due back to the agency will be withheld from the fiscal year 2017 2nd quarter payment.

During fiscal year 2016, the Transit Department, based on the preferred method of accounting for administrative costs, implemented a 10% indirect cost method for administrative costs. In error, the Transit Department improperly accounted for the PBX, county phone system, allocations as direct cost. The correction to account for the PBX charge as an indirect cost as been made for fiscal year 2017.

Please contact Danette Gleason, Finance and Budget Director, at (406) 497-6323 with any comments or questions.

Prior Report Recommendations

We have discussed in this report certain deficiencies, which were also discussed in the prior audit of Butte Silver Bow for the year ended June 30, 2015. The following is a summary of the prior audit report recommendations and whether or not any action has been taken regarding the recommendations:

	Implemented or Corrected	Partially Implemented	Not Implemented
1. Butte-Silver Bow improve internal controls in offices outside the County Treasurer.			X
2. Butte-Silver Bow improve internal control over payroll and implement proper approval for the Law Enforcement Agency		X	
3. Butte- Silver Bow develop procedures to review fixed asset additions for proper recording and calculation.	X		
4. Butte-Silver Bow comply with Section 72-15-207, MCA, concerning the Public Administrator.			X
5. Butte Silver Bow establish internal Controls to review all cash funds on a monthly basis at the Civic Center	X		

BUTTE-SILVER BOW

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Comprehensive Annual Financial Report
City and County of Butte-Silver Bow, State of Montana
for fiscal year ended June 30, 2016

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Prepared by City and County of Butte-Silver Bow Finance & Budget Department