



The City and County of

Butte-Silver Bow State of Montana



Comprehensive Annual Financial Report for the Year Ended June 30, 2014





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

Comprehensive Annual Financial Report
For Fiscal Year Ended June 30, 2014

Prepared by:
Office of Finance and Budget Administration





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**INTRODUCTORY
SECTION**





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December 30, 2014

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

The Comprehensive Annual Financial Report of the City and County of Butte-Silver Bow, Montana for the fiscal year ended June 30, 2014 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 Butte-Silver Bow 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 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 Butte-Silver Bow Government'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 Butte-Silver Bow Government for the fiscal year ended June 30, 2014, 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 unqualified opinion that the Butte-Silver Bow Government's financial statements for the fiscal year ended June 30, 2014, 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 Butte-Silver Bow Government was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also 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 the provisions of Government Auditing Standards and U.S. Office of Management and Budget Circular A-133, Audit of State and Local Governments, includes a schedule of federal financial assistance, the independent auditor's reports 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 AND 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 34,523 as estimated by the U.S. Bureau of the Census.

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.

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, 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 City and County of Butte-Silver Bow budget serves several different purposes. For the citizens of the City-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 city-county management, it is used as an operating guide and management control tool. All departments of Butte-Silver Bow are required to submit a preliminary annual operating budget requests including performance measures and goals and objectives to the Chief Executive by the end of March 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 middle of August. At that time, the Council also schedules a public hearing on the preliminary operating budget. Once initiated, the public hearing may be continued from day to day but must be concluded and the budget finally approved and adopted by resolution by the later of the first Thursday in August or within 30 calendar days of receiving certified taxable values from the State 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, however, encumbrances are generally re-appropriated as part of the following year's budget. The legal level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is the fund level.

Beginning with fiscal year 2015, the budgets process includes 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 the tools, the annual budget process timeline will include the adoption of the budget prior to the start of the fiscal year.

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 38-41. For governmental funds other than the general fund and the major special revenue fund, this comparison is presented in the supplementary information section for governmental fund of this report, which starts on page 105.

The mission of the Finance and Budget Office, is to ensure that the city-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.

NorthWestern Energy, a leading energy company in the area, continues to play a vital role as a major employer with approximately 565 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. On May 22, 2014, NorthWestern Energy broke ground on a \$23 million, five-story, 100,000 square foot 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. An economic analysis of the General Office project completed by Solution Mountain determined a financial impact to the boarder Butte community of about \$32.9 million. The project is anticipated to result in 380 construction and support jobs.

Montana Resources (MR), one of the Washington Companies, has operated the Butte mine since 1985, continuing the mining tradition. MR operates the successful open pit copper and molybdenum mine and currently employs over 350 people. The operations comprises the Continental mine, crushers and a concentrator facility where tons of raw ore are processed into high quality metal concentrates. It has maintained a strong operation despite recent declines in the market for both copper and molybdenum. MR serves an international market for these metals.

St. James Healthcare serves as a regional medical center for southwestern Montana. The hospital is a modern, state-of-the-art healthcare facility. With approximately 500 employees, St. James Healthcare continues to be one of the largest private employers in Butte-Silver Bow. In April 2014, St. James Healthcare Foundation announced that the hospital was in a receipt of a \$3.59 million gift from the Leona M. and Harry B. Helmsley Charitable Trust. The funds were used to help purchase a new Varian Linear Accelerator for the St. James Cancer Treatment Center's radiation oncology department and to construct a new vault to house the equipment. With the new accelerator, the Cancer Center is now able to provide state-of-the-art Rapid Arc therapy, a treatment option that prior to the funding was not available in southwest Montana.

REC Silicon (REC), a Norway based company, is also a major employer and tax payer in the community. The Butte operation employs 268 Silver-bow County residents. REC is a leading producer of advanced silicon materials, delivering high-purity polysilicon and silane gas to the solar and electronics industries worldwide. The plant in Butte was commissioned in 1998. This plant is the world's largest suppliers of silane gas and other specialty gases for semiconductor, flat panel display, glass, and solar applications. It also owns the largest ISO silane gas module fleet in the industry.

Butte's retail sector in 2014 remains steady even after the announcement of the large chain store, J.C. Penny, closing its doors in May 2014. The local closure was part of the chains closure of 33 stores nationwide. In September 2014, Anderson Management Group, the company that owns four Buffalo Wild Wings Grill and Bar in Montana, announced that the Company will open a restaurant in Butte in the summer of 2015. In December 2014, the site selection announcement was made for a location on Harrison Avenue. In October 2014, Hardee's announced that it will return to Butte in the Spring 2015 at its previous location on Harrison Avenue.

The realty sector of the community reports the Butte real estate market is maintaining a strong and steady pace since the market conditions in 2008. In 2014, the construction permits for single family residents over \$350,000 market value increased for the first time since 2011. In the long winter of 2014, Butte market was one of only two major markets in Montana to show an increase in sales. Butte had a 2.7% increase over the prior year compared to the State of Montana average at a decrease of 11.5%.

Butte continues to have low unemployment rate in comparison to the National average and at or below the State of Montana average. The average unemployment rate in Butte for fiscal year 2014 was 5.15% compared to the National average of 6.8%. In October 2014 the unemployment rate in Butte dropped to 3.9% compared to the National average of 5.8% for the same period.

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. The combined enrollment for the north and south campuses was 2,945 for the 2014 Fall semester. Placement rates for Tech graduates have averaged 97% for the past five years. Since its founding in 1900, Montana Tech has been a key pillar of the community.

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.

Significant Changes During Fiscal Year 2014

Change in key management positions: In a time of consistency among elected leaders on the Commission and other Elected Offices, there have been new employees added in key management positions and advancement in other areas. The changes include the Finance & Budget Director, Public Works Director, Human Resource Director, Health Department Director, Superintendent of Parks & Recreation, Disaster & Emergency Services Management Coordinator, Parking Supervisor, Building Inspector, and Public/On-Line Communications Coordinator. The employees recruited for these positions have many years of experience and expertise in the relevant fields with a majority of time spent in government. The Public Works Director and the Finance & Budget Director have over 30 years of combined experience at Butte-Silver Bow and have returned after gaining experience in the private sector.

Partnership with State of Montana, Department of Justice to Construct a facility to house the “Butte-Silver Bow Emergency Operations Center” and the “Butte Justice Center”: In March 2014 the City and County of Butte-Silver Bow and State of Montana, Department of Justice, entered into a memorandum of understanding (MOU) to construct a \$2.97 million facility that will house the Butte-Silver Bow Emergency Operation Center and

the Butte Justice Center. House Bill #5 of the 63rd Montana Legislature appropriated \$1.6 million of long-range building program funds to the Department of Administration and authorized the \$1.6 million of non-state funds to the project. Butte-Silver Bow received local funding matches including \$760,000 from State Homeland Security Grant Program, an additional \$204,000 Homeland Security Grant for construction, \$468,850 State Homeland Security Grant for equipment purchases and installation, and \$153,941 State Homeland Security Grant for the purchase and installation of an emergency generator. Butte-Silver Bow will also provide \$200,000 of local government support and in-kind services. The State of Montana, Department of Justice will take ownership to the facility. Butte-Silver Bow and the State of Montana, Department of Justice, entered into a 100 year lease agreement in February 2014.

Performance Budgeting and Capital Improvement Plan: In February 2014, the City and County of Butte-Silver Bow hired a consultant to assist with the implementation of Performance Budgeting and to develop a five year capital improvement plan. The process included various community forums to gain citizen input and feedback on variety of budget and long range improvement projects. The local government also hired a Public/On-Line Communications Coordinator to utilize social media features and update the government website to enhance transparency of the government and increase accountability. This is the initial phase to invite more citizen involvement.

Building Restoration and Preservation: The City and County in fiscal year 2014 have continued efforts in the restoration and preservation of the local government facilities. The Chief Executive and Council of Commissioners committed \$205,000 to the restoration of the glass dome located in the rotunda of the Courthouse. The project was completed in December of 2014. The local government is committed to search financing options to restore and preserve the historical structure owned by the local government.

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.

In the past several years, 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. Butte-Silver Bow is continually in negotiations with prospective companies regarding potential operational sites in the community.

Ramsay TIFID Marketing and Development

The Port of Montana Business Development District and the Butte-Silver Bow Ramsay TIFID has partnered to create the Montana Connections Business Development Park. A major project of this partnership, in conjunction with the Montana Department of Transportation involved the realignment of German Gulch Road and a bridge replacement. In 2014, the Port of Montana and Butte-Silver Bow economic team also completed the initial phases of an enhanced marketing plan, which included the coordination of the economic efforts of the community. The Ramsay Tax Increment Financing District development of the Montana Connection Business Development Park has spurred many development interests. The next phase of the marketing plan will be implemented in fiscal year 2015. On June 30, 2014, the Ramsay TIFID had \$18 million available for future development.

Urban Revitalization Agency (URA) and East Butte Renovation and Rehabilitation (RRA) Projects

In uptown Butte, the URA (Urban Revitalization Agency) has partnered with several businesses to enhance and renovate historic buildings through a combination of grants and loans. The construction of a two million dollar neighborhood center in Emma Park was completed in the spring of 2014. The current URA district sunset on June 30, 2014. However, the URA will continue the revolving loan programs within the respective districts. There was \$3.7 million remaining on June 30, 2014 for future loan projects. A new URA in the uptown area was established in 2014 with a base year of fiscal year 2015. The initial project in the newly formed URA District will be an estimated six million dollar public parking structure for the uptown area.

The East Butte Renovation and Rehabilitation Agency (RRA) experienced another year of sustained growth. A local brewery continues construction on a new facility that also includes professional office space. Additional buildings were granted funds for infrastructure rehabilitation and new construction. The projects in this district included the construction of a \$5 million chemical dependency facility, Montana Chemical Dependency Center, which opened in December 2013.

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 5th, 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 \$35 million, is being funded by the State of Montana Natural Resource Damage Program grant funds. A contract for construction is expected to be awarded in mid-2015 with completion slated to occur in September of 2016. The City and County of Butte-Silver will also continue to leverage State of Montana, Natural Resource Damage (NRD) grant funds to replace waterlines in Butte-Silver Bow.

Metro Sewer Plant upgrade

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. Construction of the new treatment technology will continue through 2015 and is expected to be complete in mid-2016. This \$34 million project is being funded by \$30 million in revenue bonds issued through the Montana State Revolving Fund (SRF) and \$4.36 million grant from the Montana Department of Environmental Quality, Montana Pole Settlement Account. On October 22, 2014 the City and County of Butte-Silver Bow closed on the first of a series of three \$10 million bond issues, \$10,000,000 Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program) Series 2014. All bonds will be for a period of 25 years with a fixed rate of 2.5%. The second series is tentatively scheduled to be issued on July 1, 2015.

American Legion Baseball Field

The local American Legion organization and Butte-Silver Bow, with the financial donations and in-kind assistance of corporate, and community donors, have begun the design and will begin construction in the Spring of 2015 on a \$1,000,000 Legion Baseball facility to be located at the Copper Mountain Park. This will be one of the states' most prestigious Legion Baseball fields.

Projects under design and review

In fiscal year 2015, funds were appropriated to study and review the feasibility of major projects. These projects will be potentially funded through various mechanisms including the issuance of debt, public-private partnership, redevelopment trust funds, and state or federal grants. The projects include an outdoor aquatic facility, major park improvements at the Stodden Park, infrastructure improvements at the Courthouse, construction of Public Works Office building, lighting energy efficiency retro-fit projects, and enhancements to the technology infrastructure.

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).

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 a 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 the fair presentation and full disclosure of the financial position and results of operations of the county in conformity with Generally Accepted Accounting Principles

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 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 are 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 Commission, for review the copy of the 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 that 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.

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 Butte-Silver Bow for its comprehensive annual financial report for the year ended June 30, 2013. This was the 25th 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 our sincere appreciation for their contributions made in the preparation of this report. Also, the Chief Executive and the Council of Commissioners have our appreciation for their leadership, commitment and support without which the development of this report would not have been possible.

Respectfully submitted,



Danette L. Gleason
Finance and Budget Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

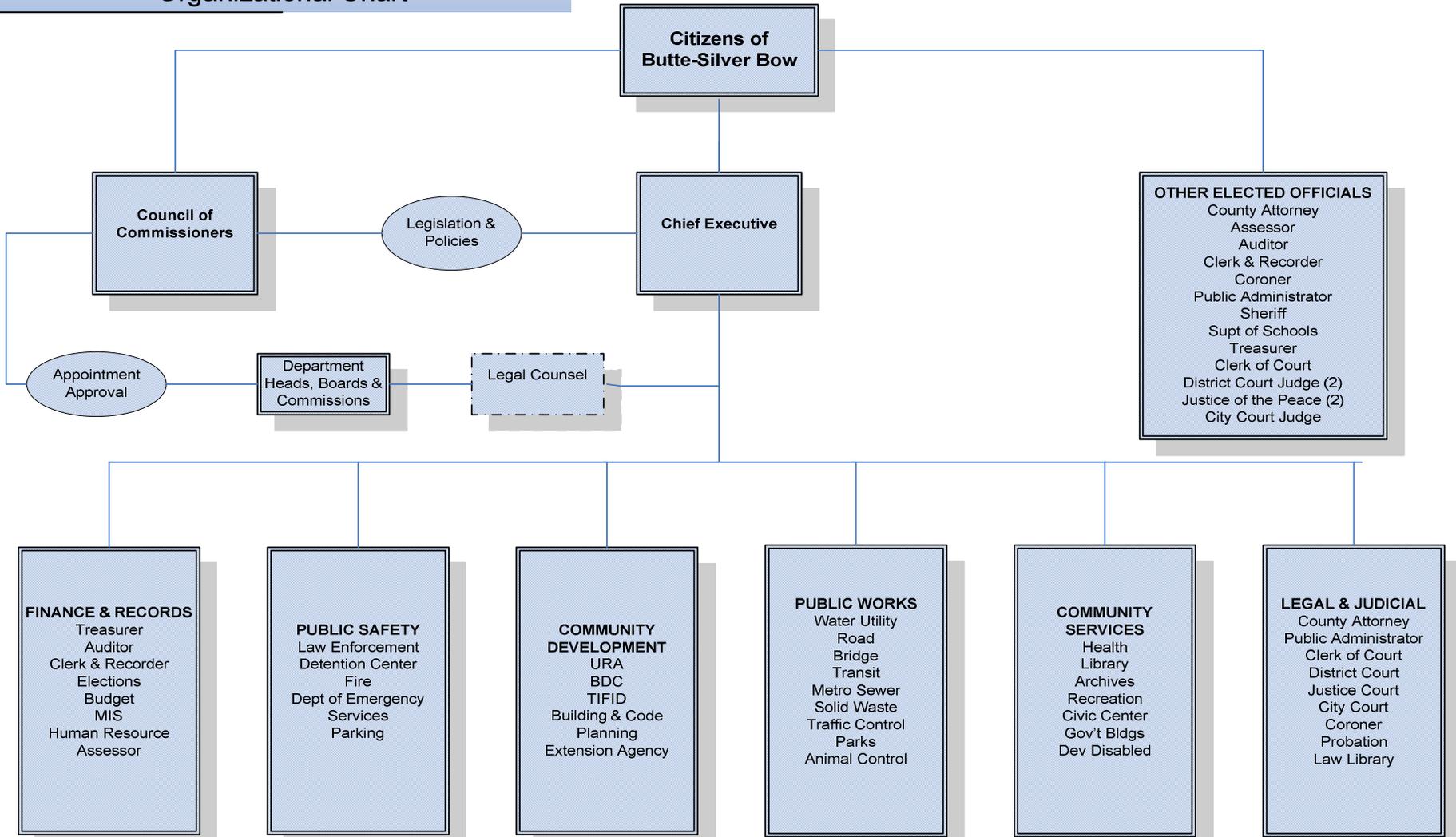
**City and County of Butte-Silver Bow
Montana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

City & County of Butte-Silver Bow Organizational Chart



City and County of Butte-Silver Bow
City and County Officials
June 30, 2014

Title	Name
Chief Executive	Matt Vincent
 <i><u>Council of Commissioners</u></i>	
Council Chair-District No.11	Cindi Shaw (Chair)
Council Member-District No. 1	Mark Moodry
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
 <i><u>Department Staff</u></i>	
Finance & Budget Director	Danette Gleason
Human Resource Director	Ronald Stormer
Planning Director/Superfund Coord.	Jon Sesso
Civic Center Manager	Bill Melvin
Fire Coordinator	Jeffery Miller
Public Works Director	Dave Schultz
Health Director (Interim)	Karen Sullivan
URA/Community Develop. Director	Karen Byrnes
Manager of Information Technology	Linda Sajor-Joyce
 <i><u>Elected Officials</u></i>	
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**





Newland and Company
A Professional Corporation

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Butte, Montana 59702
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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

Shareholders
Patrick J. Burt, CPA
Michael E. Johns, CPA
Robert L. Bristol, CPA
Debbie A. Ouellette, CPA, MBA
James A. McKenzie, CPA
Nancy A. Clark, CPA
Kyle T. McGree, CPA
Craig C. Tippett, CPA

CPA's
Michael J. Blakeley
John E. Boyce

Of Counsel
John F. Burns, CPA

Founder
John N. Newland, CPA
(1906-1999)

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 aggregate 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, 2014, 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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Butte-Silver Bow, Montana, as of June 30, 2014, 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 19 through 31 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 30, 2014 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.

Sincerely,
Newland and Company

NEWLAND AND COMPANY
A Professional Corporation

Butte, Montana
December 30, 2014



MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City and County of Butte-Silver Bow, Montana's (the City and County) comprehensive annual financial report, the City and County's management is pleased to provide this narrative discussion and analysis of the financial activities of the City and County for the fiscal year ended June 30, 2014. We discuss and analyze the City and County's financial performance within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The City and County's assets exceeded its liabilities by \$227,446,501 (net position) for the fiscal year reported.
- Total net position are comprised of the following:
 - (1) Net investment in capital assets is \$147,223,624, 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 \$61,445,650 is restricted by constraints imposed from outside the City and County such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$18,777,227 represents the portion available to maintain the City and County's continuing obligations to citizens and creditors.
- The City and County's governmental funds reported total ending fund balance of \$67,954,904 this year. This compares to the prior year ending fund balance of \$65,221,683 showing an increase of \$2,733,221 during the current fiscal year. Total net unassigned fund balance of \$3,921,657 at June 30, 2014 shows a \$93,547 decrease from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,210,404, or 20.3% of total general fund expenditures in fiscal year 2014. The percentage at June 30, 2013 was 22.12%, for a decreased.
- Overall, the City and 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

This Management Discussion and Analysis document introduces the City and 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 and County also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The City and County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City and 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 and 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 and County as a whole is improving or deteriorating. Evaluation of the overall health of the City and County would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City and 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 and 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 and County's distinct activities or functions on revenues provided by the City and County's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City and 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 33 & 34 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 and 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 and County's most significant funds rather than the City and 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 and 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 and 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 funds; the Ramsay TIFID Fund and ARCO Redevelopment Trust Fund.

The basic governmental fund financial statements are presented on pages 35-43 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 and County charges customers a fee. The City and 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 and County for a variety of services, primarily utility services.

The basic enterprise fund financial statements are presented on pages 44-49 of this report.

Fiduciary funds are classified as Agency Funds and Investment Trust Funds. These funds are reported on pages 51-52 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 53 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 and County's budget presentations. Budgetary comparison schedules for the nonmajor governmental funds including non-major; special revenues funds, debt service, and capital improvement funds can be found in the supplementary section of this report. These schedules demonstrate compliance with the City and County's adopted and final revised budget. The legal level of budgetary control is at the fund level.

In addition, combining statements and schedules for nonmajor funds, including budgetary schedules, are presented in this section of this report beginning on page 86.

Financial Analysis of the City and County as a Whole

The City and County's net position at fiscal year-end are \$227,446,501. The following table provides a summary of the City and County's net position comparing June 30, 2014 with June 30, 2013:

Summary of Net Position
(dollars in thousands)

	Governmental Activities		Business-Type Activities		Total		% of Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Assets:								
Current assets	\$ 74,739	\$ 71,408	\$ 12,827	\$ 12,466	\$ 87,566	\$ 83,874	32%	31%
Capital Assets	96,389	96,831	84,446	85,854	180,835	182,685	67%	68%
Non-current assets	-	-	2,929	3,147	2,929	3,147	1%	1%
Total assets	171,128	168,239	100,202	101,467	271,330	269,706	100%	100%
Liabilities:								
Current liabilities	8,151	8,909	3,019	4,258	11,170	13,167	25%	26%
Long-term liabilities	29,617	32,148	3,096	4,713	32,713	36,861	75%	74%
Total liabilities	37,768	41,057	6,115	8,971	43,883	50,028	100%	100%
Net position:								
Net investment in capital assets	66,024	63,076	81,199	80,412	147,223	143,488	65%	65%
Restricted	59,551	56,914	1,895	2,087	61,446	59,001	27%	27%
Unrestricted	7,784	7,192	10,993	9,997	18,777	17,189	8%	8%
Total net assets	\$ 133,359	\$ 127,182	\$ 94,087	\$ 92,496	\$ 227,446	\$ 219,678	100%	100%

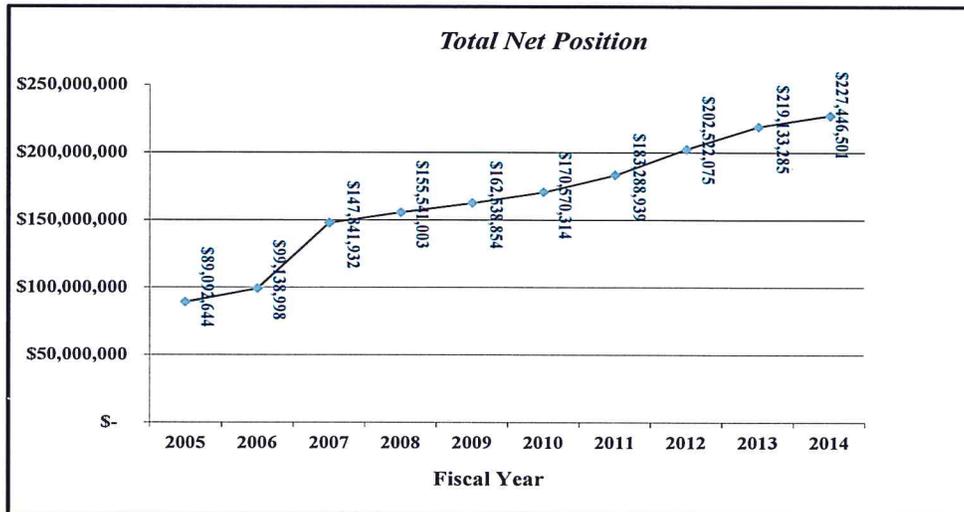
The City and County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 9.2 to 1 (as compared to 8 to 1 at June 30, 2013) and 4.2 to 1 (as compared to 2.9 to 1 at June 30, 2013) for business type activities. For the City and County overall, the current ratio is 8.0 to 1 (as compared to 6.3 to 1 at June 30, 2013). These ratios are

strong. The classification of assets and liabilities between current and non-current as a percentage, is very similar in both years presented.

The City and County reported positive balances in total net position for both governmental and business-type activities. Net position for governmental activities increased \$6,721,756 in this fiscal year as compared to a \$15,953,132 increase in fiscal year 2013. In fiscal year 2013 the City and County received \$9.375 million in Redevelopment Trust funds which not a normal allocation of funds. Without the \$9.375 million in revenue in fiscal year 2013, the net position would have increased by \$6,578,132. Net position increased \$1,591,460 in fiscal year 2014 as compared to an increase of \$1,172,168 for business-type activities in fiscal year 2013. The City and County's overall financial position improved during fiscal year 2014 by \$8,313,216.

Note that approximately 49.4% of the governmental activities' total assets are tied up in capital as compared to 50.1% at June 30, 2013. The City and County uses these capital assets to provide services to its citizens. However, with business type activities, the City and County has spent approximately 86.3% 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 2005 - 2014.



Note that over the last ten years, total net position continues to increase, which is a positive financial indicator. The large increase in fiscal 2007 relates to the addition of infrastructure retroactively.

The following table presents the details of the changes in net position for fiscal years 2014 and 2013.

	Summary of Changes in Net Assets (in Thousands)					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program:						
Charges for services & fines	\$ 7,725	\$ 7,401	\$ 17,051	\$ 15,869	\$ 24,776	\$ 23,270
Operating grants	15,772	28,282	504	-	16,276	28,282
Capital grants	3,744	3,124	1,924	1,263	5,668	4,387
General:						
Taxes	33,223	31,678	-	-	33,223	31,678
Investment earnings	200	236	28	36	228	272
Other	717	1,482	158	482	875	1,964
Total revenues	<u>61,381</u>	<u>72,203</u>	<u>19,665</u>	<u>17,650</u>	<u>81,046</u>	<u>89,853</u>
Program expenses:						
General government	15,461	16,309	-	-	15,461	16,309
Public safety	16,684	15,849	-	-	16,684	15,849
Public works	8,983	8,602	-	-	8,983	8,602
Public health	2,867	3,378	-	-	2,867	3,378
Social and economic services	273	270	-	-	273	270
Culture and recreation	4,056	3,729	-	-	4,056	3,729
Housing and community development	5,468	7,116	-	-	5,468	7,116
Interest	1,114	1,243	-	-	1,114	1,243
Water Utility Division	-	-	9,709	8,607	9,709	8,607
Metro Sewer Operations	-	-	4,446	3,979	4,446	3,979
Solid Waste	-	-	2,661	2,511	2,661	2,511
Other enterprise activities	-	-	1,012	1,134	1,012	1,134
Total expenses	<u>54,906</u>	<u>56,496</u>	<u>17,828</u>	<u>16,231</u>	<u>72,734</u>	<u>72,727</u>
Excess	6,475	15,707	1,837	1,419	8,312	17,126
Transfers	246	246	(246)	(246)	-	-
Change in net position	6,721	15,953	1,591	1,173	8,312	17,126
Beginning net position, restated	<u>126,638</u>	<u>111,229</u>	<u>92,496</u>	<u>91,323</u>	<u>219,134</u>	<u>202,552</u>
Ending net position	<u>\$ 133,359</u>	<u>\$ 127,182</u>	<u>\$ 94,087</u>	<u>\$ 92,496</u>	<u>\$ 227,446</u>	<u>\$ 219,678</u>

The Governmental Activities Beginning net position was restated to reflect the implementation of GASB 65; \$544,090 in bond issue costs were expensed.

GOVERNMENTAL REVENUES

The City and County is heavily reliant on property taxes to support governmental operations. Property taxes equal 52.2% of the revenues for governmental activities, as compared to 42.4% in fiscal year 2013.

Property taxes increased \$1,544,218 or 5% relates to an additional mill levied to:

- Cover the increase in health insurance premiums
- Increase low fund balance reserves
- Cover the cost of a 2.5% salary increase

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

- State of Montana Entitlement Funds- HB 124 Reimbursement - \$3,194,605
- Federal Government Payment in Lieu of Taxes (PILT) - \$521,140
- State of Montana on behalf of Local Governments makes payments to the various pension plans within the Montana Public Employees Retirement Agency (MPERA) -\$796,459
- MT Department of Commerce Grant – Neighborhood Stabilization and Improvement Grant \$1,059,894
- Hard Rock Mining Impact Trust Funds -\$591,223 (Restricted for future use by Montana Code)
- State of Montana Distribution of Metals Mines Tax -\$251,103

City and County recognized Capital grants for general government was \$1.467 million from the State of Montana Natural Resource & Damage Fund – Silver Bow Creek/Greenway Trail and Restoration Project.

The City and County recognized major operating grants for public works included:

- State of MT Entitlement Funds- HB 124 Reimbursement-\$543,261
- State of MT Gas Tax Apportionment-\$640,706
- Federal Transit Section 5311 and Section 5316 Operating Grant-\$668,280
- BP Corporation (Anaconda-Arco) Superfund allocation payments for maintenance and remediation of the Priority Soils Area-\$619,858

The City and County recognized major capital grants for public works included:

- State of MT – State Aid to Transportation grant to purchase two flusher trucks-\$302,221
- Federal Transit Section 5309 and Section 5311 Capital Grant to purchase 5 buses-\$1,533,692

Because of the City and County's healthy financial position, we have been able to earn \$199,806 in investment earnings to support governmental activities. Also, note that program revenues cover 50% of governmental operating expenses as compared to 68.7% in fiscal year 2013.

These are extremely high percentages. This means that the government's taxpayers and the City and County's other general revenues fund only 50% of the governmental activities in fiscal year 2014.

GOVERNMENTAL FUNCTIONAL EXPENSES

Public safety costs comprise 30.4% of the total governmental expenses, as compared to 28.1% in fiscal year 2013. These public safety costs increased 5.3% or by \$834,806 at the government-wide financial reporting level. General government expenses makes up 28.2% of the total governmental expenses, as compared to 26.4% in fiscal year 2013. Public works is the third largest costly function, totaling over \$8.9 million or 16.4% of total expenses, as compared to 15.2% in fiscal year 2013.

The following table presents the cost of each of the City and 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 and County's taxpayers by each of these functions.

Governmental Activities

	Fiscal Year 2014		Fiscal Year 2013	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 15,461,234	\$ (702,488)	\$ 16,309,194	\$ (10,669,527)
Public safety	16,683,675	14,327,932	15,848,869	13,863,262
Public works	8,982,667	3,760,447	8,601,763	2,591,857
Public health	2,867,355	605,907	3,378,195	416,578
Social and economic services	273,380	233,797	269,670	233,290
Culture and recreation	4,056,301	3,443,040	3,729,018	3,274,899
Housing and community development	5,467,638	4,881,725	7,116,256	6,736,454
Interest	1,114,344	1,114,344	1,242,890	1,242,890
Total	\$ 54,906,594	\$ 27,664,704	\$ 56,495,855	\$ 17,689,703

As indicated, we finance a large percentage of the City and County's costs through program revenues. Of the net costs to taxpayers, public safety makes up over 3.4% of the total amount as compared to 28.1% in fiscal year 2013.

BUSINESS-TYPE ACTIVITIES

In total, the enterprise funds reported a \$1,591,460 increase in net position as compared to \$1,172,168 in fiscal year 2013. This year the City and County reported a total operating gain of \$97,619 as compared to an operating loss of \$28,641 in fiscal year 2013. Operating revenues are up \$1,148,665 below fiscal year 2013 or 7.2%. Operating expenses were \$1,022,405 more than fiscal year 2013, or 6.4%. The explanations for these changes are highlighted in the proprietary fund section below.

Financial Analysis of the City and 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 \$67,954,904. Of this year-end total, just \$3,921,657 is unassigned indicating availability for continuing City and County service requirements. Legally restricted fund balances include \$20.5 million for economic development and \$15 million for superfund.

The total ending fund balances of governmental funds show an increase of \$2,733,221 or 4.2% over the prior year. A large portion of this increase relates to the Ramsay TIFID fund or \$3.1 million.

Major Governmental Funds

The General Fund - The general fund is the City and County's primary operating fund and the largest source of day-to-day service delivery. The general fund's fund balance decreased by \$237,680 or just 3.9%. In fiscal year 2013, the fund balance decreased by \$71,242.

The general fund's ending unassigned fund balance of \$5,210,404 is considered adequate, representing the equivalent of 20.2% of annual expenditures. This percentage compares to 22.1% at June 30, 2013. 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.

Total revenues increased \$609,283 or 2.4% above fiscal year 2013. In fiscal year 2013, total revenues increased 10%. Real property tax revenues increased \$397,541 or 3.2% above the prior year. This increase relates to an increase in the number of mills levied.

Fines and forfeitures decreased \$63,253 or 14% due to reduction of fine collections in the City Court. The staff charged with delinquent collections was on long-term medical leave of absences. A collection agency was not contracted until late in fiscal year 2014. Charges for services increased \$822,593 or 15.2% over fiscal year 2014. The Board of Prisons funds were up \$65,000 and health insurance premiums increased by \$749,270.

Miscellaneous revenues decreased \$510,417 or 71.2%. Most other general fund revenues were comparable to fiscal year 2013 amounts.

The expenditures side reports an increase of \$732,716 or 2.8% over the prior year. Last year the expenditures increased \$1,906,999 or 8.3% over the June 30, 2013 amounts. Public safety expenditures increased \$274,398 or 2.8%. Public health costs increased \$242,927 or 19.3% due to:

Public Health

- The Animal Control budget increased by \$74,000 to account for an additional Enforcement Officer and \$13,000 to cover the increased cost of vet services
- \$100,000 Department of Justice grant to implement Drug Court program to assist families and low risk offenders, began at the end of fiscal year 2013. In fiscal year 2013 \$17,000 was expended. In fiscal year 2014, \$89,000 was carried over.
- Additional grant funds for \$50,000 were recognized and expended in the Women Infant and Children (WIC) program.
- \$70,000 more was expended in the Community Enrichment Budget to address the bonded buildings in Butte and enhance Community Enrichment.

Cultural and recreation costs increased \$286,591 or 12.8% relating to:

- Library Services benefits increased \$50,000. This increase was due to health insurance benefit offered to permanent part-time staff.
- Park Department had a \$90,000 increase to account for the increase in salary of the new certified Superintendent of Parks and the additional Parks & Recreation Coordinator position
- Golf Course budget increased by \$106,000 to cover fuel costs not allocated properly to the account and increase the summer maintenance staff.
- An \$81,000 increase in Civic Center Budget for additional events over fiscal year 2013, was attributed to the increased cost of concessions (supplies and staffing). \$44,000 increase related to expenditures on the alarm system

Most other functional expenditures were similar to those amounts reported in fiscal year 2013.

Other Major Governmental Funds - The City and 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 and County reports two other 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 \$6,050,364. Property taxes were \$884,818 or 12.8% below those of fiscal year 2013. The amount of taxed levied by the School District #3 (Ramsay Elementary School) were down from 105.71 (fiscal year 2013) to 24.93 (fiscal year 2014). The decrease was a result of the tax distribution made by the Ramsay TIFID to the taxing jurisdictions. The Ramsay School District, as outlined in Montana Statute, requires the school district to reduce the tax burden when such distribution is made. The taxes levied for the schools within the district are captured by the TIFID, since less taxes levied in fiscal year 2014 by the Ramsay School District less taxes were captured with the TIFID. In fiscal year 2015 the levies were back up to 99.68 mills.

Before transfers out, this fund incurred expenditures of \$409,381. The majority of these expenditures relate to:

- \$160,000 in operating costs including the salary and benefits for TIFID administrator, training and travel
- \$94,000 in grants to businesses for partial payments towards infrastructure
- \$138,000 in professional services including \$15,000 in legal counsel; \$32,300 marketing analysis; \$12,000 engineering costs; \$37,000 in signage and marketing; \$19,000 professional grant writing assistance
- \$20,000 in outdoor advertising around the state

This fund transferred \$1.9 million to the ASiMI bond fund to retire related revenue bonds. The fund balance in this fund increased \$3,058,097. The ending fund balance in this fund totals \$18,386,729 to be expended on future development activities.

ARCO Redevelopment Fund – The revenue in this fund is \$7,865 in investment earnings. Expenditures totaled \$292,011. The ending fund balance for this fund totaled \$14,596,017. Section 15.3 of *Addendum 3 To Allocation and Settlement Agreement and Mutual Release of Claims* outlines the designated use of the redevelopment trust funds. It is not a requirement of the agreement to obtain pre-approval from Atlantic Richfield Company (ARCO) on the expenditures as outlined in Section 15.3. These funds are to be invested for current and future redevelopment or maintenance of the priority soil sites in the areas around Butte reclaimed by ARCO. A Redevelopment Trust committee will review potential projects each budget cycle and determine which expenditures will be made. Currently, seven categories are designated for use of the funds. This includes, Development of Mine Waste Source Areas, Historic Preservation, Open Space and Recreation Areas, Health Initiatives, Festivals, Silver Lake Water System Improvements, and Community and Economic Development. Funding strategies are to be designed to be long-term and sustainable.

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 and 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 \$100,000, \$150,000 and \$50,000, respectively. These transfers relate to numerous administrative services provided by the General Fund, including financial and accounting support, legal counsel, treasury and clerk and recording functions, and internal auditing.

Water Utility Division - The operating revenues in fiscal year 2014 increased \$706,972 or 8.7% over the prior fiscal year. This increase is a result of a 10% increase in water rates October 1, 2013. This fund received a \$500,000 debt forgiveness grant from the State of Montana, State Revolving Loan Program Safe Drinking Water Program. This fund also recognized a \$1.8 State of Montana Natural Resource & Damage Program grant of which \$1,000,000 was for water main replacement, and \$414,000 was for upgrade and installation of residential water meters and \$400,000 was for design and engineering on the Basin Creek Filtration Plant.

Operating expenses were \$526,322 or 6.2% more than fiscal year 2013. Personal services increased \$271,611 or 9% over the prior year since there was a 2.5% increase in salaries and 7.3% increase in benefit costs. The benefit costs relate to the increase health insurance premiums.

The operating loss for this fund is \$136,251 as compared \$316,901 in fiscal year 2013.

The net position of this fund increased \$1,376,305 from the June 30, 2013 amount. The June 30, 2014 unrestricted amount is \$378,601 or an increase of \$546,676.

Metro Sewer Operations – Operating revenues increased \$560,557 or 10.6% from the fiscal year 2013. The 2014 operating revenues were \$560,557 over the prior year. This increase relates to a 10% rate increase July 1, 2013. Operating expenses were \$4,446,076 or \$467,308 or 11.7% over the fiscal year 2013 amount. The fund reported a total increase in net position of \$783,859 after transfers out of \$150,000. At June 30, 2014, this fund reported \$17,441,584 in net position.

Solid Waste Program – The operating revenue in fiscal year 2014 was down \$90,790 from the prior fiscal year. Operating expenses were up \$150,692 or 6% above the fiscal year 2013 amount. An operating loss of \$528,788 is recognized. Total net position decreased \$574,459 from fiscal year 2013.

General Fund Budgetary Highlights

The total revenue budget was amended upward just \$85,498 and the total expenditure appropriation was amended upward by \$96,789.

In total, revenues realized were \$56,086 over projected revenues. Real property taxes were \$518,069 below the final budget amount and personal property and motor vehicle taxes were \$315,676 over the budget. The budget allocation between these two revenue sources was not amended since in total for all taxes, the budget variance was only \$182,607.

Intergovernmental revenue was \$354,195 below the final budget. This shortage primary relates to lesser on-behalf payments for pension costs. This difference has no financial implications as the amount of revenue recognized equal to the amount of expenditures.

The charges for services amount were \$424,468 above the final budget, which relates primary to housing federal prisoners. This is a difficult revenue source to project as the contract has a fixed rate amount, but not a minimum number of prisoners for each fiscal year.

On the expenditure side, only 90.7% of the budget was expended. The general government function was \$1,158,542 or 9.6% were below the appropriation. The difference relates to the following:

- Although a significant amount of work was completed on the DNRC grant projects, the projects were not completed due to weather and change in design, resulting in unexpended budget authority. The unspent amount includes \$125,000 at the Orphan Girl Mine at the Mining Museum campus; \$95,000 in mine-yard improvements; \$244,700 of storm water improvements at the mine-yard entrances; \$177,000 at the Belmont mine site on the development of using water in the mineshafts as a source of irrigation water.
- The CTEP grant projects budgeted for fiscal year 2014, but not completed, included \$541,303 in sidewalk projects and \$206,127 a pedestrian bridge project. Anticipation of electric and gas utility rate increase, the budget for utilities was over projected by \$125,667.
- The fiscal year 2014 funds were allocated for a historic preservation project(s) totaling \$200,000. In mid-2014, the funds were assigned to the Courthouse dome project with most of the work to be completed in fiscal year 2015.

Public safety costs were \$1,097,645 or 10% below the final appropriation. This difference relates to the following:

- Salaries and benefits were below the budget by \$332,150. This difference includes an officer position that was not filled during fiscal year 2014; \$200,000 in overtime and holiday pay savings for fiscal year 2014. The Law Enforcement Division also had an increase in retirements of officers with significant longevity on the force resulting in smaller longevity payment to the new officers.
- As discussed previously in the revenue section, \$438,000 was over-projected for on behalf payments related to the State of Montana contribution to the Montana Public Employees Retirement Agency for the various pension funds (See discussion of intergovernmental above).
- Fire department salaries and benefits were \$300,000 below budget. Two firefighter positions were left vacant in fiscal year 2014. The fire department has also seen an increase in retirements of firefighters with significant longevity. This also attributes to the cost savings related to the funds budgeted in the longevity.
- \$60,000 was over-projected for on behalf payments related to the State of Montana contribution to the Montana Public Employees Retirement Agency for the various pension funds.

Capital Assets and Debt Administration

Capital Assets

The City and County's net investment in capital assets for governmental and business-type activities as of June 30, 2014, was \$96,389,518 and \$84,445,677 respectively. The net investment in the governmental activities increased by approximately \$102,656 and the business-type activities decreased approximately \$1.4 million as compared to the June 30, 2013 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, 2014 and 2013.

Capital Assets

	Governmental Activities		Business Activities		Total	
	2014	2013	2014	2013	2014	2013
Non-depreciable assets:						
Land	\$ 4,249,347	\$ 4,195,170	\$ 1,332,721	\$ 1,299,935	\$ 5,582,068	\$ 5,495,105
Construction in progress	2,118,797	2,016,615	4,646,862	3,570,429	6,765,659	5,587,044
Total non-depreciable	6,368,144	6,211,785	5,979,583	4,870,364	12,347,727	11,082,149
Depreciable assets:						
Buildings	37,519,250	37,284,392	31,968,175	31,968,175	69,487,425	69,252,567
Improvements other than buildings	9,164,988	8,941,835	101,186,703	98,937,597	110,351,691	107,879,432
Machinery and equipment	25,374,499	22,326,990	117,028	64,645	25,491,527	22,391,635
Infrastructure	85,118,832	82,386,411	10,515,069	10,293,945	95,633,901	92,680,356
Total depreciable assets	157,177,569	150,939,628	143,786,975	141,264,362	300,964,544	292,203,990
Less accumulated depreciation	67,156,195	60,860,330	65,320,881	60,279,813	132,477,076	121,140,143
Book value - depreciable assets	90,021,374	90,079,298	78,466,094	80,984,549	168,487,468	171,063,847
Percentage depreciated	43%	40%	45%	43%	44%	41%
Total capital assets net	\$ 96,389,518	\$ 96,291,083	\$ 84,445,677	\$ 85,854,913	\$ 180,835,195	\$ 182,145,996

At June 30, 2014, the depreciable capital assets for governmental activities were 43% depreciated. This amount is about the same as the June 30, 2013 percentage. With the City and County's business type activities, 45% of the asset values were depreciated at June 30, 2014 compared to 43% at June 30, 2013. In both instances, the minimal change in the percentage depreciated is a positive indicator.

The construction in progress amount for governmental activities includes:

- Additional improvements to the Public Works Road Department Crusher - \$665,786
- Civic Center Fire Alarm system upgrade project - \$44,505
- Central Equipment & Maintenance Air Ventilation System - \$18,513
- Emergency Operations Control Center Equipment and Buildings - \$44,633
- Skyline Park Paving (Trail and Parking lot) Project - \$39,174
- Road and Bridge work German Gulch Road - \$1.3 million

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

- Fairway mower and Gator 4-wheeler for Golf Course - \$56,448
- Emergency Operations Equipment-NEC Phone system - \$358,872
- Road Department – 2 Flusher Trucks - \$349,066
- District Court Video Security Equipment - \$19,515
- Civic Center Concession Stand Equipment - \$6,600
- Civic Center Security Equipment - \$8,900
- Transit – 5 passenger buses - \$1,887,180
- Parks-Skidsteer - \$44,500
- Law Enforcement (4 cars and 2 motorcycles) - \$148,253
- Reclamation Equipment - \$68,077

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

- Improvement at Golf Course pond - \$20,275
- Road Improvement - \$635,453
- Buffalo Gulch Tunnel and Road improvements - \$133,654
- Silver Bow Creek/ Greenway Trail system construction projection and improvements - \$1.43 million
- Mineyard and Headframe Preservation \$225,000
- Skyline Park –Constructed Youth Fishing Pond \$284,840

The major additions to the business-type activities improvements other than buildings relate to:

- Water Utility Division-Groundwater Restoration Plan and Telemetry equipment upgrade - \$50,894
- Water Utility Division-Main Renewal Projects on Montana Street, Harrison Ave, and Farragut Avenue - \$1,009,367
- Metro Sewer-Metro Sewer Sanitary Line Replacement on Montana Street, Wharton, Holmes, Blacktail Creek and Butte Country Club, Platinum, Warren, Park Street, and Dexter - \$959,410
- Waste-water Treatment Phase I Improvements & Efficient Reuse project - \$199,323

The major projects included in CIP at 6/30/2014 are:

- Water Utility Division- Basin Creek Water Filtration Plan - \$890,662
- Water Utility Division-Big Hole Transmission Line - \$171,015

Long-term Debt

At the end of the fiscal year, the City and County had total long-term debt outstanding of \$38,219,667. Of this amount, \$15,988,078 is backed by the full faith and credit of the City and County (general obligation bonds and notes) with debt service fully funded by voter-approved property taxes. The other major component is \$14,170,000 supported by tax increment financing.

The following schedule includes the June 30, 2014 and 2013 outstanding long-term debt.

	Outstanding Borrowings						% Change
	Governmental Activities		Business-type Activities		Totals		
	2014	2013	2014	2013	2014	2013	
General obligation bonds	\$ 14,946,468	\$ 16,155,668	\$ -	\$ -	\$ 14,946,468	\$ 16,155,668	-7.5%
Tax increment debt	14,170,000	15,510,000	-	-	14,170,000	15,510,000	-8.6%
Revenue bonds	-	-	3,246,387	5,442,691	3,246,387	5,442,691	-40.4%
General obligation notes	1,041,610	1,243,107	-	-	1,041,610	1,243,107	-16.2%
SID bonds	-	55,000	-	-	-	55,000	100.0%
Capital leases	207,103	246,817	-	-	207,103	246,817	-16.1%
Post closure	-	-	809,954	321,940	809,954	321,940	151.6%
Compensated absences	3,447,674	3,146,469	350,471	670,485	3,798,145	3,816,954	-0.5%
Total	\$ 33,812,855	\$ 36,357,061	\$ 4,406,812	\$ 6,435,116	\$ 38,219,667	\$ 42,792,177	-10.7%

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

Economic Conditions Affecting the City and County

The City and 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 economy of the City and County historically has been based on mining and mineral extraction and the industries they spawned. However, the economy has diversified over the years and in the most recent few years has experienced significant changes. Local businesses are expanding facilities and services, particularly in the areas of engineering and research and development. Fortunately, the housing and mortgage problems facing the rest of the nation have had little impact on the local real estate market. The realty sector of the community reports that the City and County real estate market remains steady. Although the worldwide recession has caused fluctuations in the price of copper, Montana Resources, Inc. continues operations and remains a major employer in the area.

The City and County serves as the regional trade and medical center for southwestern Montana and it 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.

Contacting the City and County's Financial Management

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

Basic Financial Statements

City and County of Butte-Silver Bow, Montana
Statement of Net Position
June 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Port of Montana Port Authority
Assets				
Current Assets				
Cash and cash equivalents (Note 3A)	\$ 32,850,686	\$ 4,245,548	\$ 37,096,234	\$ 2,626,612
Investments	20,729,276	4,190,815	24,920,091	-
Receivables (Note 3B):				
Accounts	2,332,885	3,084,482	5,417,367	130,011
Property taxes	3,573,753	-	3,573,753	17,515
Special assessments	297,203	1,252,393	1,549,596	-
Notes	4,259,753	-	4,259,753	-
Interfund	299,877	(299,877)	-	-
Primary government	-	-	-	61,100
Inventory (Note 1-E-4)	-	3,028	3,028	-
Prepaid items (Note 1-E-4)	-	9,057	9,057	13,120
Restricted assets (Note 1-E-5)	10,395,152	342,126	10,737,278	121,480
Total Current Assets	74,738,585	12,827,572	87,566,157	2,969,838
Non-Current Assets				
Restricted cash and cash equivalents	-	1,741,037	1,741,037	-
Restricted investments	-	1,188,003	1,188,003	-
Capital assets (Note 3C):				
Nondepreciable	8,896,941	5,979,583	14,876,524	353,253
Depreciable, net	87,492,575	78,466,094	165,958,669	4,816,215
Total Non-Current Assets	96,389,516	87,374,717	183,764,233	5,169,468
Total Assets	171,128,101	100,202,289	271,330,390	8,139,306
Liabilities				
Current Liabilities				
Vouchers payable	1,655,783	941,789	2,597,572	-
Accounts payable	59,303	-	59,303	20,029
Due to others	231,417	-	231,417	-
Accrued wages and benefits payable	681,798	146,725	828,523	23,592
Customer deposits	-	145,701	145,701	-
Accrued interest payable - customer deposits	-	26,446	26,446	-
Performance bonds payable	130,589	-	130,589	-
Accrued interest payable	568,084	38,537	606,621	13,673
Unearned revenue	68,963	409,402	478,365	7,520
Revenue bonds payable	-	1,139,387	1,139,387	26,586
Closure and postclosure care payable	-	8,762	8,762	-
Compensated absences payable	1,349,855	161,991	1,511,846	64,590
Claims payable	559,684	-	559,684	-
General obligation bonds payable	1,220,214	-	1,220,214	-
General obligation notes payable	243,660	-	243,660	-
Tax increment bonds payable	1,340,000	-	1,340,000	-
Capital leases payable	41,867	-	41,867	-
Total Current Liabilities	8,151,217	3,018,740	11,169,957	155,990
Long-Term Liabilities (net of current portion):				
Closure and postclosure care payable	-	341,709	341,709	-
Revenue bonds payable	-	2,107,000	2,107,000	650,893
Compensated absences payable	2,097,819	647,963	2,745,782	33,602
General obligation bonds payable	13,726,255	-	13,726,255	-
General obligation notes payable	797,950	-	797,950	-
Tax increment bonds payable	12,830,000	-	12,830,000	-
Capital leases payable	165,236	-	165,236	-
Total Long-Term Liabilities	29,617,260	3,096,672	32,713,932	684,495
Total Liabilities	37,768,477	6,115,412	43,883,889	840,485
Net Position				
Net investment in capital assets (Note 3J)	66,024,334	81,199,290	147,223,624	4,491,989
Restricted for:				
General government	3,836,081	-	3,836,081	-
Public safety	1,398,380	-	1,398,380	-
Public works	22,178,819	-	22,178,819	-
Social and economic services	33,201	-	33,201	-
Cultural and recreation	414,526	-	414,526	-
Housing and community development	18,469,127	-	18,469,127	-
Economic development - ceased mining operations	7,305,856	-	7,305,856	-
Debt service - bond restrictions	2,530,743	1,894,668	4,425,411	121,480
Capital projects	2,827,371	-	2,827,371	-
Self funded health insurance	473,554	-	473,554	-
Code enforcement	83,324	-	83,324	-
Unrestricted	7,784,308	10,992,919	18,777,227	2,685,352
Total Net Position	\$ 133,359,624	\$ 94,086,877	\$ 227,446,501	\$ 7,298,821

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, 2014

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services and Sales and Fines	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
General government	\$ 15,461,234	\$ 6,455,214	\$ 7,799,960	\$ 1,908,548	\$ 702,488	\$ -	\$ 702,488	\$ -
Public safety	16,683,675	311,651	2,044,092	-	(14,327,932)	-	(14,327,932)	-
Public works	8,982,667	363,144	3,023,163	1,835,913	(3,760,447)	-	(3,760,447)	-
Public health	2,867,355	209,218	2,052,230	-	(605,907)	-	(605,907)	-
Social and economic services	273,380	-	39,583	-	(233,797)	-	(233,797)	-
Cultural and recreation	4,056,301	386,060	227,201	-	(3,443,040)	-	(3,443,040)	-
Housing and community development	5,467,638	-	585,913	-	(4,881,725)	-	(4,881,725)	-
Interest	1,114,344	-	-	-	(1,114,344)	-	(1,114,344)	-
Total Governmental Activities	54,906,594	7,725,287	15,772,142	3,744,461	(27,664,704)	-	(27,664,704)	-
Business-Type Activities:								
Community facilities	57,551	67,308	-	-	-	9,757	9,757	-
Home health	330,585	249,057	187	-	-	(81,341)	(81,341)	-
Small business incubator	147,572	92,379	46	-	-	(55,147)	(55,147)	-
Water utility division	9,707,599	8,760,730	502,199	1,814,640	-	1,369,970	1,369,970	-
Metro sewer operations	4,446,076	5,235,157	1,514	109,062	-	899,657	899,657	-
Solid waste	2,661,399	2,107,143	392	-	-	(553,864)	(553,864)	-
Storm water system project	135,335	396,430	3	-	-	261,098	261,098	-
Silver lake water system	248,210	142,912	73	-	-	(105,225)	(105,225)	-
MR infrastructure project	92,680	-	-	-	-	(92,680)	(92,680)	-
Total Business-Type Activities	17,827,007	17,051,116	504,414	1,923,702	-	1,652,225	1,652,225	-
Total - Primary Government	\$ 72,733,601	\$ 24,776,403	\$ 16,276,556	\$ 5,668,163	(27,664,704)	1,652,225	(26,012,479)	-
Component Units								
Port of Montana Port Authority	\$ 1,228,318	\$ 1,183,255	\$ -	\$ 314,554	-	-	-	(43,506)
		General Revenues						
		Property taxes levied for general purposes			32,181,326	-	32,181,326	189,920
		Franchise taxes			398,075	-	398,075	-
		Motor fuel taxes			643,614	-	643,614	-
		Investment earnings			199,806	27,652	227,458	5,537
		Gain on the sale of capital assets			17,000	9,850	26,850	-
		Miscellaneous			700,374	147,998	848,372	-
		Transfers			246,265	(246,265)	-	-
		Total General Revenues and Transfers			34,386,460	(60,765)	34,325,695	195,457
		Change in Net Position			6,721,756	1,591,460	8,313,216	151,951
		Net Position Beginning of Year, as Restated			126,637,868	92,495,417	219,133,285	7,146,870
		Net Position End of Year			\$ 133,359,624	\$ 94,086,877	\$ 227,446,501	\$ 7,298,821

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 statute 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 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, 2014

	<u>General</u>	<u>Ramsay TIFID</u>	<u>ARCO Redevelopment Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 3,036,899	\$ 10,312,081	\$ 9,112,879	\$ 10,101,347	\$ 32,563,206
Investments	730,677	8,102,054	5,513,028	6,383,517	20,729,276
Restricted cash	149,566	-	-	9,414,801	9,564,367
Restricted investments	824,396	-	-	6,389	830,785
Receivables:					
Accounts	271,300	-	-	2,053,815	2,325,115
Property taxes	1,733,653	67,516	-	1,772,584	3,573,753
Special assessments	195	-	-	297,008	297,203
Loans	-	-	-	4,259,753	4,259,753
Interfund	1,877,348	-	-	1,459,689	3,337,037
Total Assets	<u>\$ 8,624,034</u>	<u>\$ 18,481,651</u>	<u>\$ 14,625,907</u>	<u>\$ 35,748,903</u>	<u>\$ 77,480,495</u>
Liabilities, Deferred Inflows and Fund Balances					
Liabilities					
Vouchers payable	\$ 409,565	\$ 24,578	\$ 29,890	\$ 1,094,002	\$ 1,558,035
Accounts payable	44,238	-	-	15,065	59,303
Accrued salaries and benefits	392,853	2,828	-	248,487	644,168
Performance bonds payable	120,455	-	-	10,134	130,589
Due to others	1,417	-	-	230,000	231,417
Interfund payable	-	-	-	2,962,160	2,962,160
Total Liabilities	<u>968,528</u>	<u>27,406</u>	<u>29,890</u>	<u>4,559,848</u>	<u>5,585,672</u>
Deferred Inflow of Resources					
Unavailable revenue-Law Enforcement service agreement	68,963	-	-	-	68,963
Unavailable revenue-property taxes and specials assessments	1,733,848	67,516	-	2,069,592	3,870,956
Total Deferred inflow of resources	<u>1,802,811</u>	<u>67,516</u>	<u>-</u>	<u>2,069,592</u>	<u>3,939,919</u>
Fund Balances					
Restricted	642,291	18,386,729	14,596,017	26,011,358	59,636,395
Assigned	-	-	-	4,396,852	4,396,852
Unassigned	5,210,404	-	-	(1,288,747)	3,921,657
Total Fund Balances	<u>5,852,695</u>	<u>18,386,729</u>	<u>14,596,017</u>	<u>29,119,463</u>	<u>67,954,904</u>
Total Liabilities, Deferred Inflow and Fund Balances	<u>\$ 8,624,034</u>	<u>\$ 18,481,651</u>	<u>\$ 14,625,907</u>	<u>\$ 35,748,903</u>	<u>\$ 77,480,495</u>

See accompanying notes to the basic financial statements

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, 2014

Total Governmental Fund Balances		\$	67,954,904
 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	\$ 158,127,132	
	Less accumulated depreciation	<u>(62,953,113)</u>	95,174,019
 Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds - special assessments sales and property taxes.			
			3,870,956
 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.			
			1,081,402
 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	\$ (2,237,037)	
	Interfund payables	<u>2,237,037</u>	-
 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 premium and exclusive of internal service funds' long-term debt.			
	Long-term debt	\$ (30,365,182)	
	Compensated absences	(3,228,707)	
	Claims	(559,684)	
	Accrued interest on long-term debt	<u>(568,084)</u>	<u>(34,721,657)</u>
 Net Position of Governmental Activities		 \$	 133,359,624
 See accompanying notes to the basic financial statements		 \$	 133,359,624

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, 2014

	General	Ramsay TIFID	ARCO Redevelopment Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 12,903,873	\$ 6,050,364	\$ -	\$ 11,701,826	\$ 30,656,063
Special assessments	-	-	-	1,500,518	1,500,518
Licenses and permits	930,775	-	-	-	930,775
Intergovernmental	4,862,128	63,395	-	11,830,472	16,755,995
Charges for services	1,697,012	-	-	1,020,933	2,717,945
Self-funded health insurance contributions	4,547,547	-	-	-	4,547,547
Fines and forfeitures	388,567	-	-	67,158	455,725
Private grants and donations	87,483	-	-	1,721,471	1,808,954
Investment earnings	24,969	11,558	7,865	156,953	201,345
Increase(Decrease) in investments to Fair Market Value	-	-	-	(1,539)	(1,539)
Rent	44,939	-	-	7,600	52,539
Miscellaneous	206,958	76,496	-	351,639	635,093
Total Revenues	25,694,251	6,201,813	7,865	28,357,031	60,260,960
Expenditures					
Current:					
General government	10,867,605	-	-	3,917,751	14,785,356
Public safety	9,932,194	-	-	5,834,734	15,766,928
Public works	512,607	-	177,809	6,577,430	7,267,846
Public health	1,504,134	-	-	1,367,750	2,871,884
Social and economic services	114,296	-	-	163,592	277,888
Cultural and recreation	2,517,670	-	-	1,132,358	3,650,028
Housing and community development	-	409,381	-	2,720,801	3,130,182
Capital Outlay	250,656	50,000	114,202	5,944,138	6,358,996
Debt Service:					
Principal	39,714	-	-	2,823,874	2,863,588
Interest	12,681	-	-	1,172,573	1,185,254
Total Expenditures	25,751,557	459,381	292,011	31,655,001	58,157,950
Excess (Deficiency) of Revenues Over (Under) Expenditures	(57,306)	5,742,432	(284,146)	(3,297,970)	2,103,010
Other Financing Sources (Uses)					
Insurance proceeds	44,011	-	-	280,772	324,783
Proceeds from the sale of capital assets	-	-	-	17,000	17,000
Issuance of general obligation notes	-	-	-	42,163	42,163
Transfers in	438,239	-	-	5,144,034	5,582,273
Transfers out	(662,624)	(2,684,335)	-	(1,989,049)	(5,336,008)
Total Other Financing Sources (Uses)	(180,374)	(2,684,335)	-	3,494,920	630,211
Net Change in Fund Balances	(237,680)	3,058,097	(284,146)	196,950	2,733,221
Fund Balances, Beginning of Year	6,090,375	15,328,632	14,880,163	28,922,513	65,221,683
Fund Balances, End of Year	\$ 5,852,695	\$ 18,386,729	\$ 14,596,017	\$ 29,119,463	\$ 67,954,904

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, 2014

Net Changes In Fund Balances - Total Governmental Funds

Amounts reported for governmental activities in the government-wide statement of activities are different because: \$ 2,733,221

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	\$ (6,144,698)	
Capital outlay	<u>6,326,943</u>	182,245

An immaterial capital asset prior period adjustment 4,220

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 @ 6/30/13	\$ (3,135,852)	
Balance @ 6/30/14	<u>3,870,956</u>	735,104

The issuance of bonds are reported as an other financing sources on the governmental fund's operating statements but reported as a liability on the government-wide statement of net position. (42,163)

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. 2,863,588

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 expenditures in governmental funds.

Balance @ 6/30/13	\$ 615,008	
Balance @ 6/30/14	<u>(568,084)</u>	46,924

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 @ 6/30/13	\$ 2,967,778	
Balance @ 6/30/14	<u>(3,228,707)</u>	(260,929)

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 @ 6/30/13	\$ 884,732	
Balance @ 6/30/14	<u>(559,684)</u>	325,048

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. 110,512

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	\$ (5,592,144)	
Transfers out	<u>5,592,144</u>	-

Change In Net Position Of Governmental Activities \$ 6,721,756

See accompanying notes to the basic financial statements \$ 6,721,756

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes:				
Real property	\$ 11,836,480	\$ 11,836,480	\$ 11,318,411	\$ (518,069)
Personal property	50,000	50,000	311,574	261,574
Motor vehicle-Local Option Tax	1,200,000	1,200,000	1,254,102	54,102
Tax title and property tax sale	-	-	19,786	19,786
Total Taxes	13,086,480	13,086,480	12,903,873	(182,607)
Licenses and permits	910,350	910,350	930,775	20,425
Intergovernmental	5,141,771	5,227,269	4,873,074	(354,195)
Charges for services	1,272,544	1,272,544	1,697,012	424,468
Fines and forfeits	432,000	432,000	388,567	(43,433)
City/County and employee health insurance contributions	4,500,000	4,500,000	4,547,547	47,547
Investment earnings	30,000	30,000	24,969	(5,031)
Private grants and contributions	70,318	70,318	87,483	17,165
Rental	38,500	38,500	44,939	6,439
Miscellaneous	81,650	81,650	206,958	125,308
Total Revenues	25,563,613	25,649,111	25,705,197	56,086
Expenditures:				
Current:				
General government	11,952,951	12,026,147	10,867,605	1,158,542
Public safety	11,029,839	11,029,839	9,932,194	1,097,645
Public works	636,637	626,226	512,607	113,619
Public health	1,633,620	1,623,770	1,504,134	119,636
Social and economic services	143,834	143,836	114,296	29,540
Cultural and recreation	2,583,413	2,599,117	2,517,670	81,447
Capital Outlay	247,562	275,710	250,656	25,054
Debt Service				
Principal	39,714	39,714	39,714	-
Interest	12,681	12,681	12,681	-
Total Expenditures	28,280,251	28,377,040	25,751,557	2,625,483
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,716,638)	(2,727,929)	(46,360)	2,681,569

(Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Other Financing Sources (Uses)				
Compensation for loss of an asset	-	7,721	44,011	36,290
Transfers in:				
Metro Sewer	150,000	150,000	150,000	-
Solid Waste	35,000	35,000	35,000	-
Water Utility Division	100,000	100,000	100,000	-
Ramsay TIFID #2	120,748	120,748	120,748	-
Uptown Revitalization Agency fund	32,491	32,491	32,491	-
Transfers out:				
Public Archives	(299,499)	(299,499)	(263,943)	(35,556)
Community Development	(101,196)	(101,196)	(101,196)	-
Health	(200,000)	(200,000)	(200,000)	-
Small Business Incubator	(38,735)	(38,735)	(38,735)	-
Parking Commission	-	(40,000)	(40,000)	-
Department of Justice Grants	(10,000)	(10,000)	(10,000)	-
Crime Control fund	(8,750)	(8,750)	(8,750)	-
Total Other Financing Sources (Uses)	<u>(219,941)</u>	<u>(252,220)</u>	<u>(180,374)</u>	<u>734</u>
Net Change in Fund Balances	<u>\$ (2,936,579)</u>	<u>\$ (2,980,149)</u>	<u>(226,734)</u>	<u>\$ 2,682,303</u>
Fund Balances Beginning of Year			<u>6,090,375</u>	
Fund Balances End of Year			<u>\$ 5,863,641</u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes - real property	\$ 7,000,000	\$ 7,000,000	\$ 5,969,309	\$ (1,030,691)
Personal Property	-	-	81,055	81,055
Rent	-	-	-	-
Intergovernmental	98	98	63,395	63,297
Interest Revenue	18,000	18,000	11,558	(6,442)
Miscellaneous	75,000	75,000	76,496	1,496
Total Revenues	<u>7,093,098</u>	<u>7,093,098</u>	<u>6,201,813</u>	<u>(891,285)</u>
Expenditures				
Current:				
Housing and community development	4,557,809	4,557,809	409,381	4,148,428
Capital Outlay	<u>5,100,000</u>	<u>5,100,000</u>	<u>50,000</u>	<u>5,050,000</u>
Total Expenditures	<u>9,657,809</u>	<u>9,657,809</u>	<u>459,381</u>	<u>9,198,428</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,564,711)</u>	<u>(2,564,711)</u>	<u>5,742,432</u>	<u>8,307,143</u>
Other Financing (Uses)				
Transfers out:				
General Fund	(120,748)	(120,748)	(120,748)	-
ASiMI Bond Fund	(1,940,769)	(1,940,769)	(1,940,769)	-
Fire Fund	(207,818)	(207,818)	(207,818)	-
TIFID Revolving Loan	(400,000)	(400,000)	(400,000)	-
Small Business Incubator	(15,000)	(15,000)	(15,000)	-
Total Other Financing (Uses)	<u>(2,684,335)</u>	<u>(2,684,335)</u>	<u>(2,684,335)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (5,249,046)</u>	<u>\$ (5,249,046)</u>	<u>3,058,097</u>	<u>\$ 8,307,143</u>
Fund Balances Beginning of Year			<u>15,328,632</u>	
Fund Balances End of Year			<u>\$ 18,386,729</u>	

See accompanying notes to the basic financial statements

City and County of Butte-Silver Bow, Montana
Arco Redevelopment Fund
Statement of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	\$ 16,500	\$ 16,500	\$ 7,865	\$ (8,635)
Total Revenues	<u>\$ 16,500</u>	<u>\$ 16,500</u>	<u>\$ 7,865</u>	<u>\$ (8,635)</u>
Expenditures				
Current:				
Public Works	849,406	828,002	177,809	650,193
Capital Outlay	<u>150,000</u>	<u>171,404</u>	<u>114,202</u>	<u>57,202</u>
Total Expenditures	<u>999,406</u>	<u>999,406</u>	<u>292,011</u>	<u>707,395</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(982,906)</u>	<u>(982,906)</u>	<u>(284,146)</u>	<u>698,760</u>
Other Financing (Uses)				
Transfers out:				
Metro Sewer	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>	<u>75,000</u>
Total Other Financing (Uses)	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>	<u>75,000</u>
Net Change in Fund Balances	<u>\$ (1,057,906)</u>	<u>\$ (1,057,906)</u>	<u>(284,146)</u>	<u>\$ 773,760</u>
Fund Balances Beginning of Year			<u>14,880,163</u>	
Fund Balances End of Year			<u>\$ 14,596,017</u>	

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 2014 was 12,775.

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 50,208 billable units in fiscal year 2014.

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 12,468 units for collection and 21,937 units for disposal in fiscal year 2014. 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, 2014

	Business-type Activities Enterprise Funds				Total	Governmental Activities
	Water Utility Division	Metro Sewer Operations	Solid Waste	Other Enterprise Funds		Internal Service Funds
Assets						
Current Assets:						
Cash and cash equivalents	\$ 163,840	\$ 1,141,132	\$ 1,932,187	\$ 1,008,389	\$ 4,245,548	\$ 287,480
Investments	-	941,451	2,759,918	489,446	4,190,815	-
Restricted:						
Cash and cash equivalents	342,126	-	-	-	342,126	-
Receivables:						
Accounts	2,525,422	19,064	167,469	372,527	3,084,482	7,770
Special assessments	15,661	877,587	297,398	61,747	1,252,393	-
Interfund	-	484,123	325,728	-	809,851	-
Inventory	-	-	-	3,028	3,028	-
Prepaid expenses	9,057	-	-	-	9,057	-
Total Current Assets	3,056,106	3,463,357	5,482,700	1,935,137	13,937,300	295,250
Noncurrent Assets:						
Restricted investments	1,188,003	-	-	-	1,188,003	-
Restricted cash and cash equivalents	713,475	-	1,027,562	-	1,741,037	-
Capital assets:						
Nondepreciable	5,066,824	166,800	740,526	5,433	5,979,583	40,000
Depreciable, net	58,030,980	14,315,343	3,010,010	3,109,761	78,466,094	1,175,497
Total Noncurrent Assets	64,999,282	14,482,143	4,778,098	3,115,194	87,374,717	1,215,497
Total Assets	68,055,388	17,945,500	10,260,798	5,050,331	101,312,017	1,510,747

(Continued)

	Business-type Activities Enterprise Funds				Governmental Activities	
	Water Utility Division	Metro Sewer Operations	Solid Waste	Other Enterprise Funds	Total	Internal Service Funds
Liabilities						
<i>Current Liabilities:</i>						
Vouchers payable	\$ 535,917	\$ 194,106	\$ 187,771	\$ 23,995	\$ 941,789	\$ 97,748
Accrued wages and benefits payable	83,872	42,810	17,079	2,964	146,725	37,630
Compensated absences payable	88,888	53,400	14,079	5,624	161,991	10,948
Accrued interest payable	38,537	-	-	-	38,537	-
Unearned revenue	409,402	-	-	-	409,402	-
Interfund payable	1,000,000	-	-	109,728	1,109,728	75,000
Customer deposits payable	145,701	-	-	-	145,701	-
Accrued interest payable-customer deposit	26,446	-	-	-	26,446	-
Closure and postclosure care payable	-	-	8,762	-	8,762	-
Revenue bonds payable	1,139,387	-	-	-	1,139,387	-
Total Current Liabilities	3,468,150	290,316	227,691	142,311	4,128,468	221,326
<i>Long-Term Liabilities (net of current portion):</i>						
Closure and postclosure care payable	-	-	341,709	-	341,709	-
Compensated absences payable	355,552	213,600	56,314	22,497	647,963	208,019
Revenue bonds payable	2,107,000	-	-	-	2,107,000	-
Total Long-Term Liabilities	2,462,552	213,600	398,023	22,497	3,096,672	208,019
Total Liabilities	5,930,702	503,916	625,714	164,808	7,225,140	429,345
Net Position						
Net Investment in capital assets (Note 3J)	59,851,417	14,482,143	3,750,536	3,115,194	81,199,290	1,215,497
Restricted for debt service	1,894,668	-	-	-	1,894,668	-
Unrestricted	378,601	2,959,441	5,884,548	1,770,329	10,992,919	(134,095)
Total Net Position	\$ 62,124,686	\$ 17,441,584	\$ 9,635,084	\$ 4,885,523	\$ 94,086,877	\$ 1,081,402

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, 2014

	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	\$ 8,760,730	\$ 5,235,157	\$ 2,107,143	\$ 880,778	\$ 16,983,808	\$ 3,047,956
Rent revenue	-	-	-	67,308	67,308	-
Miscellaneous	85,106	32,414	25,468	5,010	147,998	8,518
Total Operating Revenues	8,845,836	5,267,571	2,132,611	953,096	17,199,114	3,056,474
Operating Expenses						
Personal services	3,030,843	2,150,071	601,893	400,000	6,182,807	1,600,063
Operation and maintenance	2,474,090	1,252,769	1,711,823	429,492	5,868,174	1,154,421
Depreciation	3,477,154	1,043,236	347,683	182,441	5,050,514	192,575
Amortization	-	-	-	-	-	-
Total Operating Expenses	8,982,087	4,446,076	2,661,399	1,011,933	17,101,495	2,947,059
Operating Income (Loss)	(136,251)	821,495	(528,788)	(58,837)	97,619	109,415
Non-Operating Revenues (Expenses)						
Interest expense	(133,579)	-	-	-	(133,579)	-
Bond debt forgiven	-	-	-	-	-	-
Gain(loss) on disposal of fixed assets	-	-	-	9,850	9,850	-
Investment earnings	21,229	1,788	3,937	698	27,652	-
Intergovernmental	2,199	1,514	392	309	4,414	1,097
Total Non-Operating Revenues (Expenses)	(110,151)	3,302	4,329	10,857	(91,663)	1,097
Income (Loss) Before Capital Grants & Transfers	(246,402)	824,797	(524,459)	(47,980)	5,956	110,512
Capital grants	1,814,640	109,062	-	-	1,923,702	-
Capital grant expense	(591,933)	-	-	-	(591,933)	-
Debt forgiveness	500,000	-	-	-	500,000	-
Transfers in	-	-	-	53,735	53,735	-
Transfers out	(100,000)	(150,000)	(50,000)	-	(300,000)	-
Change in Net Position	1,376,305	783,859	(574,459)	5,755	1,591,460	110,512
Total Net Position, Beginning of Year	60,748,381	16,657,725	10,209,543	4,879,768	92,495,417	970,890
Total Net Position, End of Year	\$ 62,124,686	\$ 17,441,584	\$ 9,635,084	\$ 4,885,523	\$ 94,086,877	\$ 1,081,402

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, 2014

	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	\$ 8,761,317	\$ 5,203,445	\$ 2,155,217	\$ 910,712	\$ 17,030,691	\$ -
Cash received from interfund services provided	-	-	-	-	-	3,059,346
Cash payments for personal services	(2,922,706)	(2,117,409)	(586,630)	(403,824)	(6,030,569)	(1,541,976)
Cash payments for goods and services	(3,154,403)	(1,396,896)	(1,614,476)	(460,369)	(6,626,144)	(1,247,743)
Net Cash Provided by Operating Activities	<u>2,684,208</u>	<u>1,689,140</u>	<u>(45,889)</u>	<u>46,519</u>	<u>4,373,978</u>	<u>269,627</u>
Cash Flows from Noncapital Financing Activities						
Receipt of interfund loan proceeds	-	40,000	1,130,415	51,516	1,221,931	-
Interfund loans disbursements	-	(344,123)	(216,000)	-	(560,123)	-
Payments on interfund loans	-	-	-	-	-	-
Interest expense on customer deposits	(7,944)	-	-	-	(7,944)	-
Transfers in	-	-	-	53,735	53,735	-
Transfers out	(100,000)	(150,000)	(50,000)	-	(300,000)	-
Net Cash Flows from Noncapital Financing Activities	<u>(107,944)</u>	<u>(454,123)</u>	<u>864,415</u>	<u>105,251</u>	<u>407,599</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities						
Capital grants	1,530,168	109,062	-	-	1,639,230	-
Capital grant expenses	(591,933)	-	-	-	(591,933)	-
Principal paid on revenue bonds payable	(2,407,000)	-	-	-	(2,407,000)	-
Interest paid on revenue bonds	(102,456)	-	-	-	(102,456)	-
State of Montana bond forgiveness	500,000	-	-	-	500,000	-
Proceeds from issuance of bonds	172,169	-	-	-	172,169	-
Proceeds (payment) on interfund loan	-	-	-	-	-	(98,686)
Proceeds from the sale of capital assets	-	-	-	9,850	9,850	-
Payments for capital acquisitions	(2,302,480)	(1,015,036)	(228,304)	(102,760)	(3,648,580)	(108,766)
Net Cash (Used in) Capital and Related Financing Activities	<u>(3,201,532)</u>	<u>(905,974)</u>	<u>(228,304)</u>	<u>(92,910)</u>	<u>(4,428,720)</u>	<u>(207,452)</u>
Cash Flows from Investing Activities						
Investment earnings	21,229	1,788	3,937	698	27,652	-
Net Increase (Decrease) in Cash and Cash Equivalents	(604,039)	330,831	594,159	59,558	380,509	62,175
Cash and Cash Equivalents - Beginning of Year	3,011,483	1,751,752	5,125,508	1,438,277	11,327,020	225,305
Cash and Cash Equivalents - End of Year	<u>\$ 2,407,444</u>	<u>\$ 2,082,583</u>	<u>\$ 5,719,667</u>	<u>\$ 1,497,835</u>	<u>\$ 11,707,529</u>	<u>\$ 287,480</u>
Reconciliation to Statement of Net Position						
Cash and cash equivalents	\$ 163,840	\$ 1,141,132	\$ 1,932,187	\$ 1,008,389	\$ 4,245,548	\$ 287,480
Investments	-	941,451	2,759,918	489,446	4,190,815	-
Restricted cash and investments	2,243,604	-	1,027,562	-	3,271,166	-
Total	<u>\$ 2,407,444</u>	<u>\$ 2,082,583</u>	<u>\$ 5,719,667</u>	<u>\$ 1,497,835</u>	<u>\$ 11,707,529</u>	<u>\$ 287,480</u>

(continued)

City and County of Butte-Silver Bow, Montana
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	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)	\$ (136,251)	\$ 821,495	\$ (528,788)	\$ (58,837)	\$ 97,619	\$ 109,415
Adjustments:						
Depreciation	3,477,154	1,043,236	347,683	182,441	5,050,514	192,575
Bond issue cost adjustment	47,342	-	-	-	47,342	-
Intergovernmental revenue on-behalf payments	2,199	1,514	392	309	4,414	1,097
(Increase) Decrease in Assets:						
Accounts receivable	(125,342)	50,359	(514)	13,081	(62,416)	2,873
Special assessments receivables	6,372	(114,485)	23,120	-	(84,993)	-
Inventory	-	-	-	3,704	3,704	-
Prepaid expenses	710	-	-	-	710	-
Increase (Decrease) in Liabilities:						
Vouchers payable	(730,564)	(144,127)	68,816	(34,581)	(840,456)	(93,322)
Accounts payable	-	-	-	-	-	-
Accrued expenses	-	-	28,531	-	28,531	15,713
Accrued wages and benefits payable	16,471	(4,765)	4,247	(5,400)	10,553	-
Customer deposits	8,230	-	-	-	8,230	-
Compensated absences	91,665	35,913	10,624	1,267	139,469	41,276
Unearned revenue	26,222	-	-	(55,465)	(29,243)	-
Net Cash Provided by Operating Activities	<u>\$ 2,684,208</u>	<u>\$ 1,689,140</u>	<u>\$ (45,889)</u>	<u>\$ 46,519</u>	<u>\$ 4,373,978</u>	<u>\$ 269,627</u>
Noncash Capital Activities:						
Construction costs included in accounts payable	<u>\$ 354,905</u>	<u>\$ 116,967</u>	<u>\$ 80,670</u>	<u>\$ 10,612</u>	<u>\$ 552,542</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements

(concluded)

Fiduciary Funds

City and County of Butte-Silver Bow, Montana
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Investment Trust	Agency
Assets		
Cash and cash equivalents	\$ 12,516,198	\$ 21,479,545
Investments	-	954,122
Receivables	-	3,492,332
Land acquired by tax deed	-	228,714
Total Assets	12,516,198	\$ 26,154,713
Liabilities		
Accounts payable	\$ -	3,194,034
Vouchers payable	-	10,242
Accrued interest payable	-	238,489
Due to others	12,516,198	32,099
Due to other governments	-	22,618,425
Due to component unit	-	61,424
Total Liabilities	\$ 12,516,198	\$ 26,154,713

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, 2014

<hr/> <hr/>	
Additions	
Shares and investments purchased	\$ 283,142,500
Investment earnings	<u>120,335</u>
Total Additions	<u>283,262,835</u>
Deductions	
Shares and investments redeemed	282,666,636
Investment earnings distributed	<u>-</u>
Total Deductions	<u>282,666,636</u>
Change in Net Position	596,199
Net Position Beginning of Year	<u>11,919,999</u>
Net Position End of Year	<u><u>\$ 12,516,198</u></u>

See accompanying notes to the basic financial statements

City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

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City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

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, and landfill services, housing rehabilitation, and economic development functions.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the City and County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

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

1-A. Reporting Entity

The reporting entity, as required by US 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 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. 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 administrative offices.

City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

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 its 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.

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.

(This page continued on the subsequent page)

City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

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, payroll and personnel services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis

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

City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

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 within 60 days of year-end. The City and County reports deferred inflows when the potential revenue does not meet both the measurable and available criteria for recognition in the current period.

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.

(This page continued on the subsequent page)

City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

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 uncollectibles, where applicable. Unbilled utility charges are accrued as receivables and revenue at June 30, 2014.

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 an 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.

(This page continued on the subsequent page)

City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

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 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, 2014 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	\$ 832,630	\$ -	\$ 832,630
Restricted by Statutes of the State of Montana Code Enforcement	141,332	-	141,332
Restricted by Statutes of the State of Montana-Hard Rock Mine Trust	-	7,305,856	7,305,856
Restricted by bond covenants; debt service reserves	-	2,115,334	2,115,334
Total	<u>\$ 973,962</u>	<u>\$ 9,421,190</u>	<u>\$ 10,395,152</u>
	Business Type Activities		
	Water Utility Division	Solid Waste	Total
Restricted For:			
Restricted by bond covenants; debt service reserves	\$ 2,243,604	\$ 2,243,604	\$ 2,243,604
Restricted by ordinance; future capital cell expansion	-	1,027,562	1,027,562
Total	<u>\$ -</u>	<u>\$ 1,027,562</u>	<u>\$ 3,271,166</u>
			<u>\$ 13,666,318</u>

Component Unit

On June 30, 2014, the Component Unit had restricted cash of \$58,974 for bond reserves and \$37,506 for the next installment payable on the Port Authority Revenue Bond per the bond covenants. Also, \$25,000 was restricted by agreement with HCC Surety as collateral on a surety bond.

City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

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:

Asset Class	Estimated Lives		
	Governmental Activities	Business-type Activities	Component Unit
Buildings	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	---	---

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 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.

City and County of Butte-Silver Bow, Montana
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For the Year Ended June 30, 2014

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 – constraint formally imposed by the Council of Commissioners by the end of the reporting period;
- Assigned – constraint imposed at a level below the Council of Commissioners by the reporting date;
- 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.

City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

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.

1-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.

1-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 2014, the City/County implemented the following GASB Statements:

Statement No. 65, “*Items Previously Reported as Assets and Liabilities*”- clarifies the use of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. This statement requires certain items which were previously reported as assets and liabilities to be reported as deferred outflows of resources, deferred inflows of resources and as revenues and expenditures. As a result of implementing this statement, the City and County changed the classification of certain liabilities to deferred inflows. In the government-wide statements Government Activities Net Position, the City and County had to restate the Net Position Beginning of Year, to account for the bond issue costs in the amount of \$544,090, which had been previously deferred and expenses amortized for the life the bonds. These bond issue costs related to the issue of general obligation and tax increment debt.

Restatement of Bond Issue Costs to comply with Statement No. 65, “Items Previously Reported as Assets and Liabilities”

Net Position Beginning of Year	\$127,181,958
GASB 65 Adjustment for Bond Issue Costs	<u>(544,090)</u>
Net Position Beginning of Year, as Restated	<u>\$126,637,868</u>

Statement No. 66, “*Technical Corrections-2012; an amendment of GASB Statements No. 10 and No.62*”-The implementation had no impact on the financial statements.

1-E-18 Deferred Inflows of Resources

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, 2014. These amounts are reported as revenue in the Government-Wide Financial Statements in the period in which they are levied.

City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

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.

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. All other increases in appropriation authority that are not specifically permitted under the statute must be 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

Parking Commission Fund – (\$110,698) – 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. The ordinance has been amended and new fee structure instituted. New designs are being reviewed to offer an additional 140 parking spaces. Parking lot space is being reviewed to assure accurate lot rental is being assessed.

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City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

Damages and Judgments Fund – (\$20,969) – This fund accounts for judgments made against the local government. Property taxes will be levied in fiscal year 2014-2015 to cover this deficit as indicated by State Law.

East Butte RRA Fund – (\$216,010) – The East Butte RRA is a tax financing district and is currently operating via 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.

Health Fund – (\$560,002) – This fund covers activities related to community health issues. These include immunization, air quality, as well as a multitude of federal and state contract/grant health programs. The Health Department until February 2014 ran a drug and alcohol program. This program was determined not to be financially feasible for the City and County to operate. Also, several other agencies in the community had similar programs. The deficit in the fund was linked to this program. The Council of Commissioners has 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.

Planning-ARCO Grant Fund (\$55,033) – This fund accounts for the activities associated with the first several miles of the trail system development of 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. The Greenway District is seeking authorization to consolidate the project so the fund can be closed out to the main project fund. The project will be fully funded prior to closeout of both the NRDP Greenway Project and this grant.

NRDP – Greenway Project (\$211,450) – 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 closeout.

Transit (\$97,874) – This fund accounts for the activities of the Butte-Silver Bow Transit system. During fiscal year 2014 the Transit fund purchased 5 buses through the use of Section 5309 and 5311 federal grant funds. The required local match was 13.42%. The matching funds came from an inter-fund loan from solid waste. The projected increase in ridership and the increase in revenue from route will be sufficient to cover the loan. Beginning fiscal year 2015 the transit department will operate the para-transit system in efforts to save operating costs.

CTEP Grants (\$8,440) – 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.

DNRC Grants (\$8,271) – This fund accounts for the grant activities associated with the funds received from the State of Montana, Department of Natural Resource and Conservation Program. This particular grant was developing safe routes to schools. The general fund has made an interim loan to the project. During fiscal year 2015, the Planning Department allocated funds to cover the cost overrun for the project. This project will be fully funded prior to closeout

Home Health (\$88,655) – This fund accounts for the activities associated with the enterprise fund in-home nursing program. The program was abandoned as other programs within the community offer this service and it was not feasible for the City and County to continue operations. The landfill fund has made an interim loan to the department. During fiscal year 2015, the assets will be sold and collections on receivables will continue. The Finance & Budget Department will make a request to Council to close-out the fund by June 30, 2015.

Central Equipment Fund – (\$267,379) – This fund accounts for the maintenance of the city-county fleet of vehicles. Also included are fuel charges for the vehicles. The general fund has made an interim loan to this internal service fund to ensure continuity of operations. Internal service charges have been adjusted upward to cover the deficit and review complete to assure all entities are being allocated fuel and maintenance costs in future periods.

Central EDP and Communications – (\$59,937) – This fund accounts for the Information Technology Department including all computer hardware and software purchasing and development. It also accounts for the city-county communication systems. Internal service charges have been adjusted upward in future periods to cover the increased in costs and the deficit.

City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

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, 2014, the carrying amount of the City and County's deposits, including certificates of deposit was \$70,194,569 and the related bank balances totaled \$73,160,317. Of the bank balance, \$759,565 was covered by Federal Depository Insurance; \$68,218,714 was collateralized by the pledging financial institution's trust department or an agent in the City and County's name and \$4,182,038 was uncollateralized.

Component Unit's Deposits

At June 30, 2014, the carrying amount of the Port Authority's deposits, including certificates of deposit of \$2,748,092 and the related bank balances totaled \$2,734,216. All deposits were fully secured by the Federal Depository Insurance (FDIC).

Primary Government's Investments

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, 2014 the City and County had the following investments presented by maturity period:

Investment Type	Fair Value
U.S. Government Securities	\$ 8,669,602
Wells Fargo	
Restricted Investments	685,343
Montana Investment Pool	
"2a7 like"	31,054,254
Total Investments	\$ 40,409,199

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City and County of Butte-Silver Bow, Montana
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Wells Fargo Restricted Investments consists of government money market funds which meet the requirements of Rule 2A-7 under the Investment Company Act of 1940. The investments consist of collateralized money market accounts (CMTA) which are insured by up to \$250,000 by the FDIC. To the extent funds on deposit exceeds the FDIC limit, the uninsured amounts are covered by pledged collateral set aside by Wells Fargo Bank. Wells Fargo Bank, National Association has short term debt ratings of P1 from Moody's Investors Service and A1+ from Standard & Poor's Rating Services.

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

The City and County invest in the State of Montana Short Term Investment Pool (STIP). This pool has been deemed a 2a7 like pool. As of June 30, 2014 all STIP securities were registered in the nominee name for the Montana Board of Investments and held in the possession of the Board's custodial bank, State Street Bank. In accordance with STIP Investments Policy, "repurchase agreements require electronic delivery of U.S. Government Treasury collateral, priced at 102 percent of market value, to the designated State of Montana Federal Reserve Bank account." The STIP investment portfolio consists of securities with a maximum maturity of 397 days or less unless they are a variable rate security. The portfolio may include asset-backed securities, repurchase agreements, institutional money market funds, certificate of deposit and variable rate securities. STIP contained two types of investments required to be disclosed, which are asset-backed securities and variable rate securities, which are described below.

Corporate Asset-backed securities are based on cash flows from principal and interest payments on underlying auto loan receivables, credit card receivables, and other assets. These securities, while sensitive to prepayments due to interest rate changes, have less credit risk than securities not backed by pledged assets.

Variable rate (floating-rate) securities have credit risk identical to similar fixed-rate securities; their interest rate risk is more sensitive to interest rate change. However, their face value may be less volatile than fixed rate securities because their value will usually remain at or near par as a result of their interest rates being periodically reset to maintain a current market yield.

The State of Montana Short Term Investment Pool (STIP) Credit Quality ratings by the NRSRO as of June 30, 2014 are:

<u>Security Investment Type</u>	<u>Amortized Cost</u>	<u>Credit Quality Rating</u>
Asset Backed Commercial Paper	\$ 777,417,680	A1
Corporate Commercial Paper	138,958,389	A1
Corporate Variable Rate	658,894,083	A1
Certificates of Deposit Fixed Rate	100,000,000	A1
Certificates of Deposit Variable Rate	391,996,239	A1+
Other Asset Backed	38,440,281	NR
U.S. Government Agency Fixed	75,003,275	A1+
U.S. Government Agency Variable	200,003,406	A1+
Money Market Funds (Unrated)	133,439,814	NR
Money Market Funds (Rated)	<u>21,000,000</u>	A1+
 Total Investments	 <u>\$ 2,535,153,167</u>	 A1
 Securities Lending Collateral Investment Pool	 <u>\$ 1,861,748</u>	 NR

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City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

Amounts invested by the City and County in STIP may be redeemed at any date at the carrying value on that date. Additional information on the State of Montana Short-term Investment Pool may be obtained by writing to Montana Board of Investments, Department of Commerce, 2401 Colonial Drive, 3rd floor, Helena, MT, 59620-0126 or by calling (406) 444-0001.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the City and County's investments may not be recovered. None of the City and County's investments is subject to custodial credit risk.

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) as described above.

Cash and Investment Reconciliation:

	Cash and Cash Equivalents	Investments	Total
Fund Reporting Level:			
Governmental Funds - Balance Sheet	\$ 32,563,206	\$ 20,729,276	\$ 53,292,482
Governmental Funds - Balance Sheet - Restricted	9,564,367	830,785	10,395,152
Proprietary Fund Type Statement of Net Position	4,875,154	4,190,815	9,065,969
Proprietary Fund Type Statement of Net Position - Restricted	1,741,037	1,188,003	2,929,040
Fiduciary Fund	21,479,545	13,470,320	34,949,865
Less cash on hand	(28,740)		(28,740)
 Total	 \$ 70,194,569	 \$ 40,409,199	 \$ 110,603,768
 Cash and cash equivalents			 \$ 70,194,569
Investments			40,409,199
 Total			 \$ 110,603,768

3-B. Receivables

Receivables at June 30, 2014, 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, collectibility.

At June 30, 2014, the amount of allowance for uncollectible was \$76,500. This is a significant decrease from the prior year and was due to the settlement of a Silver Lake Water System receivable by a major customer. The allowance in the Health Department (\$43,000), Home Health Department (\$2,500), and Water Utility (\$31,000) 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, 2013. The property taxes were due and recognized as an enforceable lien on January 31, 2014.

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.

City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

3-D. Capital Assets

Capital asset activity for the year ended June 30, 2014, was as follows:

	Reclassified Balance ¹ 6/30/2013	Additions	Deductions	Balance 6/30/2014
Governmental activities				
Nondepreciable capital assets				
Land	\$ 4,195,170	\$ 54,177	\$ -	\$ 4,249,347
Construction in progress	2,016,615	102,182	-	2,118,797
Total nondepreciable capital assets	<u>6,211,785</u>	<u>156,359</u>	<u>-</u>	<u>6,368,144</u>
Depreciable capital assets				
Buildings	37,284,392	234,858	-	37,519,250
Improvements other than buildings	8,941,835	226,246	3,093	9,164,988
Machinery and equipment	22,326,990	3,085,825	38,316	25,374,499
Infrastructure	82,386,411	2,732,421	-	85,118,832
Total depreciable capital assets	<u>150,939,628</u>	<u>6,279,350</u>	<u>41,409</u>	<u>157,177,569</u>
Total capital assets	<u>157,151,413</u>	<u>6,435,709</u>	<u>41,409</u>	<u>163,545,713</u>
Accumulated depreciation				
Buildings	(9,765,082)	(935,887)	-	(10,700,969)
Improvements other than buildings	(4,289,109)	(294,298)	(3,093)	(4,580,314)
Machinery and equipment	(15,566,638)	(1,943,091)	(38,316)	(17,471,413)
Infrastructure	(31,239,501)	(3,163,998)	-	(34,403,499)
Total accumulated depreciation	<u>(60,860,330)</u>	<u>(6,337,274)</u>	<u>(41,409)</u>	<u>(67,156,195)</u>
Governmental activities capital assets, net	<u>\$ 96,291,083</u>	<u>\$ 12,772,983</u>	<u>\$ -</u>	<u>\$ 96,389,518</u>

Footnote 1 -The June 30, 2103 beginning balances were reclassified between Depreciable Assets and Accumulated Depreciation. There was no change in the Governmental activities capital assets, net of depreciation.

Governmental activities depreciation expense

General government	\$ 969,700
Public safety	833,692
Public works	1,774,495
Public health	31,217
Culture and recreation	385,174
Housing and community development	<u>2,342,996</u>
Total governmental activities depreciation expense	<u>\$ 6,337,274</u>

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City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

	Balance 6/30/2013	Additions	Deductions	Balance 6/30/2014
Business-type activities				
Nondepreciable capital assets				
Land	\$ 1,299,935	\$ 32,786	\$ -	\$ 1,332,721
Construction in progress	3,570,429	1,076,433	-	4,646,862
Total nondepreciable capital assets	4,870,364	1,109,219	-	5,979,583
Depreciable capital assets				
Buildings	31,968,175	-	-	31,968,175
Improvements other than buildings	98,937,597	2,249,501	395	101,186,703
Infrastructure	64,645	52,383	-	117,028
Machinery and equipment	10,293,945	237,478	16,354	10,515,069
Total depreciable assets	141,264,362	2,539,362	16,749	143,786,975
Total capital assets	146,134,726	3,648,581	16,749	149,766,558
Accumulated depreciation				
Buildings	(14,844,524)	(772,572)	-	(15,617,096)
Improvements other than buildings	(37,787,695)	(3,781,789)	6,487	(41,562,997)
Infrastructure	-	(6,487)	-	(6,487)
Machinery and equipment	(7,647,594)	(496,129)	9,422	(8,134,301)
Total accumulated depreciation	(60,279,813)	(5,056,977)	15,909	(65,320,881)
Business-type activities capital assets, net	\$ 85,854,913	\$ (1,408,396)	\$ 32,658	\$ 84,445,677

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City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

The following are the changes in component unit's capital assets:

	Balance 6/30/2013	Additions	Deductions	Balance 6/30/2014
Component unit				
Nondepreciable capital assets				
Land	\$ 353,252	\$ -	\$ -	\$ 353,252
Construction in progress	-	-	-	-
Total nondepreciable capital assets	<u>353,252</u>	<u>-</u>	<u>-</u>	<u>353,252</u>
Depreciable capital assets				
Warehouse and improvements	753,094	-	-	753,094
Machinery and equipment	1,184,025	46,000	-	1,230,025
HUB Transportation facility				
Buildings and improvements	6,040,540	31,312	-	6,071,852
Tracks	1,469,325	-	-	1,469,325
Total depreciable capital assets	<u>9,446,984</u>	<u>77,312</u>	<u>-</u>	<u>9,524,296</u>
Total capital assets	<u>9,800,236</u>	<u>77,312</u>	<u>-</u>	<u>9,877,548</u>
Accumulated depreciation				
Warehouse and improvements	(572,356)	(12,474)	-	(584,829)
Machinery and equipment	(913,452)	(27,263)	-	(940,715)
HUB Transportation facility				
Buildings and improvements	(2,246,179)	(144,274)	-	(2,390,453)
Tracks	(759,024)	(33,060)	-	(792,084)
Total accumulated depreciation	<u>(4,491,010)</u>	<u>(217,071)</u>	<u>-</u>	<u>(4,708,079)</u>
Component unit capital assets, net	<u>\$ 5,309,226</u>	<u>\$ (139,759)</u>	<u>\$ -</u>	<u>\$ (5,169,468)</u>

3-E. Interfund Balances and Transfers

Interfund balances at June 30, 2014, 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, (3) payments between funds are made and (4) to the reclassification of a cash overdraft in the City's cash and investment pool. The City and County expects to repay most interfund balances within one year.

Payable to:	Payable from:				Total
	Nonmajor Governmental Funds	Major Enterprise Fund	Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds	
General fund	\$ 1,877,348	\$ -	\$ -	\$ -	\$ 1,877,348
Nonmajor					
governmental funds	459,689	1,000,000	-	-	1,459,689
Metro sewer fund	484,123	-	-	-	484,123
Solid waste fund	141,000	-	109,728	75,000	325,728
	<u>\$ 2,962,160</u>	<u>\$ 1,000,000</u>	<u>\$ 109,728</u>	<u>\$ 75,000</u>	<u>\$ 4,146,888</u>

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City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

The following is a summary of the interfund transfers:

Transfers from:	Transfers to:			Total
	General fund	Nonmajor governmental funds	Nonmajor enterprise funds	
General fund	\$ -	\$ 623,889	\$ 38,735	\$ 662,624
Ramsey TIFID	120,748	2,548,587	15,000	2,684,335
Nonmajor governmental funds	32,491	1,956,558	-	1,989,049
Water utility division fund	100,000	-	-	100,000
Metro sewer operations fund	150,000	-	-	150,000
Solid waste fund	35,000	15,000	-	50,000
Total	\$ 438,239	\$ 5,144,034	\$ 53,735	\$ 5,636,008

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.

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 \$2,268,277 and estimated total current cost remaining to be recognized is \$1,917,807. These amounts are based on what it would cost to perform all closure and post-closure care in 2014. Percentage of landfill capacity used to date is about 15.45%. 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.

City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

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.

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, 2014 was 1.00%. The total bonds outstanding related to this project, as of June 30, 2014 are \$350,744.

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 4.18% 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 4.06% and carry a final maturity on July 1, 2029. The total bonds outstanding related to this project, as of June 30, 2014 are \$6,340,000.

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. 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, 2014 are \$7,860,000.

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

Fiscal Year	Principal	Interest	Total
2015	1,220,214	469,222	1,689,436
2016	1,260,214	437,758	1,697,972
2017	1,310,214	404,998	1,715,212
2018	1,285,132	369,147	1,654,279
2019	1,280,000	325,756	1,605,756
2020-2024	5,450,000	1,006,541	6,456,541
2025-2029	2,515,000	327,034	2,842,034
20230	230,000	12,249	242,249
Total	<u>\$ 14,550,774</u>	<u>\$ 3,352,705</u>	<u>\$ 17,903,479</u>

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City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

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

Tax Increment Bond, Series 1994 were issued with a final maturity date July 1, 2014. Future revenue from the tax increment financing district has been pledged to pay bond principal and interest as due. This series of bonds was originally issued in the amount of \$915,000 with variable interest rate between 4.25% and 7.50% and a balance at June 30, 2014 of \$80,000.

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 will 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 will be 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. The total bonds outstanding on June 30, 2014 are \$10,700,000.

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, 2014 are \$3,390,000

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

Fiscal Year	Principal	Interest	Total
2015	1,395,000	600,518	1,995,518
2016	1,370,000	542,056	1,912,056
2017	1,425,000	483,622	1,908,622
2018	1,485,000	421,418	1,906,418
2019	1,550,000	355,388	1,905,388
2020-2023	6,945,000	661,955	7,606,955
Total	<u>\$ 14,170,000</u>	<u>\$ 3,064,957</u>	<u>\$ 17,234,957</u>

Special Improvement District (SID) Bonds -As of June 30, 2014 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 1.00% at June 30, 2014 with a balance outstanding of \$1,041,610.

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City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

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

Fiscal Year	Principal
2015	190,358
2016	195,429
2017	191,866
2018	88,449
2019	66,770
2020-2024	273,843
2025	34,895
	<u>\$ 1,041,610</u>

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, 2014 is \$207,103.

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
2015	41,867	10,527	52,395
2016	44,137	8,258	52,395
2017	46,530	5,865	52,395
2018	49,053	3,342	52,395
2019	25,515	683	26,197
	<u>\$ 207,103</u>	<u>\$ 28,674</u>	<u>\$ 235,777</u>

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

Revenue Bonds

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. 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, 2014 were 164 percent of the annual debt service payment. Also, all bond covenants relating to the reserve requirements have been met.

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City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

Revenue bonds outstanding consisted of Water System acquisition and improvements refunding bonds: 2008 Series Bonds with variable rates between 3.13% and 3.25% outstanding balance of \$1,060,000. The final maturity for these bonds is of November 1, 2014.

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

Fiscal Year	Principal	Interest	Total
2015	1,139,387	84,904	1,224,291
2016	97,000	62,490	159,490
2017	99,000	59,565	158,565
2018	103,000	56,565	159,565
2019	105,000	53,460	158,460
2020-2024	576,000	217,740	793,740
2025-2029	675,000	124,725	799,725
2030-2033	452,000	23,955	475,955
Total	<u>\$ 3,246,387</u>	<u>\$ 683,404</u>	<u>\$ 3,929,791</u>

On December 1, 2011 the City and County of Butte-Silver Bow closed on \$4,860,000 in Revenue Bonds issued through the Montana State Revolving Fund (SRF). The bonds were issued with “A” bonds in the amount of \$500,000 and “B” bonds in the amount of \$4,360,000 with an interest rate of 3.75% to fund engineering costs for various water system improvements. The amount owed on the bonds as of June 30, 2014 was \$2,186,387 on the “B” bonds. The entire amount of the “A” bond was forgiven in fiscal year 2014 per terms of the agreement. The “B” Bonds are noted as long term liabilities at June 30, 2014.

The total revenue bonds, issued by the Water Utility Division, outstanding on June 30, 2014, net of unamortized discount, are \$3,246,387.

Component Unit’s Debt

On June 30, 2014, 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.

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City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

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

Fiscal Year	Principal	Interest	Total
2015	26,586	32,147	58,732
2016	27,873	30,829	58,702
2017	29,222	29,447	58,669
2018	30,636	27,998	58,634
2019	32,119	26,480	58,599
2020-2024	185,472	106,918	292,390
2025-2029	234,917	56,277	291,194
2030-2033	110,655	5,419	116,074
Total	\$ 677,480	\$ 315,515	\$ 992,994

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, 2014:

	Outstanding 6/30/2013	Additions	Reductions	Outstanding 6/30/2014	Amounts Due in One Year
Governmental Activities					
General obligation bonds	\$ 15,735,988	\$ -	\$ 1,185,214	\$ 14,550,774	\$ 1,220,214
Add unamortized:					
Premium	419,680	-	23,986	395,694	-
Total bonds payable	16,155,668	-	1,209,200	14,946,468	1,220,214
General obligation notes	1,243,107	42,163	243,660	1,041,610	243,660
Tax increment	15,510,000	-	1,340,000	14,170,000	1,395,000
SID bonds	55,000	-	55,000	-	-
Capital leases	246,817	-	39,714	207,103	41,867
Compensated absences	3,145,469	1,538,612	1,236,407	3,447,674	1,273,499
Total Governmental Activities	\$ 36,356,061	\$ 1,580,775	\$ 4,123,981	\$ 33,812,855	\$ 5,394,454
Business-Type Activities					
Revenue bonds	\$ 5,481,218	\$ 172,169	\$ 2,407,000	\$ 3,246,387	\$ 1,139,387
Compensated absences	670,485	379,857	240,388	809,954	161,991
Landfill postclosure costs	321,940	28,531	-	350,471	8,762
Total Business-Type Activities	\$ 992,425	\$ 408,388	\$ 240,388	\$ 1,160,425	\$ 170,753
Component Unit					
Revenue Bond	\$ 702,837	\$ -	\$ 25,358	\$ 677,479	\$ 26,586
Compensated absences	86,489	57,027	45,324	98,192	64,590
Total Component Unit	\$ 789,326	\$ 57,027	\$ 70,682	\$ 775,671	\$ 91,176

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City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

The debt service funds are retiring the general obligation bonds, the tax increment bonds and the SID bonds. The general fund is retiring the capital lease. 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 solid waste program. The compensated absences are being paid by the fund where the employee works, primarily the general fund and the each 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, 2014 was \$22,443,175. The MPERA issues a Comprehensive Annual Financial Report for all State of Montana Retirement Systems. That report 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.

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

Public Employees' Retirement System (PERS)

All City and County employees, except firefighters and police officers, are provided pension benefits by this plan.

The Public Employees' Retirement System (PERS) is a statewide retirement plan established in 1945 and governed by Title 19, chapters 2 & 3 of the Montana Code Annotated providing retirement services to substantially all public employees. The PERS is a mandatory multiple-employer, cost-sharing plan administered by the Montana Public Employee Retirement Agency (MPERA).

The PERS offers retirement, disability and death benefits to plan members and their beneficiaries. Benefit eligibility is age 60 with at least five years of service; age 65 regardless of service; or 30 years of service regardless of age. Actuarial reduced benefits may be taken with 25 years of service or at age 50 with at least five years of service. Monthly retirement benefits are determined by taking 1/56 times the number years of service times the final average salary. Members' rights become vested after five years of service. The authority to establish, amend and provide cost of living adjustments for the plan is assigned to the State Legislature.

The Board of Directors for MPERA issues a publicly available financial report that includes financial statements and required supplementary information for MPERA. That report is available from the 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.

The State Legislature has the authority to establish and amend contribution rates to the plan. Plan members are required to contribute 7.9% of their monthly compensation and the local government is required to contribute 8.07% of the member's compensation. City and County's contributions to this plan for the years ended June 30, 2014, 2013 and 2012 were \$1,319,451, \$1,143,524, and \$1,125,389, respectively, equal to the required contributions for each year.

The State of Montana on behalf of the City and County of City and County contributed .10% of the covered wages to the Public Employees Retirement System. The on behalf payment for fiscal year ending June 30, 2014 was \$16,350. The financial statements reflect the related revenue and expenditure for this on behalf payment.

The Port of Montana Port Authority, a discretely presented component unit, also participates in the State of Montana cost sharing multiple employer plan (PERS) for all employees not participating in collective bargaining labor contracts. The contribution rate for employees was 7.9%, the employers' rate was 8.07% in 2014. The Plan is administered by the State of Montana. The Authority and employee contribution for the year ended June 30, 2014, 2013 and 2012 was \$33,674, \$31,170, and \$29,229. This includes additional voluntary contributions permitted by State Law.

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City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

The State of Montana on behalf of the Port of Montana Port Authority contributed .10% of the covered wages to the Public Employees Retirement System. The on behalf payment for fiscal year ended June 30, 2014 was \$211.

Participants become eligible for benefits after age 60 and 5 years of service, after age 65 regardless of service, or 30 years of service regardless of age. The benefit is 1/60 of the final compensation for each year of credited service, paid as a modified cash refund annuity. A participant is eligible for early retirement benefits after age 50 and 5 years of service or after 25 years of service regardless of age.

Firefighters' Unified Retirement System (FURS)

The Firefighters' Unified Retirement System (FURS) was established in 1981 and governed by Title 19; Chapter 13 of the Montana Code Annotated provides retirement services for fully paid firefighters. FURS is a mandatory multiple-employer, cost sharing plan by the Public Employees' Retirement Division (PERD).

The FURS offers retirement, disability and death benefits to plan members and their beneficiaries. A member may retire with a normal retirement benefit after completing 20 years of service, regardless of age. The monthly service retirement benefit, for members hired before July 1, 1981 is equal to 1/2 of the last monthly compensation received. An additional amount equal to 2% of the last monthly compensation earned for each year in excess of 20 years can be received. For those hired on or after July 1, 1981, the retirement allowance is equal to 2% of the final average compensation for each year of service. Post retirement benefits are 50% of a current firefighter's salary. Rights become vested after ten years of service. The authority to establish, amend and provide cost of living adjustments for the plan is assigned to the State Legislature.

The State Legislature has the authority to establish and amend contribution rates to the plan. Plan members with a hire date prior to July 1, 1997 under the 1997 State Legislature had the option to elect to stay under the existing FURS plan or by December 31, 1997 could elect the amended plan, which contains a Guaranteed Annual Benefit Adjustment (GABA). All employees hired after July 1, 1997 are under the amended FURS plan. Plan members not electing GABA are required to contribute 9.50% of their monthly compensation. Plan members electing GABA and those employees hired after July 1, 1997 are required to contribute 10.70% of their monthly compensation. The local government is required to contribute 14.36% of the member's compensation. City and County's contributions to this plan for the years ended June 30, 2014, 2013, and 2012 were, \$330,813, \$300,878, and \$281,186 respectively, equal to the required contributions for each year.

The State of Montana on behalf of the City and County of City and County contributed 32.61% to FURS. The on behalf payment for fiscal year ended June 30, 2013 was \$794,088. The financial statements reflect the related revenue and expenditures for this on behalf payment.

Municipal Police Officers' Retirement System (MPORS)

The Municipal Police Officers' Retirement System (MPORS) was established in 1975 and governed by Title 19, chapters 2 & 9 of the Montana Code Annotated covers all municipal police officers of cities covered by the plan. MPORS is a mandatory multiple-employer, cost sharing benefit plan administered by the Public Employees' Retirement Division (PERD).

The MPORS offers retirement, disability and death benefits to plan members and their beneficiaries. Minimum years of service are 20 for benefit eligibility. The retirement benefit is calculated as follows: $2.5\% \times \text{Final Average Salary} \times \text{Years of Service}$. Any officers meeting the service year retirements shall receive 1/2 of the final average salary. Rights become vested after 10 years of service. The authority to establish, amend and provide cost of living adjustments for the plan is assigned to the State Legislature.

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City and County of Butte-Silver Bow, Montana
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The State Legislature has the authority to establish and amend contribution rates to the plan. Plan members with a hire date prior to July 1, 1997 under the 1997 State Legislature had the option to elect to stay under the existing MPORS plan or by December 31, 1997 could elect the amended plan which contains a guaranteed annual Benefit Adjustment (GABA). All employees hired after July 1, 1997 are under the amended MPORS plan. Plan members not electing GABA are required to contribute 5.80% (for members prior to July 1, 1975), 7% (for members hired between July 1, 1975 and June 30, 1979) and 8.5% (for members hired on and after July 1, 1979) of their monthly compensation. Plan members electing GABA and those employees hired after July 1, 1997 are required to contribute 9% of their monthly compensation. Employers are required to contribute 14.41% of member's compensations. City and County's contributions to this plan for the years ended June 30, 2014, 2013 and 2012 were \$382,151, \$356,440, and \$355,635, respectively, equal to the required contributions for each year.

The State of Montana on behalf of the City and County of City and County contributed 29.37% to MPORS. The on behalf payment for fiscal year ended June 30, 2014 was \$778,887. The financial statements reflect the related revenue and expenditures for this on behalf payment.

Sheriff's Retirement System (SRS)

The Sheriffs' Retirement System (SRS) was established in 1974 and governed by Title 19; Chapter 7 of the Montana Code Annotated covers all persons employed as sheriffs. SRS is mandatory multiple-employer, cost sharing benefit plan administered by the Public Employees' Retirement Division (PERD).

The SRS offers retirement, disability and death benefits to plan members and their beneficiaries. Minimum years of service are 20 regardless of age for a normal retirement benefit. The service retirement is calculated as follows: 2.0834% of the final salary for each year of creditable service; members with more than 24 years of service shall receive an additional 1.35% of the final average salary for each year of creditable service in excess of 24 years. After 10 years of service, an employee has vested right to service retirement benefits. The authority to establish, amend and provide cost of living adjustments for the plan is assigned to the State Legislature.

The State Legislature has the authority to establish and amend contribution rates to the plan. Plan members are required to contribute 9.245% of monthly compensation and employers are required to contribute 9.535% of member's compensations. City and County's contributions to this plan for the years ended June 30, 2013, 2012, and 2011 were \$115,048, \$112,249, and \$98,866 respectively, equal to the required contributions for each year.

Component Unit

The Port of Montana, Port Authority participates in a multi-employer pension plan. 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 Authority may be liable on termination of withdrawal from the plan, for an allocated share of the plan's unfunded vested liabilities. Separate actuarial calculations of the Authority's position are not available with respect to the multi-employer plan. Contributions to the multi-employer plan were for fiscal years ended June 30, 2014, 2013, and 2012 were \$32,335, \$25,300, and \$22,624 respectively. The Port of Montana for fiscal year ended June 30, 2014, maintained a Deferred Compensation Plan pursuant to Section 457 of the Internal Revenue Code. Employee participation is voluntary and is only available for non-union employees. The Port supplements voluntary employee contributions with an amount equal to 30% of such contribution not to exceed 3% of gross wages. The employer contribution to the plan was \$4,885 for fiscal year ended June 30, 2014.

City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

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.

	<u>General Fund</u>	<u>Ramsay TIFID</u>	<u>ARCO Redevelopment</u>	<u>Other Funds</u>	<u>Total Funds</u>
Fund balances:					
Nonspendable:	\$ -	\$ -		\$ -	\$ -
Restricted for:					-
Self funded health insurance	568,534				568,534
Code enforcement	73,757				73,757
Revolving/LT Loans				1,230,112	1,230,112
Special Improvement Districts				876,813	876,813
Weed Control				128,812	128,812
District Courts				80,285	80,285
Economic Development		18,386,729		2,100,231	20,486,960
Comprehensive Insurance				383,765	383,765
Crime Control				127,881	127,881
Junk Vehicle program				3,341	3,341
Superfund			14,596,017	556,727	15,152,744
Reclamation				1,142,521	1,142,521
Urban Revitalization				3,727,224	3,727,224
Hard Rock Mining Trust				7,305,856	7,305,856
911 Emergency Program				164,268	164,268
Law Enforcement Grants				49,095	49,095
Public Works				1,083,876	1,083,876
Civic Center				284,305	284,305
Library/Archives				130,221	130,221
Senior Citizens				14,123	14,123
Developmentally Disabled				19,078	19,078
Fire Protection				976,851	976,851
Land Planning				121,973	121,973
Housing & Community Development				380,560	380,560
Debt Service				2,530,743	2,530,743
Capital Projects				2,827,371	2,827,371
Committed:	-	-		-	-
Assigned to:					
Community Development				422,114	422,114
Urban Revitalization				3,408,102	3,408,102
Highway Project				147,155	147,155
Emergency Operations Center				184,807	184,807
Unassigned:	5,210,404			(1,288,747)	3,921,657
Total fund balances	<u>\$ 5,852,695</u>	<u>\$ 18,386,729</u>	<u>\$ 14,596,017</u>	<u>\$ 29,119,463</u>	<u>\$ 67,954,904</u>

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City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

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 Ramsey TIFID. The purpose of this fund is to promote industrial development within the TIFID boundary via infrastructure improvements and/or economic development incentives. The second is the ARCO Redevelopment 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:

	Ramsey TIFID	ARCO Redevelopment Fund
Taxes - real property	\$ 6,050,364.00	\$ -
Intergovernmental	63,395	-
Private grants and donations	-	-
Miscellaneous	74,696	-
Investment earnings	11,558	7,865
	\$ 6,200,013	\$ 7,865

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.

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.

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 accident based on the memorandum of liability coverage obtained through the insurance pool, both public entity risk pools currently operating as common risk management and insurance programs for the member governments. The City and County has a \$10,000,000 umbrella policy for excess liability coverage. The City and County pays an annual premium for its employee injury insurance coverage, which is allocated to the employer funds based on total budgeted salaries and wages and an annual premium for tort liability. The agreements for formation of the pools provide that they will be self-sustaining through member premiums.

(This page continued on the subsequent page)

City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

City and County began a self-insurance medical program in October of 1990. This plan provides employee health benefits up to a \$2,500,000 in a lifetime maximum. City and County purchases commercial insurance for individual claims in excess of \$120,000. This coverage is provided by the fund.

Reconciliation of Claims Payable

	2014	2013
Claims payable, beginning of year	\$ 884,732	\$ 477,423
Claims incurred during the year	4,044,318	4,961,146
Claims paid during the year	(4,369,366)	(4,553,837)
Claims payable, end of year	\$ 559,684	\$ 884,732

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.

That reserve was \$568,534 at June 30, 2014.

4-B. Subsequent Events

Management has evaluated subsequent events for the period from June 30, 2014 through the date the financial statements were available to be issued. Following are the subsequent events to be reported:

Wastewater Treatment Plant Phase 2 MBR Upgrade

Commonly called the Phase 2 MBR Project, this upgrade entails installing membrane bioreactor technology to achieve new discharge standards which ensure the health of Silver Bow Creek. A contract for construction of the upgrades in the amount of \$30.7 million was awarded to Swank Construction on August 6th, 2014. Construction of the new treatment technology will continue through 2015 and is expected to be complete in mid-2016.

This \$34 million project is being funded by \$30 million in revenue bonds issued through the Montana State Revolving Fund (SRF) and \$4.36 million grant from the Montana Department of Environmental Quality, Montana Pole Settlement Account. On October 22, 2014 the City and County of Butte-Silver Bow closed on the first of a series of three \$10 million bond issues, \$10,000,000 Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program) Series 2014. All bonds will be for a period of 25 years with a fixed rate of 2.5%. The second series is tentatively scheduled to be issued on July 1, 2015, with the final series in January 2016. Bond covenants require Metro Sewer Operation net revenues must at least equal or exceed 110 percent of the annual debt service payment during the term of the bonds. The City and County adopted Council Resolution #13-40 on August 7, 2013. This resolution established the necessary rate increases over a four year period to meet the debt service obligations and related bond covenants.

Basin Creek Water Treatment Plant Project

The Basin Creek Water Treatment Plant project broke ground on December 5th, 2014. 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 \$35 million, is being funded by the State of Montana Natural Resource Damage Program grant funds. A contract for construction is expected to be awarded in mid-2015 with completion slated to occur in September of 2016.

City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

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, 2014. 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 degree 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, 2014, the City has made the following construction commitments:

Project Description	Project Authorized	Expended to June 30, 2014	Future Financing
Landfill difficult load area	\$ 78,484	\$ 36,907	\$ 41,577
Skyline Park fish pond study guide and interpretive signage	18,778	15,768	3,010
Skyline Park native plants and gardening	7,983	6,243	1,740
Civic Center fire alarm and system upgrades	91,305	44,505	46,800
Belmont Water Treatment irrigation project	127,032	82,994	44,038
DNRC Mineyard rehabilitation and mitigation-phase 3	20,000	17,852	2,148
DNRC Mineyard rehab and protection- phase 4	136,964	-	136,964
Emergency Operation Control Center construction commitment	1,606,000	204,000	1,402,000
Central Equipment and Maintenance air ventilation system	38,512	18,512	20,000
Montana Historic Preservation restoration of dome in Courthouse	238,200	26,200	212,000
	\$ 2,363,258	\$ 452,981	\$ 1,910,277

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, 2014. The pool consists solely of investments in the State of Montana Investment Pool, which has been deemed 2a7 like. These investments are reported at amortized cost. On June 30, 2014 the pooled investment's fair value was \$4,466,475, which is the value of the pooled shares. 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.

City and County of Butte-Silver Bow, Montana
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

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 plan allows retirees to participate, as a group, at a rate that does not cover all of the related costs. This results in the reporting of an implied rate subsidy in the financial statements and footnotes. 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 MCA 2-18-704, 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 City's current labor contracts do not include any obligations for payments to retirees. The City 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).

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 City-County completed the valuation for fiscal year 2013, with an estimate provided for fiscal year 2014. The Projected Unit Credit Actuarial Cost Method was used to determine the annual required contribution. For fiscal year 2014, an estimated valuation was derived based on the 2013 actual costs and participants. As of July 1, 2013, the most recent valuation date, the City-County's actuarially accrued liability (AAL) for benefits was \$1,049,340. The unfunded OPEB obligation for the Governmental activities and Business-type activities was \$49,528 for fiscal year 2014.

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. Butte-Silver Bow has elected not to fund this liability.

Combining Financial Statements

Non-major Governmental Funds

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 Fund – 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.

Economic Development 1 Mill Levy – Voter approved one mill levy for Economic Development purposes.

Economic Development (HR) - 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

Non-major Governmental Funds

Special Revenue Funds

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.

ARCO Planning Greenway Project - This fund accounts for the planning, design, construction, maintenance and operation of the Silver Bow Greenway, under the authority of the multi-jurisdictional Anaconda-Deer Lodge and Butte-Silver Bow counties Greenway Service District. The fund also includes authority to spend anticipated revenues from Montana Department of Transportation to build the first one to two miles of the Greenway.

Superfund Water 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.

Reclamation Fund – Accounts for revenues received from the State of Montana for land reclamation projects within the city-county from the Montana Resources Indemnity Trust Fund.

Non-major Governmental Funds

Special Revenue Funds

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 Grant 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 Service – 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.

Local Law Enforcement Block Grants – Grants aimed at preventing violence in the community. Funds are used to enhance security in schools by providing training and equipment for school resource officers. Also, purchasing of devices to maintain security throughout the schools.

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.

Non-major Governmental Funds

Special Revenue Funds

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.

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: 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.

ARCO Lead Program – Accounts for revenues received through a grant from ARCO in a designated superfund site. The grant is to be used to test mining impact on residences for the presence of concentrated levels of lead.

Non-major Governmental Funds

Special Revenue Funds

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.

NRDP Greenway Project - Natural Resource Damage Program grant funds the design, engineering and construction costs associated with the Greenway Service District. These funds account for the year 4 grant submittal.

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.

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 Governmental Funds - By Fund Type
June 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 8,634,206	\$ 497,813	\$ 969,328	\$ 10,101,347
Investments	4,409,519	2,080	1,971,918	6,383,517
Restricted assets - cash	7,299,467	2,115,334	-	9,414,801
Restricted assets - investments	6,389	-	-	6,389
Receivables:				
Accounts	1,849,815	-	204,000	2,053,815
Property taxes	1,297,982	474,602	-	1,772,584
Special assessments	297,008	-	-	297,008
Loans	4,245,666	-	14,087	4,259,753
Interfund receivable	1,440,496	-	19,193	1,459,689
Total Assets	\$ 29,480,548	\$ 3,089,829	\$ 3,178,526	\$ 35,748,903
Liabilities, Deferred Inflows and Fund Balances				
Liabilities				
Vouchers payable	\$ 1,094,002	\$ -	\$ -	\$ 1,094,002
Accounts payable	15,065	-	-	15,065
Accrued salaries and benefits payable	248,487	-	-	248,487
Interfund payable	2,942,967	-	19,193	2,962,160
Performance bonds payable	10,134	-	-	10,134
Due to others	230,000	-	-	230,000
Total Liabilities	4,540,655	-	19,193	4,559,848
Deferred Inflow of resources				
Unavailable revenue-property taxes and specials assessments	1,594,990	474,602	-	2,069,592
Fund Balances				
Restricted	20,653,244	2,530,743	2,827,371	26,011,358
Assigned	3,980,406	84,484	331,962	4,396,852
Unassigned	(1,288,747)	-	-	(1,288,747)
Total Fund Balances	23,344,903	2,615,227	3,159,333	29,119,463
Total Liabilities, Deferred Inflows and Fund Balances	\$ 29,480,548	\$ 3,089,829	\$ 3,178,526	\$ 35,748,903

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, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ 8,684,866	\$ 3,016,960	\$ -	\$ 11,701,826
Special assessments	1,500,518	-	-	1,500,518
Intergovernmental	11,304,087	322,385	204,000	11,830,472
Charges for services	1,020,933	-	-	1,020,933
Fines and forfeitures	34,773	-	32,385	67,158
Private grants and donations	1,721,471	-	-	1,721,471
Investment earnings	148,051	299	8,603	156,953
Increase(Decrease)in Investments to fair market value	(1,539)	-	-	(1,539)
Rent	7,600	-	-	7,600
Miscellaneous	348,803	1,241	1,595	351,639
Total Revenues	24,769,563	3,340,885	246,583	28,357,031
Expenditures				
<i>Current:</i>				
General government	3,917,751	-	-	3,917,751
Public safety	5,629,947	300	204,487	5,834,734
Public works	6,577,430	-	-	6,577,430
Public health	1,367,750	-	-	1,367,750
Social and economic services	163,592	-	-	163,592
Cultural and recreation	1,119,509	600	12,249	1,132,358
Housing and community development	2,720,501	300	-	2,720,801
<i>Capital Outlay</i>	5,795,885	-	148,253	5,944,138
<i>Debt Service:</i>				
Principal	243,660	2,580,214	-	2,823,874
Interest	8,202	1,164,371	-	1,172,573
Total Expenditures	27,544,227	3,745,785	364,989	31,655,001
(Deficiency) of Revenues (Under) Expenditures	(2,774,664)	(404,900)	(118,406)	(3,297,970)
Other Financing Sources (Uses)				
Issuance of general obligation notes payable	42,163	-	-	42,163
Insurance proceeds	280,772	-	-	280,772
	-	-	17,000	17,000
Transfers in	3,133,470	2,010,564	-	5,144,034
Transfers out	(200,849)	(1,788,200)	-	(1,989,049)
Total Other Financing Sources (Uses)	3,255,556	222,364	17,000	3,494,920
Net Change in Fund Balances	480,892	(182,536)	(101,406)	196,950
Fund Balances Beginning of Year	22,864,011	2,797,763	3,260,739	28,922,513
Fund Balances End of Year	\$ 23,344,903	\$ 2,615,227	\$ 3,159,333	\$ 29,119,463

City and County of Butte-Silver Bow, Montana
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30,2014

	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	\$ 891,676	\$ 3,542	\$ 7,954	\$ -	\$ 1,092,407	\$ 112,590	\$ 149,891	\$ 18,335	\$ 190,729	\$ 332,035
Investments	-	-	-	-	-	-	-	-	-	-
Receivables:										
Taxes	369	-	-	-	168,261	43,978	32,978	-	124,964	59,361
Accounts	-	-	-	-	14,800	-	-	18,480	58,901	14,560
Special assessments	209,686	428	3,278	1,290	-	-	30,526	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Interfund	-	-	-	-	-	-	-	-	-	-
Restricted assets										
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 1,101,731	\$ 3,970	\$ 11,232	\$ 1,290	\$ 1,275,468	\$ 156,568	\$ 213,395	\$ 36,815	\$ 374,594	\$ 405,956
Liabilities, Deferred Inflows and Fund Balances										
Liabilities										
Vouchers payable	\$ 22,290	\$ -	\$ -	\$ -	\$ 161,298	\$ -	\$ 2,368	\$ 2,845	\$ 144,108	\$ 54,538
Accounts payable	-	-	-	-	-	-	-	-	15,065	-
Accrued salaries and benefits payable	4,069	-	-	-	33,039	8,139	8,577	3,668	10,172	7,752
Performance bonds payable	-	-	-	-	-	-	10,134	-	-	-
Due to others	-	-	-	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	-	141,000	-	-
Total Liabilities	26,359	-	-	-	194,337	8,139	21,079	147,513	169,345	62,290
Deferred Inflow of Resources										
Unavailable revenue-property taxes and specials assessments	210,055	428	3,278	1,290	168,261	43,978	63,504	-	124,964	59,361
Fund Balances										
Restricted	865,317	3,542	7,954	-	912,870	104,451	128,812	-	80,285	284,305
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(110,698)	-	-
Total Fund Balances	865,317	3,542	7,954	-	912,870	104,451	128,812	(110,698)	80,285	284,305
Total Liabilities, Deferred Inflows and Fund Balances	\$ 1,101,731	\$ 3,970	\$ 11,232	\$ 1,290	\$ 1,275,468	\$ 156,568	\$ 213,395	\$ 36,815	\$ 374,594	\$ 405,956

City and County of Butte-Silver Bow, Montana
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30,2014

	<u>Parks</u>	<u>Library</u>	<u>Public Archives</u>	<u>Econ Dev 1 Mill Levy</u>	<u>Economic Dev (HR)</u>	<u>Transit</u>	<u>Health</u>	<u>Senior Citizens</u>	<u>Developmentally Disabled</u>	<u>Damages And Judgments</u>
Assets										
Cash and cash equivalents	\$ 30,900	\$ 17,540	\$ 109,074	\$ 19,906	\$ 188,064	\$ 159,400	\$ -	\$ 14,123	\$ 2,965	\$ -
Investments	-	-	14,442	-	817,307	-	-	-	-	-
Receivables:										
Taxes	-	-	-	8,700	-	68,542	-	9,619	9,163	19,035
Accounts	-	-	1,517	-	-	262,419	258,186	-	20,000	-
Special assessments	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Interfund	-	-	-	-	1,085,033	-	-	-	-	-
Restricted assets										
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 30,900	\$ 17,540	\$ 125,033	\$ 28,606	\$ 2,090,404	\$ 490,361	\$ 258,186	\$ 23,742	\$ 32,128	\$ 19,035
Liabilities, Deferred Inflows and Fund Balances										
Liabilities										
Vouchers payable	\$ -	\$ 5,598	\$ 1,592	\$ 10,000	\$ 79	\$ 21,641	\$ 31,719	\$ -	\$ 1,988	\$ -
Accounts payable	-	-	-	-	-	-	-	-	-	-
Accrued salaries and benefits payable	-	-	5,162	-	-	13,929	18,752	-	1,899	-
Performance bonds payable	-	-	-	-	-	-	-	-	-	-
Due to others	-	-	-	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	484,123	767,717	-	-	20,969
Total Liabilities	-	5,598	6,754	10,000	79	519,693	818,188	-	3,887	20,969
Deferred Inflow of Resources										
Unavailable revenue-property taxes and specials assessments	-	-	-	8,700	-	68,542	-	9,619	9,163	19,035
Fund Balances										
Restricted	30,900	11,942	118,279	9,906	2,090,325	-	-	14,123	19,078	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(97,874)	(560,002)	-	-	(20,969)
Total Fund Balances	30,900	11,942	118,279	9,906	2,090,325	(97,874)	(560,002)	14,123	19,078	(20,969)
Total Liabilities, Deferred Inflows and Fund Balances	\$ 30,900	\$ 17,540	\$ 125,033	\$ 28,606	\$ 2,090,404	\$ 490,361	\$ 258,186	\$ 23,742	\$ 32,128	\$ 19,035

City and County of Butte-Silver Bow, Montana
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2014

	Fire	Comprehensive Insurance	Crime Control	Land Planning	Junk Vehicle	ARCO Planning Greenway Project	Superfund Wtr Quality District	Sidewalks	Uptown Parking	Reclamation Projects
Assets										
Cash and cash equivalents	\$ 1,090,178	\$ 319,234	\$ 114,699	\$ 54,015	\$ 6,642	\$ -	\$ 141,195	\$ 31,611	\$ -	\$ 60,016
Investments	-	68,207	-	-	-	-	-	-	-	-
Receivables:										
Taxes	602,425	132,148	-	-	-	-	-	-	-	-
Accounts	-	-	14,812	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	8,390	2,663	-
Loans	-	-	-	-	-	-	-	-	-	-
Interfund	-	-	-	-	-	-	-	-	-	-
Restricted assets										
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 1,692,603</u>	<u>\$ 519,589</u>	<u>\$ 129,511</u>	<u>\$ 54,015</u>	<u>\$ 6,642</u>	<u>\$ -</u>	<u>\$ 141,195</u>	<u>\$ 40,001</u>	<u>\$ 2,663</u>	<u>\$ 60,016</u>
Liabilities, Deferred Inflows and Fund Balances										
Liabilities										
Vouchers payable	\$ 30,814	\$ 3,676	\$ 250	\$ -	\$ 1,409	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-	-	-	-	-
Accrued salaries and benefits payable	82,513	-	1,380	-	1,892	-	1,448	-	-	-
Performance bonds payable	-	-	-	-	-	-	-	-	-	-
Due to others	-	-	-	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	55,033	-	-	-	-
Total Liabilities	<u>113,327</u>	<u>3,676</u>	<u>1,630</u>	<u>-</u>	<u>3,301</u>	<u>55,033</u>	<u>1,448</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflow of Resources										
Unavailable revenue-property taxes and specials assessments	602,425	132,148	-	-	-	-	-	8,390	2,663	-
Fund Balances										
Restricted	976,851	383,765	127,881	54,015	3,341	-	139,747	31,611	-	60,016
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(55,033)	-	-	-	-
Total Fund Balances	<u>976,851</u>	<u>383,765</u>	<u>127,881</u>	<u>54,015</u>	<u>3,341</u>	<u>(55,033)</u>	<u>139,747</u>	<u>31,611</u>	<u>-</u>	<u>60,016</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 1,692,603</u>	<u>\$ 519,589</u>	<u>\$ 129,511</u>	<u>\$ 54,015</u>	<u>\$ 6,642</u>	<u>\$ -</u>	<u>\$ 141,195</u>	<u>\$ 40,001</u>	<u>\$ 2,663</u>	<u>\$ 60,016</u>

City and County of Butte-Silver Bow, Montana
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2014

	URA Economic Development	Community Development	Hard-Rock Mine Trust Reserve	Community Development Block Grants Projects	Montana Pole Institution	911 Emergency	CTEP Grants	DNRC Grants	Local Law Enforcement Block Grant	Clark Tailings O & M Trust
Assets										
Cash and cash equivalents	\$ 623,249	\$ -	\$ -	\$ 22,424	\$ 67,682	\$ 254,927	\$ -	\$ -	\$ 783	\$ 15,340
Investments	2,631,364	10,964	-	-	306,578	10,632	-	-	-	99,973
Receivables:										
Taxes	18,439	-	-	-	-	-	-	-	-	-
Accounts	-	154,423	-	-	-	-	-	61,996	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-
Loans	3,727,224	63,700	-	24,630	-	-	-	-	-	-
Interfund	260,000	-	-	76,284	-	-	-	-	-	-
Restricted assets										
Cash and cash equivalents	-	-	7,299,467	-	-	-	-	-	-	-
Investments	-	-	6,389	-	-	-	-	-	-	-
Total Assets	<u>\$ 7,260,276</u>	<u>\$ 229,087</u>	<u>\$ 7,305,856</u>	<u>\$ 123,338</u>	<u>\$ 374,260</u>	<u>\$ 265,559</u>	<u>\$ -</u>	<u>\$ 61,996</u>	<u>\$ 783</u>	<u>\$ 115,313</u>
Liabilities, Deferred Inflows and Fund Balances										
Liabilities										
Vouchers payable	\$ 187,896	\$ -	\$ -	\$ -	\$ -	\$ 99,255	\$ -	\$ 46,292	\$ -	\$ -
Accounts payable	-	-	-	-	-	-	-	-	-	-
Accrued salaries and benefits payable	3,614	2,327	-	-	-	2,036	-	252	-	-
Performance bonds payable	-	-	-	-	-	-	-	-	-	-
Due to others	-	-	-	-	230,000	-	-	-	-	-
Interfund payable	-	76,284	-	-	-	-	8,440	23,723	-	-
Total Liabilities	<u>191,510</u>	<u>78,611</u>	<u>-</u>	<u>-</u>	<u>230,000</u>	<u>101,291</u>	<u>8,440</u>	<u>70,267</u>	<u>-</u>	<u>-</u>
Deferred Inflow of Resources										
Unavailable revenue-property taxes and specials assessments	18,439	-	-	-	-	-	-	-	-	-
Fund Balances										
Restricted	3,727,224	63,700	7,305,856	24,630	144,260	164,268	-	-	783	115,313
Assigned	3,323,103	86,776	-	98,708	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(8,440)	(8,271)	-	-
Total Fund Balances	<u>7,050,327</u>	<u>150,476</u>	<u>7,305,856</u>	<u>123,338</u>	<u>144,260</u>	<u>164,268</u>	<u>(8,440)</u>	<u>(8,271)</u>	<u>783</u>	<u>115,313</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 7,260,276</u>	<u>\$ 229,087</u>	<u>\$ 7,305,856</u>	<u>\$ 123,338</u>	<u>\$ 374,260</u>	<u>\$ 265,559</u>	<u>\$ -</u>	<u>\$ 61,996</u>	<u>\$ 783</u>	<u>\$ 115,313</u>

City and County of Butte-Silver Bow, Montana
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2014

	PIT Watch ED Program	Arco Historic Preservation Grant	East Butte Renovation & Rehabilitation Agency	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
Assets										
Cash and cash equivalents	\$ 164,954	\$ 97,645	\$ 43,414	\$ 800,000	\$ 67,958	\$ 22,570	\$ 204,401	\$ 22,389	\$ 17,161	\$ 402,798
Investments	-	370,639	576	-	-	-	-	-	-	63,204
Receivables:										
Taxes	-	-	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	28,703	-	-	-	5,302
Special assessments	-	-	40,747	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	223,356
Interfund	-	19,179	-	-	-	-	-	-	-	-
Restricted assets										
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 164,954	\$ 487,463	\$ 84,737	\$ 800,000	\$ 67,958	\$ 51,273	\$ 204,401	\$ 22,389	\$ 17,161	\$ 694,660
Liabilities, Deferred Inflows and Fund Balances										
Liabilities										
Vouchers payable	\$ -	\$ 3,886	\$ -	\$ -	\$ -	\$ 2,961	\$ -	\$ -	\$ 4,767	\$ -
Accounts payable	-	-	-	-	-	-	-	-	-	-
Accrued salaries and benefits payable	-	-	-	-	-	-	-	-	2,520	-
Performance bonds payable	-	-	-	-	-	-	-	-	-	-
Due to others	-	-	-	-	-	-	-	-	-	-
Interfund payable	-	-	260,000	-	-	-	30,000	-	-	-
Total Liabilities	-	3,886	260,000	-	-	2,961	30,000	-	7,287	-
Deferred Inflow of Resources										
Unavailable revenue-property taxes and specials assessments	-	-	40,747	-	-	-	-	-	-	-
Fund Balances										
Restricted	164,954	483,577	-	800,000	67,958	48,312	174,401	22,389	9,874	223,356
Assigned	-	-	-	-	-	-	-	-	-	471,304
Unassigned	-	-	(216,010)	-	-	-	-	-	-	-
Total Fund Balances	164,954	483,577	(216,010)	800,000	67,958	48,312	174,401	22,389	9,874	694,660
Total Liabilities, Deferred Inflows and Fund Balances	\$ 164,954	\$ 487,463	\$ 84,737	\$ 800,000	\$ 67,958	\$ 51,273	\$ 204,401	\$ 22,389	\$ 17,161	\$ 694,660

City and County of Butte-Silver Bow, Montana
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2014

	ARCO Lead Program	Superfund Residential Metals	NRDP Greenway Project	East Butte RRA Revolving Loan	Superfund Storm Water System	MT DOC- NSP3 Grant	Safe Routes to Schools	Total Nonmajor Special Revenue Funds
Assets								
Cash and cash equivalents	\$ 7,404	\$ 108,695	\$ -	\$ -	\$ 404,660	\$ 127,031	\$ -	\$ 8,634,206
Investments	15,118	-	-	515	-	-	-	4,409,519
Receivables:								
Taxes	-	-	-	-	-	-	-	1,297,982
Accounts	-	-	912,493	-	-	-	23,223	1,849,815
Special assessments	-	-	-	-	-	-	-	297,008
Loans	-	-	-	206,756	-	-	-	4,245,666
Interfund	-	-	-	-	-	-	-	1,440,496
Restricted assets								
Cash and cash equivalents	-	-	-	-	-	-	-	7,299,467
Investments	-	-	-	-	-	-	-	6,389
Total Assets	\$ 22,522	\$ 108,695	\$ 912,493	\$ 207,271	\$ 404,660	\$ 127,031	\$ 23,223	\$ 29,480,548
Liabilities, Deferred Inflows and Fund Balances								
Liabilities								
Vouchers payable	\$ -	\$ 56,238	\$ 62,445	\$ -	\$ 64,574	\$ 69,475	\$ -	\$ 1,094,002
Accounts payable	-	-	-	-	-	-	-	15,065
Accrued salaries and benefits payable	-	15,536	4,999	-	14,812	-	-	248,487
Performance bonds payable	-	-	-	-	-	-	-	10,134
Due to others	-	-	-	-	-	-	-	230,000
Interfund payable	-	-	1,056,499	-	-	-	19,179	2,942,967
Total Liabilities	-	71,774	1,123,943	-	79,386	69,475	19,179	4,540,655
Deferred Inflow of Resources								
Unavailable revenue-property taxes and specials assessments	-	-	-	-	-	-	-	1,594,990
Fund Balances								
Restricted	22,522	36,921	-	206,756	325,274	57,556	4,044	20,653,244
Assigned	-	-	-	515	-	-	-	3,980,406
Unassigned	-	-	(211,450)	-	-	-	-	(1,288,747)
Total Fund Balances	22,522	36,921	(211,450)	207,271	325,274	57,556	4,044	23,344,903
Total Liabilities, Deferred Inflows and Fund Balances	\$ 22,522	\$ 108,695	\$ 912,493	\$ 207,271	\$ 404,660	\$ 127,031	\$ 23,223	\$ 29,480,548

City and County of Butte-Silver Bow, Montana
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 June 30, 2014

	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	\$ 11,428	\$ -	\$ -	\$ -	\$ 1,249,496	\$ 261,746	\$ 226,499	\$ -	\$ 889,051	\$ 366,797
Special assessments	1,403,250	13,821	370	512	-	-	-	-	-	-
Intergovernmental	5,585	-	-	-	1,602,206	47,713	23,510	94	235,900	43,004
Charges for services	-	-	9,785	-	-	-	115,375	87,871	12,612	409,006
Fines and forfeitures	-	-	-	-	-	-	-	34,773	-	-
Private grants and donations	-	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) Investments to fair market value	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	25,952	2,263	225	-	12,600	1,092
Total Revenues	1,420,263	13,821	10,155	512	2,877,654	311,722	365,609	122,738	1,150,163	819,899
Expenditures										
<i>Current:</i>										
General government	383,235	-	-	-	-	-	-	-	881,834	-
Public safety	-	-	-	-	-	-	-	-	273,472	-
Public works	924,779	14,000	9,595	-	1,879,607	402,864	348,266	175,059	-	-
Public health	13,969	-	-	-	-	-	-	-	89,235	-
Social and economic services	-	-	-	-	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-	-	-	-	813,127
Housing and community development	-	-	-	-	-	-	-	-	-	-
<i>Capital Outlay</i>	7,500	-	-	-	1,046,477	-	-	28,671	19,515	60,100
<i>Debt Service:</i>										
Principal	-	-	-	-	108,550	-	-	-	-	-
Interest	-	-	-	-	7,369	-	-	-	-	-
Total Expenditures	1,329,483	14,000	9,595	-	3,042,003	402,864	348,266	203,730	1,264,056	873,227
Excess (Deficiency) of Revenues Over (Under) Expenditures	90,780	(179)	560	512	(164,349)	(91,142)	17,343	(80,992)	(113,893)	(53,328)
Other Financing Sources (Uses)										
Transfers in	15,000	-	-	-	45,000	-	-	55,647	-	-
Issuance of general obligation notes	-	-	-	-	42,163	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(41,595)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	15,000	-	-	(41,595)	87,163	-	-	55,647	-	-
Net Change in Fund Balances	105,780	(179)	560	(41,083)	(77,186)	(91,142)	17,343	(25,345)	(113,893)	(53,328)
Fund Balances Beginning of Year	759,537	3,721	7,394	41,083	990,056	195,593	111,469	(85,353)	194,178	337,633
Fund Balances End of Year	\$ 865,317	\$ 3,542	\$ 7,954	\$ -	\$ 912,870	\$ 104,451	\$ 128,812	\$ (110,698)	\$ 80,285	\$ 284,305

City and County of Butte-Silver Bow, Montana
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 June 30, 2014

	<u>Parks</u>	<u>Library</u>	<u>Public Archives</u>	<u>Econ Dev 1 Mill Levy</u>	<u>Economic Dev (HR)</u>	<u>Transit</u>	<u>Health</u>	<u>Senior Citizens</u>	<u>Developmental Disabled</u>	<u>Damages And Judgements</u>
Revenues										
Property taxes	\$ -	\$ -	\$ -	\$ 55,074	\$ -	\$ 500,271	\$ -	\$ 61,401	\$ 62,724	\$ 94,259
Special assessments	-	-	-	345	-	2,560	-	-	-	762
Intergovernmental	-	16,585	387	10,083	-	2,237,872	1,140,072	12,475	27,108	20,036
Charges for services	-	-	17,274	-	-	104,441	172,495	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Private grants and donations	-	6,391	2,874	-	-	-	6,656	-	-	-
Investment earnings	-	-	21	-	1,166	-	-	-	-	-
Increase (Decrease) Investments to fair market value	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	7,600	-	-	-	-
Miscellaneous	12,300	1,190	512	-	-	14,904	-	-	-	-
Total Revenues	12,300	24,166	21,068	65,502	1,166	2,867,648	1,319,223	73,876	89,832	115,057
Expenditures										
<i>Current:</i>										
General government	-	-	-	-	-	-	-	-	-	43,403
Public safety	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	1,160,936	-	-	-	-
Public health	-	-	-	-	-	-	1,261,009	-	-	-
Social and economic services	-	-	-	-	-	-	-	76,044	87,548	-
Cultural and recreation	-	26,805	279,577	-	-	-	-	-	-	-
Housing and community development	-	-	-	68,000	44,029	-	-	-	-	-
<i>Capital Outlay</i>	-	-	739	-	-	1,893,580	8,657	-	-	-
<i>Debt Service:</i>										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	26,805	280,316	68,000	44,029	3,054,516	1,269,666	76,044	87,548	43,403
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,300	(2,639)	(259,248)	(2,498)	(42,863)	(186,868)	49,557	(2,168)	2,284	71,654
Other Financing Sources (Uses)										
Transfers in	-	-	278,943	-	-	-	200,000	-	-	-
Issuance of general obligation notes	-	-	-	-	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	278,943	-	-	-	200,000	-	-	-
Net Change in Fund Balances	12,300	(2,639)	19,695	(2,498)	(42,863)	(186,868)	249,557	(2,168)	2,284	71,654
Fund Balances Beginning of Year	18,600	14,581	98,584	12,404	2,133,188	88,994	(809,559)	16,291	16,794	(92,623)
Fund Balances End of Year	\$ 30,900	\$ 11,942	\$ 118,279	\$ 9,906	\$ 2,090,325	\$ (97,874)	\$ (560,002)	\$ 14,123	\$ 19,078	\$ (20,969)

City and County of Butte-Silver Bow, Montana
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 June 30, 2014

	Fire	Comprehensive Insurance	Crime Control	Land Planning	Junk Vehicle	ARCO Planning Greenway Project	Superfund Water Quality District	Sidewalks	Uptown Parking	Reclamation Projects
Revenues										
Property taxes	\$ 3,923,780	\$ 862,380	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	15,302	-	-	-	-	-	-	9,506	15,646	-
Intergovernmental	1,208,729	46,663	51,243	4,296	47,097	-	45	-	-	-
Charges for services	54,909	-	28,499	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Private grants and donations	-	-	-	-	-	-	59,184	-	-	-
Investment earnings	-	97	-	-	-	-	-	-	-	-
Increase (Decrease) Investments to fair market value	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-
Miscellaneous	7,072	-	-	-	-	-	-	-	-	-
Total Revenues	5,209,792	909,140	79,742	4,296	47,097	-	59,229	9,506	15,646	-
Expenditures										
<i>Current:</i>										
General government	-	728,973	-	4,000	-	-	63,656	-	-	-
Public safety	4,897,517	-	73,736	-	-	-	-	-	-	-
Public works	-	-	-	-	49,712	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-
Social and economic services	-	-	-	-	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-	-	-	-	-
Housing and community development	-	-	-	-	-	-	-	-	-	-
<i>Capital Outlay</i>	38,047	-	-	-	-	-	-	-	-	-
<i>Debt Service:</i>										
Principal	135,110	-	-	-	-	-	-	-	-	-
Interest	833	-	-	-	-	-	-	-	-	-
Total Expenditures	5,071,507	728,973	73,736	4,000	49,712	-	63,656	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	138,285	180,167	6,006	296	(2,615)	-	(4,427)	9,506	15,646	-
Other Financing Sources (Uses)										
Transfers in	207,818	-	8,750	-	-	-	-	-	-	-
Issuance of general obligation notes	-	-	-	-	-	-	-	-	-	-
Insurance proceeds	8,813	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(15,647)	-	-
Total Other Financing Sources (Uses)	216,631	-	8,750	-	-	-	-	-	(15,647)	-
Net Change in Fund Balances	354,916	180,167	14,756	296	(2,615)	-	(4,427)	9,506	(1)	-
Fund Balances Beginning of Year	621,935	203,598	113,125	53,719	5,956	(55,033)	144,174	22,105	1	60,016
Fund Balances End of Year	\$ 976,851	\$ 383,765	\$ 127,881	\$ 54,015	\$ 3,341	\$ (55,033)	\$ 139,747	\$ 31,611	\$ -	\$ 60,016

City and County of Butte-Silver Bow, Montana
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 June 30, 2014

	URA Economic Development	Community Development	Hard-Rock Mine Trust Reserve	Community Development Block Grants Projects	Montana Pole Institution	911 Emergency	CTEP Grants	DNRC Grants	Local Law Enforcement Block Grant	Clark Tailings O & M Trust	PIT Watch ED Program
Revenues											
Property taxes	\$ 680	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	33,737	-	-	-	-	-	-	-	-	-	-
Intergovernmental	112	155,194	591,223	-	-	241,671	7,926	272,337	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-
Private grants and donations	-	750	-	-	-	-	-	-	-	-	-
Investment earnings	126,075	342	234	-	-	15	-	-	-	143	432
Increase (Decrease) Investments to fair market value	-	-	-	-	(1,539)	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	4,136	700	-	14,337	-	551	-	-	-	-	-
Total Revenues	<u>164,740</u>	<u>156,986</u>	<u>591,457</u>	<u>14,337</u>	<u>(1,539)</u>	<u>242,237</u>	<u>7,926</u>	<u>272,337</u>	<u>-</u>	<u>143</u>	<u>432</u>
Expenditures											
<i>Current:</i>											
General government	-	-	-	-	-	-	20,867	151,605	-	-	11,872
Public safety	-	-	-	-	-	301,632	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	2,637	-
Social and economic services	-	-	-	-	-	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-	-	-	-	-	-
Housing and community development	2,202,793	270,305	-	35,536	-	-	-	-	-	-	-
<i>Capital Outlay</i>	95,900	-	-	-	-	291,039	58,697	132,566	-	-	-
<i>Debt Service:</i>											
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,298,693</u>	<u>270,305</u>	<u>-</u>	<u>35,536</u>	<u>-</u>	<u>592,671</u>	<u>79,564</u>	<u>284,171</u>	<u>-</u>	<u>2,637</u>	<u>11,872</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,133,953)</u>	<u>(113,319)</u>	<u>591,457</u>	<u>(21,199)</u>	<u>(1,539)</u>	<u>(350,434)</u>	<u>(71,638)</u>	<u>(11,834)</u>	<u>-</u>	<u>(2,494)</u>	<u>(11,440)</u>
Other Financing Sources (Uses)											
Transfers in	1,790,000	101,196	-	-	-	-	-	-	-	-	-
Issuance of general obligation notes	-	-	-	-	-	271,959	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(92,491)	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,697,509</u>	<u>101,196</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>271,959</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(436,444)</u>	<u>(12,123)</u>	<u>591,457</u>	<u>(21,199)</u>	<u>(1,539)</u>	<u>(78,475)</u>	<u>(71,638)</u>	<u>(11,834)</u>	<u>-</u>	<u>(2,494)</u>	<u>(11,440)</u>
Fund Balances Beginning of Year	<u>7,486,771</u>	<u>162,599</u>	<u>6,714,399</u>	<u>144,537</u>	<u>145,799</u>	<u>242,743</u>	<u>63,198</u>	<u>3,563</u>	<u>783</u>	<u>117,807</u>	<u>176,394</u>
Fund Balances End of Year	<u>\$ 7,050,327</u>	<u>\$ 150,476</u>	<u>\$ 7,305,856</u>	<u>\$ 123,338</u>	<u>\$ 144,260</u>	<u>\$ 164,268</u>	<u>\$ (8,440)</u>	<u>\$ (8,271)</u>	<u>\$ 783</u>	<u>\$ 115,313</u>	<u>\$ 164,954</u>

City and County of Butte-Silver Bow, Montana
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
June 30, 2014

	ARCO Historic Preservation Grant	East Butte R R A	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
Revenues									
Property taxes	\$ -	\$ 119,280		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	4,707		-	-	-	-	-	-
Intergovernmental	-	7,659		-	109,122	148,641	-	76	-
Charges for services	-	-		6,399	2,267	-	-	-	-
Fines and forfeitures	-	-		-	-	-	-	-	-
Private grants and donations	-	-		-	-	-	-	127,855	-
Investment earnings	529	-		-	-	-	-	-	12,550
Increase (Decrease) Investments to fair market value	-	-	-	-	-	-	-	-	-
Rent									
Miscellaneous	16,335	30,000		-	-	-	-	-	-
Total Revenues	16,864	161,646		6,399	111,389	148,641	-	127,931	12,550
Expenditures									
<i>Current:</i>									
General government	98,992	-		-	-	-	-	126,133	-
Public safety	-	-		-	83,590	-	-	-	-
Public works	-	-		-	-	-	-	-	-
Public health	-	-		-	-	-	900	-	-
Social and economic services	-	-		-	-	-	-	-	-
Cultural and recreation	-	-		-	-	-	-	-	-
Housing and community development	-	83,901		-	-	-	-	-	15,937
<i>Capital Outlay</i>	-	-		-	14,258	150,000	-	-	-
<i>Debt Service:</i>									
Principal	-	-		-	-	-	-	-	-
Interest	-	-		-	-	-	-	-	-
Total Expenditures	98,992	83,901		-	97,848	150,000	900	126,133	15,937
Excess (Deficiency) of Revenues Over (Under) Expenditures	(82,128)	77,745		6,399	13,541	(1,359)	(900)	1,798	(3,387)
Other Financing Sources (Uses)									
Transfers in	-	21,116	400,000	-	10,000	-	-	-	-
Issuance of general obligation notes	-	-	-	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-	-	-	-
Transfers out	-	(30,000)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(8,884)	400,000	-	10,000	-	-	-	-
Net Change in Fund Balances	(82,128)	68,861	400,000	6,399	23,541	(1,359)	(900)	1,798	(3,387)
Fund Balances Beginning of Year	565,705	(284,871)	400,000	61,559	24,771	175,760	23,289	8,076	698,047
Fund Balances End of Year	\$ 483,577	\$ (216,010)	\$ 800,000	\$ 67,958	\$ 48,312	\$ 174,401	\$ 22,389	\$ 9,874	\$ 694,660

City and County of Butte-Silver Bow, Montana
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 June 30, 2014

	ARCO Lead Grant	Superfund Residential Metals	NRDP Greenway Project	East Butte RRA Revolving Loan	Superfund Storm Water System	MT DOC- NSP3 Grant	Safe Routes to Schools	Total Nonmajor Special Revenue Funds
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,684,866
Special assessments	-	-	-	-	-	-	-	1,500,518
Intergovernmental	-	418	1,890,519	-	173	1,059,894	38,419	11,304,087
Charges for services	-	-	-	-	-	-	-	1,020,933
Fines and forfeitures	-	-	-	-	-	-	-	34,773
Private grants and donations	-	887,903	10,000	-	619,858	-	-	1,721,471
Investment earnings	22	-	-	6,425	-	-	-	148,051
Increase (Decrease) Investments to fair market value	-	-	-	-	-	-	-	(1,539)
Rent	-	-	-	-	-	-	-	7,600
Miscellaneous	-	-	400	-	260	199,974	4,000	348,803
Total Revenues	22	888,321	1,900,919	6,425	620,291	1,259,868	42,419	24,769,563
Expenditures								
<i>Current:</i>								
General government	-	-	162,494	-	-	1,202,312	38,375	3,917,751
Public safety	-	-	-	-	-	-	-	5,629,947
Public works	-	1,002,830	-	-	609,782	-	-	6,577,430
Public health	-	-	-	-	-	-	-	1,367,750
Social and economic services	-	-	-	-	-	-	-	163,592
Cultural and recreation	-	-	-	-	-	-	-	1,119,509
Housing and community development	-	-	-	-	-	-	-	2,720,501
<i>Capital Outlay</i>	-	44,977	1,736,916	-	168,246	-	-	5,795,885
<i>Debt Service:</i>								
Principal	-	-	-	-	-	-	-	243,660
Interest	-	-	-	-	-	-	-	8,202
Total Expenditures	-	1,047,807	1,899,410	-	778,028	1,202,312	38,375	27,544,227
Excess (Deficiency) of Revenues Over (Under) Expenditures	22	(159,486)	1,509	6,425	(157,737)	57,556	4,044	(2,774,664)
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	3,133,470
Issuance of general obligation notes	-	-	-	-	-	-	-	42,163
Insurance proceeds	-	-	-	-	-	-	-	280,772
Transfers out	-	-	-	(21,116)	-	-	-	(200,849)
Total Other Financing Sources (Uses)	-	-	-	(21,116)	-	-	-	3,255,556
Net Change in Fund Balances	22	(159,486)	1,509	(14,691)	(157,737)	57,556	4,044	480,892
Fund Balances Beginning of Year	22,500	196,407	(212,959)	221,962	483,011	-	-	22,864,011
Fund Balances End of Year	\$ 22,522	\$ 36,921	\$ (211,450)	\$ 207,271	\$ 325,274	\$ 57,556	\$ 4,044	\$ 23,344,903

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes:				
Real property	\$ -	\$ -	\$ 11,428	\$ 11,428
Special assessments	899,997	899,997	1,403,250	503,253
Intergovernmental	5,585	5,585	5,585	-
Total Revenues	<u>905,582</u>	<u>905,582</u>	<u>1,420,263</u>	<u>514,681</u>
Expenditures				
Current:				
General government	508,969	508,969	383,235	125,734
Public works	1,109,272	1,125,842	924,779	201,063
Public health	17,650	17,650	13,969	3,681
Capital Outlay	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>-</u>
Total Expenditures	<u>1,643,391</u>	<u>1,659,961</u>	<u>1,329,483</u>	<u>330,478</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(737,809)</u>	<u>(754,379)</u>	<u>90,780</u>	<u>845,159</u>
Other Financing Sources				
Transfers in	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total Other Financing Sources	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (722,809)</u>	<u>\$ (739,379)</u>	<u>105,780</u>	<u>\$ 845,159</u>
Fund Balances Beginning of Year			<u>759,537</u>	
Fund Balances End of Year			<u>\$ 865,317</u>	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Special assessments	14,000	14,000	13,821	(179)
Total Revenues	14,000	14,000	13,821	(179)
Expenditures				
Current:				
Public works	14,000	14,000	14,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	(179)	<u>\$ (179)</u>
Fund Balances Beginning of Year			<u>3,721</u>	
Fund Balances End of Year			<u>\$ 3,542</u>	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Charges for services	\$ 10,000	\$ 10,000	\$ 9,785	\$ (215)
Special assessmenets	-	-	370	370
Total Revenues	10,000	10,000	10,155	155
Expenditures				
Current:				
Public works	10,000	10,000	9,595	405
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	560	<u>\$ 560</u>
Fund Balances Beginning of Year			<u>7,394</u>	
Fund Balances End of Year			<u>\$ 7,954</u>	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Special assessments	\$ 45,715	\$ 45,715	\$ 512	\$ (45,203)
Other Financing (Uses)				
Transfers out - Blacktail Loop debt service fund	(49,715)	(49,715)	(41,595)	-
Net Change in Fund Balances	<u>\$ (4,000)</u>	<u>\$ (4,000)</u>	(41,083)	<u>\$ (45,203)</u>
Fund Balances Beginning of Year			<u>41,083</u>	
Fund Balances End of Year			<u>\$ -</u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes:				
Real property	\$ 1,136,037	\$ 1,136,037	\$ 1,090,063	\$ (45,974)
Personal property	4,500	4,500	32,171	27,671
Motor vehicle-Local Option Tax	125,000	125,000	127,262	2,262
Intergovernmental	1,537,667	1,537,667	1,602,206	64,539
Charges for Services	-	-	-	-
Miscellaneous	50,000	50,000	25,952	(24,048)
Total Revenues	<u>2,853,204</u>	<u>2,853,204</u>	<u>2,877,654</u>	<u>24,450</u>
Expenditures				
Current:				
Public works	2,969,279	2,306,918	1,879,607	427,311
Capital Outlay	384,184	1,046,479	1,046,477	2
Debt Service				
Principal	108,551	108,551	108,550	1
Interest	7,304	7,370	7,369	1
Total Expenditures	<u>3,469,318</u>	<u>3,469,318</u>	<u>3,042,003</u>	<u>427,315</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(616,114)</u>	<u>(616,114)</u>	<u>(164,349)</u>	<u>451,765</u>
Other Financing Sources				
Issuance of general obligation loan	35,000	35,000	42,163	(7,163)
Transfers in:				
URA Fund	45,000	45,000	45,000	-
Total Other Financing Sources	<u>80,000</u>	<u>80,000</u>	<u>87,163</u>	<u>(7,163)</u>
Net Change in Fund Balances	<u><u>\$ (536,114)</u></u>	<u><u>\$ (536,114)</u></u>	<u>(77,186)</u>	<u><u>\$ 444,602</u></u>
Fund Balances Beginning of Year			<u>990,056</u>	
Fund Balances End of Year			<u><u>\$ 912,870</u></u>	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes:				
Real property	\$ 259,513	\$ 259,513	\$ 252,366	\$ (7,147)
Personal property	1,500	1,500	9,380	7,880
Intergovernmental	45,696	45,774	47,713	1,939
Miscellaneous	-	-	2,263	2,263
Total Revenues	<u>306,709</u>	<u>306,787</u>	<u>311,722</u>	<u>4,935</u>
Expenditures				
Current:				
Public works	443,008	443,086	402,864	40,222
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>443,008</u>	<u>443,086</u>	<u>402,864</u>	<u>40,222</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (136,299)</u>	<u>\$ (136,299)</u>	(91,142)	<u>\$ 45,157</u>
Fund Balances Beginning of Year			<u>195,593</u>	
Fund Balances End of Year			<u>\$ 104,451</u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes:				
Real property	\$ 228,303	\$ 228,303	\$ 219,188	\$ (9,115)
Personal property	2,000	2,000	7,311	5,311
Intergovernmental	24,997	24,997	23,510	(1,487)
Miscellaneous	-	-	225	225
Charges for services	135,846	135,846	115,375	(20,471)
Total Revenues	391,146	391,146	365,609	(25,537)
Expenditures				
Current:				
Public works	387,264	387,264	348,266	38,998
Capital Outlay	71,162	71,162	-	71,162
Total Expenditures	458,426	458,426	348,266	110,160
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (67,280)	\$ (67,280)	17,343	\$ 84,623
Fund Balances Beginning of Year			111,469	
Fund Balances End of Year			\$ 128,812	

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 109	\$ 109	\$ 94	\$ (15)
Charges for services	75,000	75,000	87,871	12,871
Fines and forfeitures	50,000	50,000	34,773	(15,227)
Total Revenues	125,109	125,109	122,738	(2,371)
Expenditures				
Current:				
Public works	195,030	204,212	175,059	29,153
Capital Outlay	-	30,818	28,671	2,147
Total Expenditures	195,030	235,030	203,730	31,300
(Deficiency) of Revenues (Under) Expenditures	(69,921)	(109,921)	(80,992)	(33,671)
Other Financing Sources				
Transfers in:				
General fund	-	40,000	40,000	-
Uptown parking fund	17,500	17,500	15,647	(1,853)
Total Other Financing Sources	17,500	57,500	55,647	(1,853)
Net Change in Fund Balances	<u>\$ (52,421)</u>	<u>\$ (52,421)</u>	(25,345)	<u>\$ (35,524)</u>
Fund Balances Beginning of Year			(85,353)	
Fund Balances End of Year			<u>\$ (110,698)</u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes:				
Real property	\$ 852,254	\$ 852,254	\$ 814,420	\$ (37,834)
Personal property	-	-	27,278	27,278
Motor vehicle	45,000	45,000	47,353	2,353
Intergovernmental	368,024	368,043	235,900	(132,143)
Miscellaneous	-	-	12,600	12,600
Charges for services	13,000	13,000	12,612	(388)
Total Revenues	1,278,278	1,278,297	1,150,163	(128,134)
Expenditures				
Current:				
General government	948,742	938,318	881,834	56,484
Public safety	159,700	279,700	273,472	6,228
Public health	187,769	187,769	89,235	98,534
Capital Outlay	12,000	22,443	19,515	2,928
Total Expenditures	1,308,211	1,428,230	1,264,056	164,174
(Deficiency) of Revenues (Under) Expenditures	\$ (29,933)	\$ (149,933)	(113,893)	\$ (292,308)
Fund Balances Beginning of Year			194,178	
Fund Balances End of Year			\$ 80,285	

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 the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes:				
Real property	\$ 368,050	\$ 368,050	\$ 353,953	\$ (14,097)
Personal property	2,000	2,000	12,844	10,844
Intergovernmental	40,294	40,294	43,004	2,710
Charges for services	300,500	300,500	409,006	108,506
Private grants and donations	-	-	-	-
Rent	8,640	8,640	-	(8,640)
Miscellaneous	22,000	22,000	1,092	(20,908)
Total Revenues	<u>741,484</u>	<u>741,484</u>	<u>819,899</u>	<u>78,415</u>
Expenditures				
Current:				
Culture and recreation	921,423	876,918	813,127	63,791
Capital Outlay	<u>49,000</u>	<u>93,505</u>	<u>60,100</u>	<u>33,405</u>
Total Expenditures	<u>970,423</u>	<u>970,423</u>	<u>873,227</u>	<u>97,196</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (228,939)</u>	<u>\$ (228,939)</u>	(53,328)	<u>\$ 175,611</u>
Fund Balances Beginning of Year			<u>337,633</u>	
Fund Balances End of Year			<u>\$ 284,305</u>	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Miscellaneous	\$ -	\$ -	\$ 12,300	\$ 12,300
Expenditures				
Current:				
Culture and recreation	<u>11,529</u>	<u>11,529</u>	<u>-</u>	<u>11,529</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (11,529)</u>	<u>\$ (11,529)</u>	12,300	<u>\$ (11,529)</u>
Fund Balances Beginning of Year			<u>18,600</u>	
Fund Balances End of Year			<u>\$ 30,900</u>	

City and County of Butte-Silver Bow, Montana
Library Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 10,004	\$ 10,004	\$ 16,585	\$ 6,581
Private grants and donations	5,000	5,000	6,391	1,391
Miscellaneous revenue	-	-	1,190	1,190
Total Revenues	<u>15,004</u>	<u>15,004</u>	<u>24,166</u>	<u>9,162</u>
Expenditures				
Current:				
Culture and recreation	<u>28,570</u>	<u>28,570</u>	<u>26,805</u>	<u>1,765</u>
(Deficiency) of Revenues (Under) Expenditures	<u>\$ (13,566)</u>	<u>\$ (13,566)</u>	(2,639)	<u>\$ (1,765)</u>
Fund Balances Beginning of Year			<u>14,581</u>	
Fund Balances End of Year			<u>\$ 11,942</u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 2,546	\$ 2,546	\$ 387	\$ (2,159)
Charges for services	5,500	5,500	17,274	11,774
Private grants and donations	3,500	3,500	2,874	(626)
Miscellaneous Revenue	-	-	512	512
Investment earnings	-	-	21	21
Total Revenues	11,546	11,546	21,068	9,522
Expenditures				
Current:				
Culture and recreation	338,944	338,255	279,577	58,678
Capital Outlay	-	739	739	-
Total Expenditures	338,944	338,994	280,316	58,678
Excess (Deficiency) of Revenues Over (Under) Expenditures	(327,398)	(327,448)	(259,248)	68,200
Other Financing Sources				
Transfers in:				
Urban revitalization agency fund	15,000	15,000	15,000	-
General fund	299,499	299,499	263,943	(35,556)
Total Other Financing Sources	314,499	314,499	278,943	(35,556)
Net Change in Fund Balances	\$ (12,899)	\$ (12,949)	19,695	\$ 32,644
Fund Balances Beginning of Year			98,584	
Fund Balances End of Year			\$ 118,279	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes:				
Real property	\$ 55,943	\$ 55,943	\$ 53,751	\$ (2,192)
Personal property	-	-	1,323	1,323
Miscellaneous	-	-	-	-
Special assessments	-	-	345	345
Intergovernmental	9,653	9,653	10,083	430
Total Revenues	65,596	65,596	65,502	(94)
Expenditures				
Current:				
Housing and community development	68,000	68,000	68,000	-
(Deficiency) of Revenues (Under) Expenditures	<u>\$ (2,404)</u>	<u>\$ (2,404)</u>	(2,498)	<u>\$ (94)</u>
Fund Balances Beginning of Year			<u>12,404</u>	
Fund Balances End of Year			<u>\$ 9,906</u>	

City and County of Butte-Silver Bow, Montana
Economic Development Fund (HR)
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Investment earnings	\$ -	\$ -	\$ 1,166	\$ 1,166
Total Revenues	-	-	1,166	1,166
Expenditures				
Current:				
Housing and community development	481,058	481,058	44,029	437,029
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (481,058)</u>	<u>\$ (481,058)</u>	(42,863)	<u>\$ 438,195</u>
Fund Balances Beginning of Year			<u>2,133,188</u>	
Fund Balances End of Year			<u>\$ 2,090,325</u>	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes:				
Real property	\$ 515,674	\$ 515,674	\$ 492,821	\$ (22,853)
Personal property	-	-	7,450	7,450
Special assessments	-	-	2,560	2,560
Intergovernmental	2,331,292	2,331,292	2,237,872	(93,420)
Charges for services	66,497	66,497	104,441	37,944
Rent	12,000	12,000	7,600	(4,400)
Miscellaneous	5,000	5,000	14,904	9,904
Total Revenues	<u>2,930,463</u>	<u>2,930,463</u>	<u>2,867,648</u>	<u>(62,815)</u>
Expenditures				
Current:				
Public works	1,328,006	1,341,189	1,160,936	180,253
Capital Outlay	1,913,164	1,899,981	1,893,580	6,401
Debt Service				
Principal	40,000	40,000	-	40,000
Total Expenditures	<u>3,281,170</u>	<u>3,281,170</u>	<u>3,054,516</u>	<u>226,654</u>
(Deficiency) of Revenues (Under) Expenditures	(350,707)	(350,707)	(186,868)	(289,469)
Other Financing Sources				
Proceeds from loans	326,970	326,970	-	(326,970)
Net Change in Fund Balances	<u>\$ (23,737)</u>	<u>\$ (23,737)</u>	(186,868)	<u>\$ (616,439)</u>
Fund Balances Beginning of Year			88,994	
Fund Balances End of Year			<u>\$ (97,874)</u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 1,339,550	\$ 1,339,561	\$ 1,140,072	\$ (199,489)
Charges for services	155,000	155,000	172,495	17,495
Miscellaneous	-	1,801	-	(1,801)
Private grants and donations	28,000	28,000	6,656	(21,344)
Total Revenues	<u>1,522,550</u>	<u>1,524,362</u>	<u>1,319,223</u>	<u>(205,139)</u>
Expenditures				
Current:				
Public health	1,537,346	1,530,501	1,261,009	269,492
Capital Outlay	<u>-</u>	<u>8,657</u>	<u>8,657</u>	<u>-</u>
Total Expenditures	<u>1,537,346</u>	<u>1,539,158</u>	<u>1,269,666</u>	<u>269,492</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (14,796)</u>	<u>\$ (14,796)</u>	<u>49,557</u>	<u>\$ (474,631)</u>
Other Financing Sources				
Transfers in:				
General fund	200,000	200,000	200,000	-
Net Change in Fund Balances	<u>\$ 185,204</u>	<u>\$ 185,204</u>	<u>249,557</u>	<u>\$ (474,631)</u>
Fund Balances Beginning of Year			<u>(809,559)</u>	
Fund Balances End of Year			<u>\$ (560,002)</u>	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes				
Real property	\$ 61,643	\$ 61,643	\$ 59,567	\$ (2,076)
Personal property	500	500	1,834	1,334
Intergovernmental	11,620	11,620	12,475	855
Total Revenues	73,763	73,763	73,876	113
Expenditures				
Current:				
Social and economic services	76,044	76,044	76,044	-
(Deficiency) of Revenues (Under) Expenditures	<u>\$ (2,281)</u>	<u>\$ (2,281)</u>	(2,168)	<u>\$ 113</u>
Fund Balances Beginning of Year			<u>16,291</u>	
Fund Balances End of Year			<u>\$ 14,123</u>	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes				
Real property	\$ 63,623	\$ 63,623	\$ 61,160	\$ (2,463)
Personal property	-	-	1,564	1,564
Miscellaneous	-	-	-	-
Intergovernmental	24,491	24,492	27,108	2,616
Total Revenues	<u>88,114</u>	<u>88,115</u>	<u>89,832</u>	<u>1,717</u>
Expenditures				
Current:				
Social and economic services	87,264	87,744	87,548	196
(Deficiency) of Revenues (Under) Expenditures	<u>\$ 850</u>	<u>\$ 371</u>	2,284	<u>\$ 1,913</u>
Fund Balances Beginning of Year			<u>16,794</u>	
Fund Balances End of Year			<u>\$ 19,078</u>	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes				
Real property	\$ 95,119	\$ 95,119	\$ 92,931	\$ (2,188)
Personal property	-	-	1,328	1,328
Special assessments	-	-	762	762
Intergovernmental	19,274	19,274	20,036	762
Total Revenues	114,393	114,393	115,057	664
Expenditures				
Current:				
General government	-	-	43,403	(43,403)
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 114,393</u>	<u>\$ 114,393</u>	71,654	<u>\$ (42,739)</u>
Fund Balances Beginning of Year			<u>(92,623)</u>	
Fund Balances End of Year			<u>\$ (20,969)</u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes:				
Real property	\$ 4,396,231	\$ 4,396,231	\$ 3,834,637	\$ (561,594)
Personal property	4,500	4,500	89,143	84,643
Special assessments	-	-	15,302	15,302
Intergovernmental	1,250,902	1,250,902	1,208,729	(42,173)
Charges for services	-	54,908	54,909	1
Miscellaneous	-	-	7,072	7,072
Total Revenues	<u>5,651,633</u>	<u>5,706,541</u>	<u>5,209,792</u>	<u>(496,749)</u>
Expenditures				
Current:				
Public safety	5,318,396	5,494,295	4,897,517	596,778
Capital Outlay	301,529	180,537	38,047	142,490
Debt Service:				
Principal	135,110	135,111	135,110	1
Interest	835	835	833	2
Total Expenditures	<u>5,755,870</u>	<u>5,810,778</u>	<u>5,071,507</u>	<u>739,271</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(104,237)</u>	<u>(104,237)</u>	<u>138,285</u>	<u>242,522</u>
Other Financing Sources				
Compensation for loss of an asset	8,813	8,813	8,813	-
Transfers in-Ramsay TIFID	207,818	207,818	207,818	-
Other Financing Sources	<u>216,631</u>	<u>216,631</u>	<u>216,631</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 112,394</u>	<u>\$ 112,394</u>	354,916	<u>\$ 242,522</u>
Fund Balances Beginning of Year			<u>621,935</u>	
Fund Balances End of Year			<u>\$ 976,851</u>	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes				
Real property	\$ 868,729	\$ 868,729	\$ 836,517	\$ (32,212)
Personal property	-	-	25,863	25,863
Miscellaneous	-	-	-	-
Intergovernmental	39,970	39,970	46,663	6,693
Investment earnings	200	200	97	(103)
Total Revenues	908,899	908,899	909,140	241
Expenditures				
Current:				
General government	989,997	989,997	728,973	261,024
(Deficiency) of Revenues (Under) Expenditures	\$ (81,098)	\$ (81,098)	180,167	\$ 261,265
Fund Balances Beginning of Year			203,598	
Fund Balances End of Year			\$ 383,765	

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 36,513	\$ 36,513	\$ 51,243	\$ 14,730
Charges for services	24,300	24,300	28,499	4,199
Total Revenues	60,813	60,813	79,742	18,929
Expenditures				
Current:				
Public safety	117,647	117,648	73,736	43,912
Total Expenditures	117,647	117,648	73,736	43,912
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,834)	(56,835)	6,006	62,841
Other Financing Sources				
Transfers in - General Fund	8,750	8,750	8,750	-
Net Change in Fund Balances	<u>\$ (48,084)</u>	<u>\$ (48,085)</u>	14,756	<u>\$ 62,841</u>
Fund Balances Beginning of Year			<u>113,125</u>	
Fund Balances End of Year			<u>\$ 127,881</u>	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ 4,300	\$ 4,300	\$ 4,296	\$ (4)
Expenditures				
Current:				
General Government	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>\$ 300</u>	<u>\$ 300</u>	296	<u>\$ (4)</u>
Fund Balances Beginning of Year			<u>53,719</u>	
Fund Balances End of Year			<u>\$ 54,015</u>	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ 48,139	\$ 48,139	\$ 47,097	\$ (1,042)
Expenditures				
Current:				
Public works	<u>50,254</u>	<u>50,256</u>	<u>49,712</u>	<u>544</u>
Excess of Revenues Over Expenditures	<u>\$ (2,115)</u>	<u>\$ (2,117)</u>	(2,615)	<u>\$ (498)</u>
Fund Balances Beginning of Year			<u>5,956</u>	
Fund Balances End of Year			<u>\$ 3,341</u>	

City and County of Butte-Silver Bow, Montana
Arco Planning Grant Fund Silver Bow Creek Greenway Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current:				
General government	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
(Deficiency) of Revenues (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balances Beginning of Year			<u>(55,033)</u>	
Fund Balances End of Year			<u>\$ (55,033)</u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 46	\$ 46	\$ 45	\$ (1)
Private grants and donations	-	-	59,184	59,184
Total Revenues	46	46	59,229	59,183
Expenditures				
Current:				
General government	63,810	63,810	63,656	154
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (63,764)</u>	<u>\$ (63,764)</u>	(4,427)	<u>\$ 59,337</u>
Fund Balances Beginning of Year			<u>144,174</u>	
Fund Balances End of Year			<u>\$ 139,747</u>	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Special assessments	\$ -	\$ -	\$ 9,506	\$ 9,506
Fund Balances Beginning of Year			<u>22,105</u>	
Fund Balances End of Year			<u>\$ 31,611</u>	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Special assessments	\$ 17,500	\$ 17,500	\$ 15,646	\$ (1,854)
Other Financing (Uses)				
Transfers out - parking commission fund	(17,500)	(17,500)	(15,647)	1,853
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	(1)	<u>\$ (1)</u>
Fund Balances Beginning of Year			<u>1</u>	
Fund Balances End of Year			<u>\$ -</u>	

City and County of Butte-Silver Bow, Montana
Reclamation Projects
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current:				
Conservation of Natural Resources	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balances Beginning of Year			<u>60,016</u>	
Fund Balances End of Year			<u>\$ 60,016</u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Real Property	\$ 500	\$ 500	\$ 680	\$ 180
Special assessments	25,000	25,000	33,737	8,737
Intergovernmental	112	112	112	-
Investment earnings	149,000	149,000	126,075	(22,925)
Miscellaneous	500	500	4,136	3,636
Total Revenues	175,112	175,112	164,740	(10,372)
Expenditures				
Current:				
Housing and community development	5,648,971	5,753,072	2,202,793	3,550,279
Capital Outlay	-	95,900	95,900	-
Total Expenditures	5,648,971	5,848,972	2,298,693	3,550,279
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,473,859)	(5,673,860)	(2,133,953)	3,539,907
Other Financing Sources (Uses)				
Transfers in:				
Tax increment bond fund	1,972,670	1,972,670	1,760,000	(212,670)
East Butte RRA	30,000	30,000	30,000	
Transfers out:				
Road fund	(45,000)	(45,000)	(45,000)	-
General fund	(32,491)	(32,491)	(32,491)	-
Public archives fund	(15,000)	(15,000)	(15,000)	-
Total Other Financing Sources (Uses)	1,910,179	1,910,179	1,697,509	(212,670)
Net Change in Fund Balances	<u>\$ (3,563,680)</u>	<u>\$ (3,763,681)</u>	(436,444)	<u>\$ 3,327,237</u>
Fund Balances Beginning of Year			<u>7,486,771</u>	
Fund Balances End of Year			<u>\$ 7,050,327</u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 278,504	\$ 278,504	\$ 155,194	\$ (123,310)
Rent	350	350	700	350
Private grants and donations	2,765	2,765	750	(2,015)
Investment earnings	445	445	342	(103)
Total Revenues	<u>282,064</u>	<u>282,064</u>	<u>156,986</u>	<u>(125,078)</u>
Expenditures				
Current:				
Housing and community development	439,667	439,667	270,305	169,362
Total Expenditures	<u>439,667</u>	<u>439,667</u>	<u>270,305</u>	<u>169,362</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(157,603)</u>	<u>(157,603)</u>	<u>(113,319)</u>	<u>(294,440)</u>
Other Financing Sources:				
Transfers in:				
General Fund	101,196	101,196	101,196	-
Total Other Financing Sources	<u>101,196</u>	<u>101,196</u>	<u>101,196</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (56,407)</u>	<u>\$ (56,407)</u>	(12,123)	<u>\$ (294,440)</u>
Fund Balances Beginning of Year			<u>162,599</u>	
Fund Balances End of Year			<u>\$ 150,476</u>	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ 800,000	\$ 800,000	\$ 591,223	\$ (208,777)
Investment earnings	500	500	234	(266)
Total Revenues	<u>\$ 800,500</u>	<u>\$ 800,500</u>	591,457	<u>\$ (209,043)</u>
Fund Balances Beginning of Year			<u>6,714,399</u>	
Fund Balances End of Year			<u>\$ 7,305,856</u>	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Miscellaneous	\$ 12,000	\$ 12,000	\$ 14,337	\$ 2,337
Expenditures				
Current:				
Housing and community development	<u>31,098</u>	<u>35,536</u>	<u>35,536</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(19,098)</u>	<u>(23,536)</u>	<u>(21,199)</u>	<u>2,337</u>
Net Change in Fund Balances	<u>\$ (19,098)</u>	<u>\$ (23,536)</u>	(21,199)	<u>\$ 2,337</u>
Fund Balances Beginning of Year			<u>144,537</u>	
Fund Balances End of Year			<u>\$ 123,338</u>	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Decrease Investments to fair market value	\$ 45	\$ 45	\$ (1,539)	\$ (1,584)
Expenditures				
Current:				
Public Health	<u>45,000</u>	<u>45,000</u>	<u>-</u>	<u>45,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (44,955)</u>	<u>\$ (44,955)</u>	(1,539)	<u>\$ (43,416)</u>
Fund Balances Beginning of Year			<u>145,799</u>	
Fund Balances End of Year			<u>\$ 144,260</u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 395,546	\$ 395,546	\$ 241,671	\$ (153,875)
Investment earnings	-	-	15	15
Miscellaneous	200,000	200,000	551	(199,449)
Total Revenues	<u>595,546</u>	<u>595,546</u>	<u>242,237</u>	<u>(353,309)</u>
Expenditures				
Current:				
Public safety	374,806	381,806	301,632	80,174
Capital Outlay	<u>312,715</u>	<u>305,715</u>	<u>291,039</u>	<u>14,676</u>
Total Expenditures	<u>687,521</u>	<u>687,521</u>	<u>592,671</u>	<u>94,850</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(91,975)</u>	<u>(91,975)</u>	<u>(350,434)</u>	<u>(448,159)</u>
Other Financing Sources:				
Compensation for loss of an asset	-	-	271,959	271,959
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>271,959</u>	<u>271,959</u>
Net Change in Fund Balances	<u>\$ (91,975)</u>	<u>\$ (91,975)</u>	<u>(78,475)</u>	<u>\$ (176,200)</u>
Fund Balances Beginning of Year			<u>242,743</u>	
Fund Balances End of Year			<u>\$ 164,268</u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 1,147,952	\$ 1,147,952	\$ 7,926	\$ (1,140,026)
Miscellaneous Revenue			\$ -	
Total Revenues	<u>1,147,952</u>	<u>1,147,952</u>	<u>7,926</u>	<u>(1,140,026)</u>
Expenditures				
Current:				
General government	242,241	242,241	20,867	221,374
Capital Outlay	<u>600,000</u>	<u>600,000</u>	<u>58,697</u>	<u>541,303</u>
Total Expenditures	<u>842,241</u>	<u>842,241</u>	<u>79,564</u>	<u>762,677</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	305,711	305,711	(71,638)	(377,349)
Other Financing Sources				
Transfers in:				
Arco fund	<u>134,200</u>	<u>134,200</u>	<u>-</u>	<u>(134,200)</u>
Net Change in Fund Balances	<u>\$ 439,911</u>	<u>\$ 439,911</u>	<u>(71,638)</u>	<u>\$ (511,549)</u>
Fund Balances Beginning of Year			<u>63,198</u>	
Fund Balances End of Year			<u>\$ (8,440)</u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 978,414	\$ 978,918	\$ 272,337	\$ (706,581)
Private grants and donations	-	-	-	-
Total Revenues	<u>978,414</u>	<u>978,918</u>	<u>272,337</u>	<u>(706,581)</u>
Expenditures				
Current:				
General government	776,937	766,248	151,605	614,643
Capital Outlay	<u>152,856</u>	<u>164,049</u>	<u>132,566</u>	<u>31,483</u>
Total Expenditures	<u>929,793</u>	<u>930,297</u>	<u>284,171</u>	<u>646,126</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 48,621</u>	<u>\$ 48,621</u>	(11,834)	<u>\$ (60,455)</u>
Fund Balances Beginning of Year			<u>3,563</u>	
Fund Balances End of Year			<u>\$ (8,271)</u>	

City and County of Butte-Silver Bow, Montana
Local Law Enforcement Block Grants Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current:				
Public safety	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balances Beginning of Year			<u>783</u>	
Fund Balances End of Year			<u>\$ 783</u>	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Investment earnings	\$ -	\$ -	\$ 143	\$ 143
Expenditures				
Current:				
Public Health	<u>12,000</u>	<u>12,000</u>	<u>2,637</u>	<u>9,363</u>
(Deficiency) of Revenues (Under) Expenditures	<u>\$ (12,000)</u>	<u>\$ (12,000)</u>	<u>(2,494)</u>	<u>\$ (9,220)</u>
Fund Balances Beginning of Year			<u>117,807</u>	
Fund Balances End of Year			<u>\$ 115,313</u>	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Investment earnings	\$ -	\$ -	\$ 432	\$ 432
Expenditures				
Current:				
General government	<u>39,600</u>	<u>39,600</u>	<u>11,872</u>	<u>27,728</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (39,600)</u>	<u>\$ (39,600)</u>	(11,440)	<u>\$ 28,160</u>
Fund Balances Beginning of Year			<u>176,394</u>	
Fund Balances End of Year			<u>\$ 164,954</u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	\$ -	\$ -	\$ 529	\$ 529
Miscellaneous Revenue	-	-	16,335	16,335
Intergovernmental	12	12	-	(12)
Total Revenues	<u>12</u>	<u>12</u>	<u>16,864</u>	<u>16,852</u>
Expenditures				
Current:				
General government	170,368	170,368	98,992	71,376
Capital Outlay	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total Expenditures	<u>270,368</u>	<u>270,368</u>	<u>98,992</u>	<u>171,376</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(270,356)	(270,356)	(82,128)	187,711
Other Financing Sources				
Transfers out:				
CTEP fund	(134,200)	(134,200)	-	134,200
Net Change in Fund Balances	<u>\$ (404,556)</u>	<u>\$ (404,556)</u>	(82,128)	<u>\$ 321,911</u>
Fund Balances Beginning of Year			<u>565,705</u>	
Fund Balances End of Year			<u>\$ 483,577</u>	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes:				
Real property	\$ 169,278	\$ 169,278	\$ 112,653	\$ (56,625)
Personal property	-	-	6,627	6,627
Special assessments	-	-	4,707	4,707
Intergovernmental	1,152	1,152	7,659	6,507
Investment earnings	38	38	-	(38)
Miscellaneous	-	-	30,000	30,000
Total Revenues	<u>170,468</u>	<u>170,468</u>	<u>161,646</u>	<u>(8,822)</u>
Expenditures				
Current:				
Housing and community development	<u>102,244</u>	<u>102,244</u>	<u>83,901</u>	<u>18,343</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>68,224</u>	<u>68,224</u>	<u>77,745</u>	<u>9,521</u>
Other Financing Sources (Uses)				
Transfer from revolving loan fund	23,134	23,134	21,116	(2,018)
Transfer to URA	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(6,866)</u>	<u>(6,866)</u>	<u>(8,884)</u>	<u>(2,018)</u>
Net Change in Fund Balances	<u>\$ 61,358</u>	<u>\$ 61,358</u>	68,861	<u>\$ 7,503</u>
Fund Balances Beginning of Year			<u>(284,871)</u>	
Fund Balances End of Year			<u>\$ (216,010)</u>	

City and County of Butte-Silver Bow, Montana
Tax Increment Financing District Revolving Loan Fund
Schedule of Revenues and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Other Financing (Uses)				
Transfers in - Ramsey TIFID	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 400,000</u>	<u>\$ 400,000</u>	400,000	<u>\$ -</u>
Fund Balances Beginning of Year			<u>400,000</u>	
Fund Balances End of Year			<u>\$ 800,000</u>	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Charges for services	\$ -	\$ -	\$ 6,399	\$ 6,399
Fund Balances Beginning of Year			<u>61,559</u>	
Fund Balances End of Year			<u>\$ 67,958</u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 223,183	\$ 223,183	\$ 109,122	\$ (114,061)
Charges For Services	-	-	2,267	2,267
Total Revenues	223,183	223,183	111,389	(111,794)
Expenditures				
Current:				
Public safety	120,422	121,164	83,590	37,574
Capital Outlay	15,000	14,258	14,258	-
Total Expenditures	135,422	135,422	97,848	37,574
Excess (Deficiency) of Revenues Over (Under) Expenditures	87,761	87,761	13,541	(149,368)
Other Financing Sources				
Transfer from DUI Court	10,000	10,000	10,000	-
Net Change in Fund Balances	<u>\$ 97,761</u>	<u>\$ 97,761</u>	23,541	<u>\$ (149,368)</u>
Fund Balances Beginning of Year			<u>24,771</u>	
Fund Balances End of Year			<u>\$ 48,312</u>	

City and County of Butte-Silver Bow, Montana
Montana Historical Preservation Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ 183,000	\$ 183,000	\$ 148,641	\$ (34,359)
Expenditures				
Current:				
Culture and recreation	350,000	200,000	-	200,000
Capital Outlay	-	150,000	150,000	-
Total Expenditures	<u>350,000</u>	<u>350,000</u>	<u>150,000</u>	<u>200,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (167,000)</u>	<u>\$ (167,000)</u>	(1,359)	<u>\$ 165,641</u>
Fund Balances Beginning of Year			<u>175,760</u>	
Fund Balances End of Year			<u>\$ 174,401</u>	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Private grants and donations	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
Expenditures				
Current:				
Public Health	<u>100,000</u>	<u>100,000</u>	<u>900</u>	<u>99,100</u>
(Deficiency) of Revenues (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(900)</u>	<u>\$ (900)</u>
Fund Balances Beginning of Year			<u>23,289</u>	
Fund Balances End of Year			<u>\$ 22,389</u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 69	\$ 73	\$ 76	\$ 3
Private grants and donations	121,000	121,000	127,855	6,855
Total Revenues	121,069	121,073	127,931	6,858
Expenditures				
Current:				
General government	126,355	126,359	126,133	226
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (5,286)</u>	<u>\$ (5,286)</u>	1,798	<u>\$ 7,084</u>
Fund Balances Beginning of Year			<u>8,076</u>	
Fund Balances End of Year			<u>\$ 9,874</u>	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Investment earnings	\$ -	\$ -	\$ 12,550	\$ 12,550
Expenditures				
Current:				
Housing and Community Development	-	-	15,937	(15,937)
(Deficiency) of Revenues (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	(3,387)	<u>\$ (3,387)</u>
Fund Balances Beginning of Year			<u>698,047</u>	
Fund Balances End of Year			<u>\$ 694,660</u>	

City and County of Butte-Silver Bow, Montana
Arco Lead Fund
Schedule of Revenues and Changes
in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Investment earnings	\$ -	\$ -	\$ 22	\$ 22
Fund Balances Beginning of Year			<u>22,500</u>	
Fund Balances End of Year			<u>\$ 22,522</u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 473	\$ 473	\$ 418	\$ (55)
Private grants and donations	1,160,000	1,160,000	887,903	(272,097)
Total Revenues	1,160,473	1,160,473	888,321	(272,152)
Expenditures				
Current:				
Public health	1,068,064	1,068,064	1,002,830	65,234
Capital outlay	45,000	45,000	44,977	23
Total Expenditures	1,113,064	1,113,064	1,047,807	65,257
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 47,409</u>	<u>\$ 47,409</u>	(159,486)	<u>\$ (337,409)</u>
Fund Balances Beginning of Year			<u>196,407</u>	
Fund Balances End of Year			<u>\$ 36,921</u>	

City and County of Butte-Silver Bow, Montana
NRDP Greenway Projects Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Private Grants & Donations	\$ -	\$ -	\$ 10,000	\$ 10,000
Intergovernmental	5,180,566	5,180,566	1,890,519	(3,290,047)
Miscellaneous revenue	-	-	400	400
Total Revenues	<u>5,180,566</u>	<u>5,180,566</u>	<u>1,900,919</u>	<u>(3,279,647)</u>
Expenditures				
Current:				
General government	527,533	433,891	162,494	271,397
Capital outlay	3,722,853	3,816,496	1,736,916	2,079,580
Total Expenditures	<u>4,250,386</u>	<u>4,250,387</u>	<u>1,899,410</u>	<u>2,350,977</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 930,180</u>	<u>\$ 930,179</u>	1,509	<u>\$ (928,670)</u>
Fund Balances Beginning of Year - As Restated			<u>(212,959)</u>	
Fund Balances End of Year			<u>\$ (211,450)</u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	\$ 6,427	\$ 6,427	\$ 6,425	\$ (2)
Other Financing (Uses)				
Transfers out - East butte RRA	(23,134)	(23,134)	(21,116)	2,018
Net Change in Fund Balances	<u>\$ (16,707)</u>	<u>\$ (16,707)</u>	(14,691)	<u>\$ 2,016</u>
Fund Balances Beginning of Year			<u>221,962</u>	
Fund Balances End of Year			<u>\$ 207,271</u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 427	\$ 427	\$ 173	\$ (254)
Miscellaneous revenue	-	-	260	260
Private grants and donations	4,119,223	4,119,223	619,858	(3,499,365)
Total Revenues	4,119,650	4,119,650	620,291	(3,499,359)
Expenditures				
Current:				
Public works	940,253	971,353	609,782	361,571
Capital Outlay	1,085,000	1,053,900	168,246	885,654
Total Expenditures	2,025,253	2,025,253	778,028	1,247,225
Excess of Revenues Over Expenditures	\$ 2,094,397	\$ 2,094,397	(157,737)	\$ (2,252,134)
Fund Balances Beginning of Year			483,011	
Fund Balances End of Year			\$ 325,274	

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 1,041,894	\$ 1,041,894	\$ 1,059,894	\$ 18,000
Miscellaneous revenue	-	-	199,974	199,974
Total Revenues	<u>1,041,894</u>	<u>1,041,894</u>	<u>1,259,868</u>	<u>217,974</u>
Expenditures				
Current:				
General government	1,041,894	2,341,894	1,202,312	1,139,582
Total Expenditures	1,041,894	2,341,894	1,202,312	1,139,582
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (1,300,000)</u>	57,556	<u>\$ 1,357,556</u>
Fund Balances Beginning of Year			<u>-</u>	
Fund Balances End of Year			<u>\$ 57,556</u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 38,419	\$ 38,419	\$ 38,419	\$ -
Miscellaneous revenue	-	-	4,000	4,000
Total Revenues	<u>38,419</u>	<u>38,419</u>	<u>42,419</u>	<u>4,000</u>
Expenditures				
Current:				
General government	49,500	49,575	38,375	11,200
Total Expenditures	49,500	49,575	38,375	11,200
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (11,081)</u>	<u>\$ (11,156)</u>	4,044	<u>\$ 15,200</u>
Fund Balances Beginning of Year			-	
Fund Balances End of Year			<u>\$ 4,044</u>	

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.

Tax Increment Bond District – This fund exists to service the debt for the Urban Revitalization Agency’s Tax Increment Urban Renewal Bonds.

SID Revolving – Accounts for property tax revenue received and expended for the payment of special improvement district bond principal and interest.

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.

GO Refunding Bond – 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, 2014

	Tax Increment Bond	SID Revolving	Civic Center Bond Issue	LEA Detention Center and Administration Projects	Ladder Truck Debt Service	Archives	General Obligations Bonds Series 2011	ASIMI Bond	Total Nonmajor Debt Service Funds
Assets									
Cash and cash equivalents	\$ 82,411	\$ 13,437	\$ 244	\$ 950	\$ 12,938	\$ 61,439	\$ 13,560	\$ 312,834	\$ 497,813
Investments	2,073	-	-	7	-	-	-	-	2,080
Restricted cash and cash equivalents	83,000	-	-	-	-	-	-	2,032,334	2,115,334
Property taxes receivable	225,965	-	4,723	25,546	15,892	74,328	128,148	-	474,602
Total Assets	<u>\$ 393,449</u>	<u>\$ 13,437</u>	<u>\$ 4,967</u>	<u>\$ 26,503</u>	<u>\$ 28,830</u>	<u>\$ 135,767</u>	<u>\$ 141,708</u>	<u>\$ 2,345,168</u>	<u>\$ 3,089,829</u>
Liabilities, Deferred Inflows and Fund Balances									
Deferred Inflow of Resources									
Unavailable revenue-property taxes and specials assessments	225,965	-	4,723	25,546	15,892	74,328	128,148	-	474,602
	<u>225,965</u>	<u>-</u>	<u>4,723</u>	<u>25,546</u>	<u>15,892</u>	<u>74,328</u>	<u>128,148</u>	<u>-</u>	<u>474,602</u>
Fund Balances									
Restricted	83,000	13,437	244	957	12,938	61,439	13,560	2,345,168	2,530,743
Assigned	84,484	-	-	-	-	-	-	-	84,484
Total Fund Balances	<u>167,484</u>	<u>13,437</u>	<u>244</u>	<u>957</u>	<u>12,938</u>	<u>61,439</u>	<u>13,560</u>	<u>2,345,168</u>	<u>2,615,227</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 393,449</u>	<u>\$ 13,437</u>	<u>\$ 4,967</u>	<u>\$ 26,503</u>	<u>\$ 28,830</u>	<u>\$ 135,767</u>	<u>\$ 141,708</u>	<u>\$ 2,345,168</u>	<u>\$ 3,089,829</u>

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, 2014

	Tax Increment Bond	SID Revolving	Civic Center Bond Issue	LEA Detention Center and Adminstration Projects	Ladder Truck Bond Issue	Archives Bond Issue	General Obligations Bonds Series 2011	ASIMI Bond	Total Nonmajor Debt Service Funds
Revenues									
Property taxes	\$ 1,343,492	\$ -	\$ 4,044	\$ 25,249	\$ 99,936	\$ 534,279	\$ 1,009,960	\$ -	\$ 3,016,960
Intergovernmental	285,398	-	-	-	771	4,094	32,122	-	322,385
Miscellaneous	-	-	-	-	-	-	1,241	-	1,241
Investment earnings	299	-	-	-	-	-	-	-	299
Total Revenues	<u>1,629,189</u>	<u>-</u>	<u>4,044</u>	<u>25,249</u>	<u>100,707</u>	<u>538,373</u>	<u>1,043,323</u>	<u>-</u>	<u>3,340,885</u>
Expenditures									
Current:									
Public Safety	-	-	-	-	-	-	300	-	300
Culture and recreation	-	-	-	-	-	600	-	-	600
Housing & Community Development	-	-	-	-	-	-	-	300	300
Debt Service:									
Principal retirement	75,000	55,000	-	-	100,214	285,000	800,000	1,265,000	2,580,214
Interest and fiscal charges	8,813	1,183	-	-	4,257	264,411	234,938	650,769	1,164,371
Bond issuance costs	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>83,813</u>	<u>56,183</u>	<u>-</u>	<u>-</u>	<u>104,471</u>	<u>550,011</u>	<u>1,035,238</u>	<u>1,916,069</u>	<u>3,745,785</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,545,376</u>	<u>(56,183)</u>	<u>4,044</u>	<u>25,249</u>	<u>(3,764)</u>	<u>(11,638)</u>	<u>8,085</u>	<u>(1,916,069)</u>	<u>(404,900)</u>
Other Financing Sources (Uses)									
Transfers in	-	41,595	-	-	-	-	28,200	1,940,769	2,010,564
Transfers out	(1,760,000)	-	(3,800)	(24,400)	-	-	-	-	(1,788,200)
Total Other Financing Sources (Uses)	<u>(1,760,000)</u>	<u>41,595</u>	<u>(3,800)</u>	<u>(24,400)</u>	<u>-</u>	<u>-</u>	<u>28,200</u>	<u>1,940,769</u>	<u>222,364</u>
Net Change in Fund Balances	<u>(214,624)</u>	<u>(14,588)</u>	<u>244</u>	<u>849</u>	<u>(3,764)</u>	<u>(11,638)</u>	<u>36,285</u>	<u>24,700</u>	<u>(182,536)</u>
Fund Balances Beginning of Year	<u>382,108</u>	<u>28,025</u>	<u>-</u>	<u>108</u>	<u>16,702</u>	<u>73,077</u>	<u>(22,725)</u>	<u>2,320,468</u>	<u>2,797,763</u>
Fund Balances End of Year	<u>\$ 167,484</u>	<u>\$ 13,437</u>	<u>\$ 244</u>	<u>\$ 957</u>	<u>\$ 12,938</u>	<u>\$ 61,439</u>	<u>\$ 13,560</u>	<u>\$ 2,345,168</u>	<u>\$ 2,615,227</u>

City and County of Butte-Silver Bow, Montana
Tax Increment Bond Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes:				
Real property	\$ 1,262,500	\$ 1,262,500	\$ 1,343,492	\$ 80,992
Tax title and property tax sale	500	500	-	(500)
Intergovernmental	265,056	265,056	285,398	20,342
Investment earnings	1,250	1,250	299	(951)
Total Revenues	<u>1,529,306</u>	<u>1,529,306</u>	<u>1,629,189</u>	<u>99,883</u>
Expenditures				
Debt Service:				
Principal	75,000	75,000	75,000	-
Interest	8,813	8,813	8,813	-
Total Expenditures	<u>83,813</u>	<u>83,813</u>	<u>83,813</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,445,493	1,445,493	1,545,376	99,883
Other Financing (Uses)				
Transfers out:				
Urban revitalization agency economic development fund	(1,972,670)	(1,972,670)	(1,760,000)	-
Net Changes in Fund Balances	<u>\$ (527,177)</u>	<u>\$ (527,177)</u>	(214,624)	<u>\$ 99,883</u>
Fund Balances Beginning of Year			<u>382,108</u>	
Fund Balances End of Year			<u>\$ 167,484</u>	

City and County of Butte-Silver Bow, Montana
SID#1025 Blacktail Loop Revolving Fund
Schedule of Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Debt Service:				
Principal	\$ 55,000	\$ 55,000	\$ 55,000	\$ -
Interest	1,183	1,183	1,183	-
Total Expenditures	56,183	56,183	56,183	-
Other Financing Sources (Uses)				
Transfers in(out):				
SID #1025 Blacktail Loop	49,715	49,715	41,595	(8,120)
Other Financing Sources	49,715	49,715	41,595	(8,120)
Net Change in Fund Balances	<u>\$ (6,468)</u>	<u>\$ (6,468)</u>	(14,588)	<u>\$ (8,120)</u>
Fund Balances Beginning of Year			<u>28,025</u>	
Fund Balances End of Year			<u>\$ 13,437</u>	

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 the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes				
Real property	\$ -	\$ -	\$ 3,035	\$ 3,035
Personal property	-	-	1,009	1,009
Intergovernmental	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>4,044</u>	<u>4,044</u>
(Deficiency) of Revenues (Under) Expenditures	<u>-</u>	<u>-</u>	<u>4,044</u>	<u>4,044</u>
Other Financing Sources (Uses)				
Transfers out-General obligation bond refunding	<u>(9,000)</u>	<u>(9,000)</u>	<u>(3,800)</u>	<u>-</u>
Other Financing Sources (Uses)	<u>(9,000)</u>	<u>(9,000)</u>	<u>(3,800)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (9,000)</u>	<u>\$ (9,000)</u>	<u>244</u>	<u>\$ 4,044</u>
Fund Balances Beginning of Year			<u>-</u>	
Fund Balances End of Year			<u>\$ 244</u>	

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 the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes:				
Real property	\$ -	\$ -	\$ 18,620	\$ 18,620
Personal property	-	-	6,629	6,629
Total Revenues	<u>-</u>	<u>-</u>	<u>25,249</u>	<u>25,249</u>
Other Financing Sources (Uses)				
Transfers out-General obligation bond refunding	<u>(48,000)</u>	<u>(48,000)</u>	<u>(24,400)</u>	<u>23,600</u>
Total Other Financing Sources (Uses)	<u>(48,000)</u>	<u>(48,000)</u>	<u>(24,400)</u>	<u>23,600</u>
Net Change in Fund Balance	<u>\$ (48,000)</u>	<u>\$ (48,000)</u>	849	<u>\$ 48,849</u>
Fund Balances Beginning of Year			<u>108</u>	
Fund Balances End of Year			<u>\$ 957</u>	

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 the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes:				
Real property	\$ 100,144	\$ 100,144	\$ 96,801	\$ (3,343)
Personal property	-	-	2,435	2,435
Special assessments	-	-	700	700
Intergovernmental	-	-	771	771
Total Revenues	<u>100,144</u>	<u>100,144</u>	<u>100,707</u>	<u>563</u>
Expenditures				
Debt Service:				
Principal	100,214	100,214	100,214	-
Interest	4,257	4,257	4,257	-
Total Expenditures	<u>104,471</u>	<u>104,471</u>	<u>104,471</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (4,327)</u>	<u>\$ (4,327)</u>	(3,764)	<u>\$ 563</u>
Fund Balances Beginning of Year			<u>16,702</u>	
Fund Balances End of Year			<u>\$ 12,938</u>	

City and County of Butte-Silver Bow, Montana
Archives Bond Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes:				
Real property	\$ 530,659	\$ 530,659	\$ 509,123	\$ (21,536)
Personal property	-	-	25,156	25,156
Intergovernmental	-	-	4,094	
Total Revenues	<u>530,659</u>	<u>530,659</u>	<u>538,373</u>	<u>3,620</u>
Expenditures				
Current:				
Cultural and recreation	1,200	1,200	600	600
Debt Service:				
Principal	285,000	285,000	285,000	-
Interest	264,411	264,411	264,411	-
Total Expenditures	<u>550,611</u>	<u>550,611</u>	<u>550,011</u>	<u>600</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,952)	(19,952)	(11,638)	4,220
Other Financing Sources				
Transfers In	-	-	-	-
Net Change in Fund Balance	<u>\$ (19,952)</u>	<u>\$ (19,952)</u>	(11,638)	<u>\$ 4,220</u>
Fund Balances Beginning of Year			<u>73,077</u>	
Fund Balances End of Year			<u>\$ 61,439</u>	

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 the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes:				
Real property	\$ 1,068,224	\$ 1,068,224	\$ 1,008,868	\$ (59,356)
Personal property	-	-	1,092	1,092
Intergovernmental	23,788	23,788	32,122	8,334
Miscellaneous revenue	-	-	1,241	1,241
Total Revenues	<u>1,092,012</u>	<u>1,092,012</u>	<u>1,043,323</u>	<u>(48,689)</u>
Expenditures				
Current:				
Public safety	1,350	1,350	300	1,050
Debt Service:				
Principal	800,000	800,000	800,000	-
Interest	234,938	234,938	234,938	-
Total Expenditures	<u>1,036,288</u>	<u>1,036,288</u>	<u>1,035,238</u>	<u>1,050</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	55,724	55,724	8,085	(47,639)
Other Financing Sources				
Transfers In				
LEA Detention Center & Admin debt service	48,000	48,000	24,400	(23,600)
Civic Center debt service	9,000	9,000	3,800	(5,200)
Total Other Financing Sources	<u>57,000</u>	<u>57,000</u>	<u>28,200</u>	<u>(28,800)</u>
Net Change in Fund Balance	<u>\$ 112,724</u>	<u>\$ 112,724</u>	36,285	<u>\$ (76,439)</u>
Fund Balances Beginning of Year			<u>(22,725)</u>	
Fund Balances End of Year			<u>\$ 13,560</u>	

City and County of Butte-Silver Bow, Montana
ASiMI Bond Fund
Schedule of Revenues and Changes
in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures				
Current:				
Housing and community development	\$ 25,000	\$ 25,000	\$ 300	\$ 24,700
Debt Service:				
Principal	1,265,000	1,265,000	1,265,000	-
Interest	650,769	650,769	650,769	-
Total Expenditures	<u>1,940,769</u>	<u>1,940,769</u>	<u>1,916,069</u>	<u>24,700</u>
Other Financing Sources				
Transfers in - Ramsey TIFID#2 fund	<u>1,940,769</u>	<u>1,940,769</u>	<u>1,940,769</u>	<u>-</u>
Total Other Financing Sources	<u>1,940,769</u>	<u>1,940,769</u>	<u>1,940,769</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	24,700	<u>\$ (24,700)</u>
Fund Balances Beginning of Year			<u>2,320,468</u>	
Fund Balances End of Year			<u>\$ 2,345,168</u>	

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.

Hard Rock Mine Capital Trust – Accounts distributed to Butte-Silver from a settlement with ARCO on tax payments. The funds were allocated for Capital projects of the local government.

Highway Abandonment Fund – Accounts for monies received from the State of Montana for road reconstruction projects. Revenues for this fund are derived from a payment made by the Anaconda Company for a road closure.

Emergency Operations Center-This fund accounts for the grant funds and Butte-Silver Bow funds that will be used to assist with the construction and equipment costs of the new Emergency Operation Center/Butte Justice Center. Butte-Silver Bow has partnered with the State of Montana, Department of Justice to construct the facility. The project was funded by the State of Montana 63rd Legislature, FEMA grant funds received by Butte-Silver Bow, and general fund allocated by the Council of Commissioners in fiscal year 2014.

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.

Civic Center Renovation Project – Accounts for the renovation and construction of multi-use public facility funded by a voter approved General Obligation Bond Issue.

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.

City and County of Butte-Silver Bow, Montana
 Combining Balance Sheet
 Nonmajor Capital Projects Funds
 June 30, 2014

	Capital Improvements	Hard Rock Mine Capital Trust	Highway Abandonment	Emergency Operations Center	Archives Building Fund	Civic Center Renovation Project	Junk Vehicle Capital Reserve	TIFID Electrical Upgrade	Silver Lake Water Distribution System Improvements	Total Nonmajor Capital Projects Funds
Assets										
Cash and cash equivalents	\$ 430,714	\$ -	\$ 228	\$ -	\$ 34,337	\$ 676	\$ 3,526	\$ 251,693	\$ 248,154	\$ 969,328
Investments	1,688,754	128,306	146,927	-	4,847	-	3,084	-	-	1,971,918
Accounts Receivable	-	-	-	204,000	-	-	-	-	-	204,000
Due from other funds	19,193	-	-	-	-	-	-	-	-	19,193
Loans receivable	14,087	-	-	-	-	-	-	-	-	14,087
Total Assets	<u>\$ 2,152,748</u>	<u>\$ 128,306</u>	<u>\$ 147,155</u>	<u>\$ 204,000</u>	<u>\$ 39,184</u>	<u>\$ 676</u>	<u>\$ 6,610</u>	<u>\$ 251,693</u>	<u>\$ 248,154</u>	<u>\$ 3,178,526</u>
Liabilities, Deferred Inflows and Fund Balances										
Liabilities										
Due to other funds	\$ -	\$ -	\$ -	\$ 19,193	-	\$ -	\$ -	\$ -	\$ -	\$ 19,193
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,193</u>
Fund Balances										
Restricted	2,152,748	128,306	-	-	39,184	676	6,610	251,693	248,154	2,827,371
Assigned	-	-	147,155	184,807	-	-	-	-	-	331,962
Total Fund Balances	<u>2,152,748</u>	<u>128,306</u>	<u>147,155</u>	<u>184,807</u>	<u>39,184</u>	<u>676</u>	<u>6,610</u>	<u>251,693</u>	<u>248,154</u>	<u>3,159,333</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 2,152,748</u>	<u>\$ 128,306</u>	<u>\$ 147,155</u>	<u>\$ 204,000</u>	<u>\$ 39,184</u>	<u>\$ 676</u>	<u>\$ 6,610</u>	<u>\$ 251,693</u>	<u>\$ 248,154</u>	<u>\$ 3,178,526</u>

City and County of Butte-Silver Bow, Montana
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2014

	Capital Improvements	Hard Rock Mine Capital Trust	Highway Abandonment	Emergency Operations Center	Archives Building Fund	Civic Center Renovation Project	Junk Vehicle Capital Reserve	TIFID Electrical Upgrade Project	Silver Lake Water Distribution System Improvements	Total Nonmajor Capital Projects Funds
Revenues										
Intergovernmental	\$ -	\$ -	\$ -	\$ 204,000	\$ -	\$ -	\$ -		\$ -	\$ 204,000
Fines and forfeitures	32,385	-	-	-	-	-	-		-	32,385
Miscellaneous	1,595	-	-	-	-	-	-		-	1,595
Investment earnings	8,199	183	210	-	7	-	4	-	-	8,603
Total Revenues	42,179	183	210	204,000	7	-	4	-	-	246,583
Expenditures										
Public Safety	-	-	-	204,487	-	-	-	-	-	204,487
Cultural and recreation	-	-	-	-	12,249	-	-	-	-	12,249
Capital Outlay	148,253	-	-	-	-	-	-	-	-	148,253
Total Expenditures	148,253	-	-	204,487	12,249	-	-	-	-	364,989
Excess (Deficiency) of Revenues Over (Under) Expenditures	(106,074)	183	210	(487)	(12,242)	-	4	-	-	(118,406)
Other Financing Sources										
Proceeds from the sale of capital assets	17,000	-	-	-	-	-	-	-	-	17,000
Total Other Financing Sources (Uses)	17,000	-	-	-	-	-	-	-	-	17,000
Net Change in Assets	(89,074)	183	210	(487)	(12,242)	-	4	-	-	(101,406)
Fund Balances Beginning of Year	2,241,822	128,123	146,945	185,294	51,426	676	6,606	251,693	248,154	3,260,739
Fund Balances End of Year	\$ 2,152,748	\$ 128,306	\$ 147,155	\$ 184,807	\$ 39,184	\$ 676	\$ 6,610	\$ 251,693	\$ 248,154	\$ 3,159,333

City and County of Butte-Silver Bow, Montana
Capital Improvements Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ 32,385	\$ 32,385
Intergovernmental	-	-	-	-
Miscellaneous	-	-	1,595	1,595
Investment earnings	-	-	8,199	8,199
Total Revenues	-	-	42,179	42,179
Expenditures				
Capital Outlay:	237,000	265,300	148,253	117,047
Excess (Deficiency) of Revenues Over (Under) Expenditures	(237,000)	(265,300)	(106,074)	159,226
Other Financing Sources				
Proceeds from the sale of capital assets	-	-	17,000	17,000
Net Change in Fund Balances	<u>\$ (237,000)</u>	<u>\$ (265,300)</u>	(89,074)	<u>\$ 176,226</u>
Fund Balances Beginning of Year			<u>2,241,822</u>	
Fund Balances End of Year			<u>\$ 2,152,748</u>	

City and County of Butte-Silver Bow, Montana
Hard Rock Mine Capital Trust Fund
Schedule of Revenues and Changes
in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Investment earnings	\$ -	\$ -	\$ 183	\$ 183
Fund Balances Beginning of Year			<u>128,123</u>	
Fund Balances End of Year			<u>\$ 128,306</u>	

City and County of Butte-Silver Bow, Montana
Highway Abandonment Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Investment earnings	\$ -	\$ -	\$ 210	\$ 210
Expenditures				
Capital Outlay:				
Public works	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	210	<u>\$ 210</u>
Fund Balances Beginning of Year			<u>146,945</u>	
Fund Balances End of Year			<u>\$ 147,155</u>	

City and County of Butte-Silver Bow, Montana
Emergency Operation Center
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ 204,000	\$ 204,000
Total Revenues	-	-	204,000	204,000
Expenditures				
Public Safety	-	204,488	204,487	1
Capital Outlay:	<u>1,538,128</u>	<u>1,333,640</u>	<u>-</u>	<u>1,333,640</u>
Total Expenditures	<u>1,538,128</u>	<u>1,538,128</u>	<u>204,487</u>	<u>1,333,641</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (1,538,128)</u>	<u>\$ (1,538,128)</u>	(487)	<u>\$ (1,129,641)</u>
Fund Balances Beginning of Year			<u>185,294</u>	
Fund Balances End of Year			<u>\$ 184,807</u>	

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 the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	\$ -	\$ -	\$ 7	\$ 7
Expenditures				
Cultural and Recreation	-	13,446	12,249	1,197
Capital Outlay	<u>51,425</u>	<u>37,979</u>	<u>-</u>	<u>37,979</u>
Total Expenditures	<u>51,425</u>	<u>51,425</u>	<u>12,249</u>	<u>39,176</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (51,425)</u>	<u>\$ (51,425)</u>	<u>\$ (12,242)</u>	<u>\$ 39,183</u>
Fund Balances Beginning of Year			<u>51,426</u>	
Fund Balances End of Year			<u>\$ 39,184</u>	

City and County of Butte-Silver Bow, Montana
Civic Center Renovation Fund
Schedule of Expenditures and Changes
in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Fund Balances Beginning of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 676</u>	<u>\$ -</u>
Fund Balances End of Year			<u><u>\$ 676</u></u>	

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 the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Investment earnings	\$ -	\$ -	\$ 4	\$ 4
Fund Balances Beginning of Year			<u>6,606</u>	
Fund Balances End of Year			<u>\$ 6,610</u>	

City and County of Butte-Silver Bow, Montana
TIFID Electrical Upgrade
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures				
Capital Outlay	<u>251,693</u>	<u>251,693</u>	<u>-</u>	<u>251,693</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 251,693</u>	<u>\$ 251,693</u>	<u>-</u>	<u>\$ 251,693</u>
Other Financing Sources				
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (251,693)</u>	<u>\$ (251,693)</u>	<u>-</u>	<u>\$(251,693)</u>
Fund Balances Beginning of Year			<u>251,693</u>	
Fund Balances End of Year			<u>\$ 251,693</u>	

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 the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures				
Capital Outlay:	\$ -	\$ -	\$ -	\$ -
Fund Balances Beginning of Year			<u>248,154</u>	
Fund Balances End of Year			<u>\$ 248,154</u>	

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.

Home Health – Accounts for monies received and expended for the operations of the city-county home health agency.

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, 2014

	Community Facilities	Home Health	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	\$ 180,506	\$ -	\$ 170,096	\$ 204,521	\$ 453,266	\$ -	\$ 1,008,389
Investments	-	-	85,651	403,795	-	-	489,446
Accounts receivable	-	49,410	12,834	310,283	-	-	372,527
Special assessments receivable	-	-	-	-	61,747	-	61,747
Inventory	-	3,028	-	-	-	-	3,028
Total Current Assets	180,506	52,438	268,581	918,599	515,013	-	1,935,137
Noncurrent Assets:							
Capital assets:							
Nondepreciable	-	-	5,433	-	-	-	5,433
Depreciable, net	292,385	276	168,224	1,175,403	160,499	1,312,974	3,109,761
Total Noncurrent Assets	292,385	276	173,657	1,175,403	160,499	1,312,974	3,115,194
Total Assets	472,891	52,714	442,238	2,094,002	675,512	1,312,974	5,050,331
Liabilities and Deferred Inflows							
Current Liabilities:							
Vouchers payable	2,932	3,617	2,680	2,428	12,338	-	23,995
Accrued wages and benefits payable	-	1,333	1,631	-	-	-	2,964
Compensated absences	-	5,338	286	-	-	-	5,624
Interfund payable	-	109,728	-	-	-	-	109,728
Total Current Liabilities	2,932	120,016	4,597	2,428	12,338	-	142,311
Long-Term Liabilities:							
Compensated absences	-	21,353	1,144	-	-	-	22,497
Total Liabilities	2,932	141,369	5,741	2,428	12,338	-	164,808
Total Liabilities and Deferred Inflows	2,932	141,369	5,741	2,428	12,338	-	164,808
Net Position							
Invested in capital assets	292,385	276	173,657	1,175,403	160,499	1,312,974	3,115,194
Unrestricted	177,574	(88,931)	262,840	916,171	502,675	-	1,770,329
Total Net Position	\$ 469,959	\$ (88,655)	\$ 436,497	\$ 2,091,574	\$ 663,174	\$ 1,312,974	\$ 4,885,523

City and County of Butte-Silver Bow, Montana
Combining Statement of Revenues,
Expenses and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2014

	Community Facilities	Home Health	Small Business Incubator	Silver Lake Water System	Storm Water System Project	MR Infrastructure Project	Total Nonmajor Enterprise Funds
Operating Revenues							
Charges for services	\$ -	\$ 249,057	\$ 92,379	\$ 142,912	\$ 396,430	\$ -	\$ 880,778
Rent revenue	67,308	-	-	-	-	-	67,308
Miscellaneous	-	-	2,119	-	2,891	-	5,010
Total Operating Revenues	<u>67,308</u>	<u>249,057</u>	<u>94,498</u>	<u>142,912</u>	<u>399,321</u>	<u>-</u>	<u>953,096</u>
Operating Expenses							
Personal services	-	211,529	67,715	116,863	3,893	-	400,000
Operation and maintenance	39,423	117,553	70,281	75,545	126,690	-	429,492
Depreciation	18,128	1,503	9,576	55,802	4,752	92,680	182,441
Total Operating Expenses	<u>57,551</u>	<u>330,585</u>	<u>147,572</u>	<u>248,210</u>	<u>135,335</u>	<u>92,680</u>	<u>1,011,933</u>
Operating Income (Loss)	<u>9,757</u>	<u>(81,528)</u>	<u>(53,074)</u>	<u>(105,298)</u>	<u>263,986</u>	<u>(92,680)</u>	<u>(58,837)</u>
Non-Operating Revenues (Expenses)							
Investment earnings	-	-	122	576	-	-	698
Gain (loss) on disposal of fixed asset	-	9,850	-	-	-	-	9,850
Intergovernmental	-	187	46	73	3	-	309
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>10,037</u>	<u>168</u>	<u>649</u>	<u>3</u>	<u>-</u>	<u>10,857</u>
Income (Loss) Before Transfers In (Out)	<u>9,757</u>	<u>(71,491)</u>	<u>(52,906)</u>	<u>(104,649)</u>	<u>263,989</u>	<u>(92,680)</u>	<u>(47,980)</u>
Transfers in (out):							
General fund	-	-	38,735	-	-	-	38,735
Ramsay TIFID #2 fund	-	-	15,000	-	-	-	15,000
Change in Net Position	<u>9,757</u>	<u>(71,491)</u>	<u>829</u>	<u>(104,649)</u>	<u>263,989</u>	<u>(92,680)</u>	<u>5,755</u>
Net Position, Beginning of Year	<u>460,202</u>	<u>(17,164)</u>	<u>435,668</u>	<u>2,196,223</u>	<u>399,185</u>	<u>1,405,654</u>	<u>4,879,768</u>
Net Position, End of Year	<u>\$ 469,959</u>	<u>\$ (88,655)</u>	<u>\$ 436,497</u>	<u>\$ 2,091,574</u>	<u>\$ 663,174</u>	<u>\$ 1,312,974</u>	<u>\$ 4,885,523</u>

City and County of Butte-Silver Bow, Montana
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2014

	Community Facilities	Home Health	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	\$ 67,308	\$ 274,469	\$ 89,509	\$ 141,852	\$ 337,574	\$ -	\$ 910,712
Cash payments for personal services	-	(215,405)	(66,040)	(118,489)	(3,890)	-	(403,824)
Cash payments for goods and services	(41,407)	(120,430)	(68,603)	(74,756)	(155,173)	-	(460,369)
Net Cash Provided by (Used in) Operating Activities	<u>25,901</u>	<u>(61,366)</u>	<u>(45,134)</u>	<u>(51,393)</u>	<u>178,511</u>	<u>-</u>	<u>46,519</u>
Cash Flows from Noncapital Financing Activities							
Intergovernmental loan	-	51,516	-	-	-	-	51,516
Transfers in (out)	-	-	53,735	-	-	-	53,735
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>-</u>	<u>51,516</u>	<u>53,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,251</u>
Cash Flows from Capital and Related Financing Activities							
Payments received for sale of fixed assets	-	9,850	-	-	-	-	9,850
Payments for capital acquisitions	-	-	-	-	(102,760)	-	(102,760)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>-</u>	<u>9,850</u>	<u>-</u>	<u>-</u>	<u>(102,760)</u>	<u>-</u>	<u>(92,910)</u>
Cash Flows from Investing Activities							
Interest on investments	-	-	122	576	-	-	698
Net Increase (Decrease) in Cash and Cash Equivalents	25,901	-	8,723	(50,817)	75,751	-	59,558
Cash and Cash Equivalents Beginning of Year	<u>154,605</u>	<u>-</u>	<u>247,024</u>	<u>659,133</u>	<u>377,515</u>	<u>-</u>	<u>1,438,277</u>
Cash and Cash Equivalents End of Year	<u>\$ 180,506</u>	<u>\$ -</u>	<u>\$ 255,747</u>	<u>\$ 608,316</u>	<u>\$ 453,266</u>	<u>\$ -</u>	<u>\$ 1,497,835</u>
Reconciliation to Combining Statement of Net Assets							
Cash and cash equivalents	\$ 180,506	\$ -	\$ 170,096	\$ 204,521	\$ 453,266	\$ -	\$ 1,008,389
Investments	-	-	85,651	403,795	-	-	489,446
Total	<u>\$ 180,506</u>	<u>\$ -</u>	<u>\$ 255,747</u>	<u>\$ 608,316</u>	<u>\$ 453,266</u>	<u>\$ -</u>	<u>\$ 1,497,835</u>

City and County of Butte-Silver Bow, Montana
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Community Facilities	Home Health	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)	\$ 9,757	\$ (81,528)	\$ (53,074)	\$ (105,298)	\$ 263,986	\$ (92,680)	\$ (58,837)
Adjustments:							
Depreciation	18,128	1,503	9,576	55,802	4,752	92,680	182,441
Intergovernmental revenue on-behalf payments	-	187	46	73	3	-	309
(Increase) Decrease in Assets:							
Accounts receivable	-	25,412	(372)	(1,060)	(10,899)	-	13,081
Inventory	-	3,704	-	-	-	-	3,704
Increase (Decrease) in Liabilities:							
Vouchers payable	(1,984)	(6,581)	1,678	789	(28,483)	-	(34,581)
Accounts payable	-	-	-	-	-	-	-
Accrued wages and benefits payable	-	(4,063)	362	(1,699)	-	-	(5,400)
Unearned revenue	-	-	(4,617)	-	(50,848)	-	(55,465)
Compensated absences payable	-	-	1,267	-	-	-	1,267
Net Cash Provided by (Used in) Operating Activities	<u>\$ 25,901</u>	<u>\$ (61,366)</u>	<u>\$ (45,134)</u>	<u>\$ (51,393)</u>	<u>\$ 178,511</u>	<u>\$ -</u>	<u>\$ 46,519</u>

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, 2014

	Central Equipment	Central Administration Services	Central EDP & Communications	GIS Services	Total
Assets					
Current Assets:					
Cash and cash equivalents	\$ 13,981	\$ 93,942	\$ 5,673	\$ 173,884	\$ 287,480
Accounts receivable	5,478	-	2,292	-	7,770
Total Current Assets	19,459	93,942	7,965	173,884	295,250
Noncurrent Assets:					
Capital assets:					
Nondepreciable	40,000	-	-	-	40,000
Depreciable, net	915,310	184,418	66,034	9,735	1,175,497
Total Noncurrent Assets	955,310	184,418	66,034	9,735	1,215,497
Total Assets	974,769	278,360	73,999	183,619	1,510,747
Liabilities and Deferred Inflows					
Current Liabilities:					
Vouchers payable	80,943	5,805	10,168	832	97,748
Accounts payable	-	-	-	-	-
Accrued wages and benefits payable	17,619	8,610	9,824	1,577	37,630
Interfund payable	75,000	-	-	-	75,000
Compensated absences payable	5,664	2,095	2,908	282	10,948
Total Current Liabilities	179,226	16,510	22,900	2,691	221,326
Long-term Liabilities					
Compensated absences payable	107,612	39,797	55,260	5,349	208,019
Total Liabilities and Deferred Inflows	286,838	56,307	78,160	8,040	429,345
Net Position					
Net Investment in capital assets	955,310	184,418	66,034	9,735	1,215,497
Unrestricted	(267,379)	37,635	(70,195)	165,844	(134,095)
Total Net Position	\$ 687,931	\$ 222,053	\$ (4,161)	\$ 175,579	\$ 1,081,402

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, 2014

	Central Equipment	Central Administration Services	Central EDP & Communications	GIS Services	Total
Operating Revenues					
Charges for services	\$ 1,898,107	\$ 473,250	\$ 637,714	\$ 38,885	\$ 3,047,956
Miscellaneous	49	7,234	950	285	8,518
Total Operating Revenues	1,898,156	480,484	638,664	39,170	3,056,474
Operating Expenses					
Personal services	785,189	301,048	445,285	68,541	1,600,063
Operations and maintenance	903,459	82,095	165,842	3,025	1,154,421
Depreciation	178,496	8,172	4,345	1,562	192,575
Total Operating Expenses	1,867,144	391,315	615,472	73,128	2,947,059
Operating Income (Loss)	31,012	89,169	23,192	(33,958)	109,415
Non-Operating Revenues					
Intergovernmental	503	231	315	48	1,097
Change in Net Position	31,515	89,400	23,507	(33,910)	110,512
Total Net Position, Beginning of Year	656,416	132,653	(27,668)	209,489	970,890
Total Net Position, End of Year	\$ 687,931	\$ 222,053	\$ (4,161)	\$ 175,579	\$ 1,081,402

City and County of Butte-Silver Bow, Montana
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2014

	<u>Central Equipment</u>	<u>Central Administration Services</u>	<u>Central EDP & Communications</u>	<u>GIS Services</u>	<u>Total</u>
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities					
Cash receipts from interfund services provided	\$ 1,899,289	\$ 480,484	\$ 637,518	\$ 42,055	\$ 3,059,346
Cash payments for personnel services	(748,332)	(295,976)	(425,281)	(72,387)	(1,541,976)
Cash payments for goods and services	(986,187)	(89,927)	(169,436)	(2,193)	(1,247,743)
Net Cash Provided by Operating Activities	<u>164,770</u>	<u>94,581</u>	<u>42,801</u>	<u>(32,525)</u>	<u>269,627</u>
Cash Flows from Noncapital Financing Activities					
Payments on interfund loan	(98,047)	(639)	-		(98,686)
Net Cash Flows from Noncapital Financing Activities	<u>(98,047)</u>	<u>(639)</u>	<u>-</u>	<u>-</u>	<u>(98,686)</u>
Cash Flows from Capital and Related Financing Activities					
Payments for capital acquisitions	(52,742)	-	(46,663)	(9,361)	(108,766)
Net Increase (Decrease) in Cash and Cash Equivalents	13,981	93,942	(3,862)	(41,886)	62,175
Cash and Cash Equivalents Beginning of Year	-	-	9,535	215,770	225,305
Cash and Cash Equivalents End of Year	<u>\$ 13,981</u>	<u>\$ 93,942</u>	<u>\$ 5,673</u>	<u>\$ 173,884</u>	<u>\$ 287,480</u>

City and County of Butte-Silver Bow, Montana
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2014

	<u>Central Equipment</u>	<u>Central Administration Services</u>	<u>Central EDP & Communications</u>	<u>GIS Services</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating Income (Loss)	\$ 31,012	\$ 89,169	\$ 23,192	\$ (33,958)	\$ 109,415
Adjustments:					
Depreciation	178,496	8,172	4,345	1,562	192,575
Intergovernmental revenue on-behalf payments	503	231	315	48	1,097
(Increase) Decrease in Assets:					
Accounts receivable	1,133	-	(1,146)	2,886	2,873
Increase (Decrease) in Liabilities:					
Vouchers payable	(82,728)	(7,832)	(3,594)	832	(93,322)
Accounts payable	-	-	-	-	-
Accrued wages and benefits payable	3,642	8,432	3,752	(113)	15,713
Compensated absences payable	32,712	(3,591)	15,937	(3,782)	41,276
Net Cash Provided by Operating Activities	<u>\$ 164,770</u>	<u>\$ 94,581</u>	<u>\$ 42,801</u>	<u>\$ (32,525)</u>	<u>\$ 269,627</u>

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.

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 – Accounts for funds collected which the county is an agent. Such things include a portion of 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 – Accounts for funds collected by Butte-Silver Bow from Burlington Northern Railroad, Santa 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.

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.

City and County of Butte-Silver Bow, Montana
Combining Statement of Fiduciary Net Position
Trust Funds
June 30, 2014

	School District #1 Individual Investment Funds	School Districts External Investment Pool	Total
Assets			
Investments	\$ 8,049,723	\$ 4,466,475	\$ 12,516,198
Net Position			
Net position held in trust for pool participants	\$ 8,049,723	\$ 4,466,475	\$ 12,516,198

City and County of Butte-Silver Bow, Montana
Combining Statement of Changes in Fiduciary Net Position
Trust Funds
For the Fiscal Year Ended June 30, 2014

	School District #1	School Districts	
	Individual	External	
	Investment	Investment	
	Funds	Pool	Total
Additions			
Shares and investments purchased	\$ 2,255,000	\$ 280,887,500	\$ 283,142,500
Investment earnings	97,756	22,579	120,335
Total Additions	2,352,756	280,910,079	283,262,835
Deductions			
Shares and investments redeemed	2,278,226	280,388,410	282,666,636
Increase (Decrease) in Net Position	74,530	521,669	596,199
Net Position Held in Trust For Pool			
Participants Beginning of Year	7,975,193	3,944,806	11,919,999
Net Position Held in Trust For Pool			
Participants End of Year	\$ 8,049,723	\$ 4,466,475	\$ 12,516,198

City and County of Butte-Silver Bow, Montana
Statement of Changes in Fiduciary Assets and Liabilities
For the Fiscal Year Ended June 30, 2014

Property Tax Fund	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
Assets				
Cash and cash equivalents	\$ 1,706,620	\$ 1,969,912	\$ 1,315,660	\$ 2,360,872
Investments	604,337	863	-	605,200
Receivables	1,779,505	29,478,799	27,774,505	3,483,799
Total Assets	\$ 4,090,462	\$ 31,449,574	\$ 29,090,165	\$ 6,449,871
Liabilities				
Accounts payable	\$ 1,886,835	\$ 680,853	\$ 95,494	\$ 2,472,194
Interest payable	237,626	863	-	238,489
Intergovernmental payable:				-
Due to special districts	83,576	3,230,659	3,168,298	145,937
Due to state	622,743	7,057,350	7,132,531	547,562
Due to schools	1,030,927	17,526,631	17,180,211	1,377,347
Due to component unit	50,159	205,414	194,149	61,424
Due to cities and towns	178,597	3,520,287	2,091,965	1,606,919
Total Liabilities	\$ 4,090,462	\$ 32,222,057	\$ 29,862,648	\$ 6,449,871
School District Trust Fund				
Assets				
Cash and cash equivalents	\$ 19,450,565	\$ 212,821,586	\$ 213,766,322	\$ 18,505,829
Total Assets	\$ 19,450,565	\$ 212,821,586	\$ 213,766,322	\$ 18,505,829
Liabilities				
Due to schools	\$ 19,450,565	\$ 212,821,586	\$ 213,766,322	\$ 18,505,829
Total Liabilities	\$ 19,450,565	\$ 212,821,586	\$ 213,766,322	\$ 18,505,829

City and County of Butte-Silver Bow, Montana
Statement of Changes in Fiduciary Assets and Liabilities
For the Fiscal Year Ended June 30, 2014

Fees & Judgments Due to State	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
Assets				
Cash and cash equivalents	\$ 675,901	\$ 15,012,947	\$ 15,254,021	\$ 434,827
Total Assets	<u>\$ 675,901</u>	<u>\$ 15,012,947</u>	<u>\$ 15,254,021</u>	<u>\$ 434,827</u>
Liabilities				
Due to state	\$ 675,901	\$ 15,012,947	\$ 15,254,021	\$ 434,827
Total Liabilities	<u>\$ 675,901</u>	<u>\$ 15,012,947</u>	<u>\$ 15,254,021</u>	<u>\$ 434,827</u>
Tax Deed Land & Redemption Fund				
Tax Deed Land & Redemption Fund	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
Assets				
Cash and cash equivalents	\$ 6,399	\$ 52,569	\$ 49,699	\$ 9,269
Contracts receivable	13,657	69,364	74,488	8,533
Land acquired by tax deed	448,321	76,008	295,615	228,714
Total Assets	<u>\$ 468,377</u>	<u>\$ 197,941</u>	<u>\$ 419,802</u>	<u>\$ 246,516</u>
Liabilities				
Accounts payable	\$ 462,071	\$ 125,864	\$ 351,661	\$ 236,274
Vouchers payable	6,306	60,294	56,358	10,242
Total Liabilities	<u>\$ 468,377</u>	<u>\$ 186,158</u>	<u>\$ 408,019</u>	<u>\$ 246,516</u>
Butte-Silver Bow Trust Funds				
Butte-Silver Bow Trust Funds	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
Assets				
Cash and cash equivalents	\$ 139,957	\$ 73,226	\$ 65,278	\$ 147,905
Investments	391,699	544	43,321	348,922
Total Assets	<u>\$ 531,656</u>	<u>\$ 73,770</u>	<u>\$ 108,599</u>	<u>\$ 496,827</u>
Liabilities				
Warrants payable	\$ -	\$ -	\$ -	\$ -
Accounts payable	531,242	29,703	75,379	485,566
Salaries and Wages payable	-	-	-	-
Due to Others	414	13,337	2,490	11,261
Total Liabilities	<u>\$ 531,656</u>	<u>\$ 43,040</u>	<u>\$ 77,869</u>	<u>\$ 496,827</u>

City and County of Butte-Silver Bow, Montana
Statement of Changes in Fiduciary Assets and Liabilities
For the Fiscal Year Ended June 30, 2014

PRP Group Trust Funds	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
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, 2013	Additions	Deductions	Balance June 30, 2014
Assets				
Cash and cash equivalents	\$ 22,000,285	\$ 229,930,240	\$ 230,450,980	\$ 21,479,545
Investments	\$ 996,036	\$ 1,407	\$ 43,321	\$ 954,122
Receivables	\$ 1,793,162	\$ 29,548,163	\$ 27,848,993	\$ 3,492,332
Land acquired by tax deed	\$ 448,321	\$ 76,008	\$ 295,615	\$ 228,714
Total Assets	\$ 25,237,804	\$ 259,555,818	\$ 258,638,909	\$ 26,154,713
Liabilities				
Warrants Payable	\$ -	\$ -	\$ -	\$ -
Accounts payable	\$ 2,880,148	\$ 836,420	\$ 522,534	\$ 3,194,034
Vouchers payable	\$ 6,306	\$ 60,294	\$ 56,358	\$ 10,242
Interest payable	\$ 237,626	\$ 863	\$ -	\$ 238,489
Intergovernmental payable:				
Due to special districts	\$ 83,576	\$ 3,230,659	\$ 3,168,298	\$ 145,937
Due to state	\$ 1,298,644	\$ 22,070,297	\$ 22,386,552	\$ 982,389
Due to schools	\$ 20,481,492	\$ 230,348,217	\$ 230,946,533	\$ 19,883,176
Due to component unit	\$ 50,159	\$ 205,414	\$ 194,149	\$ 61,424
Due to cities and towns	\$ 178,597	\$ 3,520,291	\$ 2,091,965	\$ 1,606,923
Due to others	\$ 21,252	\$ 13,337	\$ 2,490	\$ 32,099
Total Liabilities	\$ 25,237,800	\$ 260,285,792	\$ 259,368,879	\$ 26,154,713



**STATISTICAL
SECTION**



City and County of Butte-Silver Bow, Montana
Statistical Section Summary
(Unaudited)

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 - XIII

These exhibits contain trend information that may assist the reader in assessing the City and County's current financial performance by placing it in an historical perspective.

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Revenue Capacity

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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

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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

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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

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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:

¹ Unless otherwise noted, the information in these exhibits is derived from the comprehensive annual financial reports for the relevant year.

City and County of Butte-Silver Bow, Montana
Government-wide Net Position by Category²
Last Ten Fiscal Years
(accrual basis of accounting)

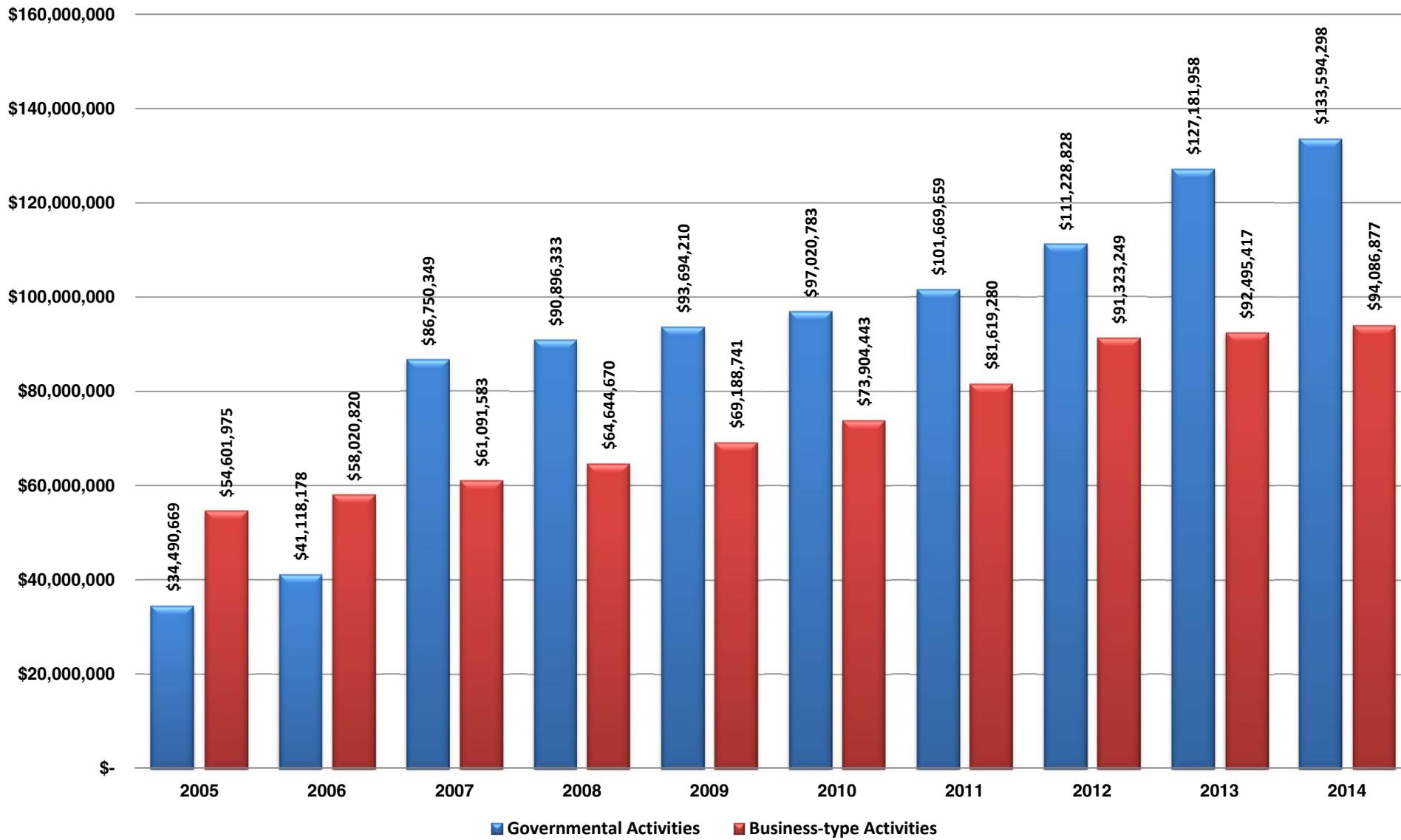
	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>
Governmental Activities										
Net investment in capital assets ³	\$ (4,973,943)	\$ (1,301,770)	\$ 37,880,187	\$ 38,272,244	\$ 38,442,287	\$ 47,028,355	50,401,892	57,219,300	63,076,268	66,024,334
Restricted	6,760,614	8,542,508	5,052,725	6,363,688	8,445,945	9,159,399	48,008,881	50,344,473	56,913,460	59,550,982
Unrestricted	32,703,998	33,877,440	43,817,437	46,260,401	46,805,978	40,833,029	3,258,886	3,665,055	7,192,230	7,784,308
Subtotal Governmental Activities Net Position	<u>34,490,669</u>	<u>41,118,178</u>	<u>86,750,349</u>	<u>90,896,333</u>	<u>93,694,210</u>	<u>97,020,783</u>	<u>101,669,659</u>	<u>111,228,828</u>	<u>127,181,958</u>	<u>133,359,624</u>
Business-type Activities										
Net investment in capital assets	\$ 34,731,910	\$ 38,249,353	39,663,322	43,757,726	50,181,875	55,900,034	65,748,260	76,568,957	80,412,219	81,199,290
Restricted	6,928,035	9,029,159	8,087,767	8,235,735	3,392,346	2,903,981	1,887,333	1,751,107	2,086,667	1,894,668
Unrestricted	12,942,030	10,742,308	13,340,494	12,651,209	15,614,520	15,100,428	13,983,687	13,003,185	9,996,531	10,992,919
Subtotal Business-type Activities Net Position	<u>54,601,975</u>	<u>58,020,820</u>	<u>61,091,583</u>	<u>64,644,670</u>	<u>69,188,741</u>	<u>73,904,443</u>	<u>81,619,280</u>	<u>91,323,249</u>	<u>92,495,417</u>	<u>94,086,877</u>
Primary Government										
Net investment in capital assets	29,757,967	36,947,583	77,543,509	82,029,970	88,624,162	102,928,389	116,150,152	133,788,257	143,488,487	147,223,624
Restricted	13,688,649	17,571,667	13,140,492	14,599,423	11,838,291	12,063,380	49,896,214	52,095,580	59,000,127	61,445,650
Unrestricted	45,646,028	44,619,748	57,157,931	58,911,610	62,420,498	55,933,457	17,242,573	16,668,240	17,188,761	18,777,227
Total Primary Government Net Position	<u>\$ 89,092,644</u>	<u>\$ 99,138,998</u>	<u>\$ 147,841,932</u>	<u>\$ 155,541,003</u>	<u>\$ 162,882,951</u>	<u>\$ 170,925,226</u>	<u>\$ 183,288,939</u>	<u>\$ 202,552,077</u>	<u>\$ 219,677,375</u>	<u>\$ 227,446,501</u>
	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 20, 2013</u>	<u>June 20, 2014</u>
Governmental Activities										
Net investment in capital assets ³	-14.4%	-3.2%	43.7%	42.1%	41.0%	48.5%	49.6%	51.4%	49.6%	49.5%
Restricted	19.6%	20.8%	5.8%	7.0%	9.0%	9.4%	47.2%	45.3%	44.7%	44.7%
Unrestricted	94.8%	82.4%	50.5%	50.9%	50.0%	42.1%	3.2%	3.3%	5.7%	5.8%
Subtotal Governmental Activities Net Position	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Business-type Activities										
Net investment in capital assets	63.6%	65.9%	64.9%	67.7%	72.5%	75.6%	80.6%	83.8%	86.9%	86.3%
Restricted	12.7%	15.6%	13.2%	12.7%	4.9%	3.9%	2.3%	1.9%	2.3%	2.0%
Unrestricted	23.7%	18.5%	21.8%	19.6%	22.6%	20.4%	17.1%	14.2%	10.8%	11.7%
Subtotal Business-type Activities Net Position	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Primary Government										
Net investment in capital assets	33.4%	37.3%	52.5%	52.7%	54.4%	60.2%	63.4%	66.1%	65.3%	64.7%
Restricted	15.4%	17.7%	8.9%	9.4%	7.3%	7.1%	27.2%	25.7%	26.9%	27.0%
Unrestricted	51.2%	45.0%	38.7%	37.9%	38.3%	32.7%	9.4%	8.2%	7.8%	8.3%
Total Primary Government Net Position	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Notes:

² 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.

³ 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.

Government-wide Net Position by Category Last Ten Fiscal Years



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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
General government	\$ 9,194,426	\$ 9,840,663	\$ 9,827,805	\$ 10,226,319	\$ 10,866,213	\$ 12,091,322	\$ 13,176,267	12,901,775	16,309,194	15,461,234
Public safety	10,170,498	10,841,488	11,501,342	12,870,631	14,105,614	14,293,718	14,411,049	14,977,684	15,848,869	16,683,675
Public works	4,064,908	4,821,961	5,505,350	6,138,150	6,601,992	6,870,507	6,711,497	7,345,814	8,601,763	8,982,667
Public health	2,700,993	2,928,719	3,024,805	3,407,409	4,141,100	4,530,875	4,292,094	4,102,699	3,378,195	2,867,355
Social and economic services	179,827	202,267	201,839	216,137	236,774	237,155	248,113	267,919	269,670	273,380
Culture and recreation	2,179,222	2,287,724	2,509,329	2,729,001	2,815,238	2,993,172	3,393,276	3,481,491	3,729,018	4,056,301
Housing and community development	2,858,609	4,293,088	7,417,989	5,108,680	5,272,460	4,781,874	7,180,028	5,299,101	7,116,256	5,467,638
Interest and fiscal charges	2,622,195	2,401,422	2,211,530	2,131,812	2,167,905	2,072,750	1,597,707	1,602,014	1,242,890	1,114,344
Total Expenses	33,970,678	37,617,332	42,199,989	42,828,139	46,207,295	47,871,373	51,010,030	49,978,498	56,495,855	54,906,594
Program Revenues:										
Charges for services:										
General government	3,563,888	3,863,468	1,909,372	4,445,776	4,241,383	4,426,863	4,579,421	4,858,792	6,455,214	6,455,214
Public safety	1,215,863	1,391,633	1,307,795	1,053,947	1,134,235	1,089,915	1,079,128	1,079,128	30,879	311,651
Public works	1,385,091	1,367,840	6,547,889	367,210	140,185	114,812	125,918	125,918	363,144	363,144
Other activities	825,649	783,641	597,152	573,947	1,241,495	1,125,064	1,073,583	1,073,583	551,267	595,278
Operating grants and contributions	11,199,969	13,635,961	12,719,370	12,752,094	16,604,680	16,455,376	14,512,131	17,847,412	28,281,896	15,772,142
Capital grants and contributions	1,659,303	2,629,319	312,124	753,789	-	-	4,678,246	4,182,411	3,123,752	3,744,461
Total Program Revenues	19,849,763	23,671,862	23,393,702	19,946,763	23,361,978	23,212,030	26,048,427	29,167,244	38,806,152	27,241,890
Net (Expense) Revenue	(14,120,915)	(13,945,470)	(18,806,287)	(22,881,376)	(22,845,317)	(24,659,343)	(24,961,603)	(20,811,254)	(17,689,703)	(27,664,704)
General Revenues and Transfers In:										
Taxes:										
Property	16,387,508	18,382,499	22,622,589	23,056,407	22,661,639	26,272,299	26,787,812	27,827,222	30,637,108	32,181,326
Franchise	240,923	261,119	288,216	300,714	321,282	330,218	350,428	350,428	398,075	398,075
Motor fuel	685,844	668,036	665,350	656,136	643,665	-	625,158	643,505	643,614	643,614
Investment earnings	1,076,240	1,758,245	2,504,774	2,145,787	937,855	396,421	355,257	342,376	235,723	199,806
Gain on the sale of capital assets	-	-	-	-	-	-	-	-	-	17,000
Miscellaneous	326,261	180,734	789,360	569,371	872,978	1,084,810	1,600,472	960,627	1,482,050	700,374
Transfers in	272,308	251,501	246,265	298,945	205,774	246,265	246,264	246,265	246,265	246,265
General Revenues and Transfers In:	18,989,084	21,502,134	27,116,554	27,027,360	25,643,193	28,330,013	29,965,391	30,370,423	33,642,835	34,386,460
Change in Net Position	\$ 4,868,169	\$ 7,556,664	\$ 8,310,267	\$ 4,145,984	\$ 2,797,876	\$ 3,670,670	\$ 5,003,788	9,559,169	15,953,132	6,721,756

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)

Source	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
General government	27.1%	26.2%	23.3%	23.9%	23.5%	25.3%	25.8%	25.8%	28.9%	28.2%
Public safety	29.9%	28.8%	27.3%	30.1%	30.5%	29.9%	28.3%	30.0%	28.1%	30.4%
Public works	12.0%	12.8%	13.0%	14.3%	14.3%	14.4%	13.2%	14.7%	15.2%	16.4%
Public health	8.0%	7.8%	7.2%	8.0%	9.0%	9.5%	8.4%	8.2%	6.0%	5.2%
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	6.4%	6.1%	5.9%	6.4%	6.1%	6.3%	6.7%	7.0%	6.6%	7.4%
Housing and community development	8.4%	11.4%	17.6%	11.9%	11.4%	10.0%	14.1%	10.6%	12.6%	10.0%
Interest and fiscal charges	7.7%	6.4%	5.2%	5.0%	4.7%	4.3%	3.1%	3.2%	2.2%	2.0%
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	18.0%	16.3%	8.2%	22.3%	18.2%	19.1%	17.6%	16.7%	16.6%	23.7%
Public safety	6.1%	5.9%	5.6%	5.3%	4.9%	4.7%	4.1%	3.7%	0.1%	1.1%
Public works	7.0%	5.8%	28.0%	1.8%	0.6%	0.5%	0.5%	0.4%	0.9%	1.3%
Other activities	4.2%	3.3%	2.6%	2.9%	5.3%	4.8%	4.1%	3.7%	1.4%	2.2%
Operating grants and contributions	56.4%	57.6%	54.4%	63.9%	71.1%	70.9%	55.7%	61.2%	72.9%	57.9%
Capital grants and contributions	8.4%	11.1%	1.3%	3.8%	0.0%	0.0%	18.0%	14.3%	8.0%	13.7%
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	86.3%	85.5%	83.4%	85.3%	88.4%	92.7%	89.4%	91.6%	91.1%	93.6%
Franchise	1.3%	1.2%	1.1%	1.1%	1.3%	1.2%	1.2%	1.2%	1.2%	1.2%
Motor fuel	3.6%	3.1%	2.5%	2.4%	2.5%	0.0%	2.1%	2.1%	1.9%	1.9%
Investment earnings	5.7%	8.2%	9.2%	7.9%	3.7%	1.4%	1.2%	1.1%	0.7%	0.6%
Gain on the sale of capital assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.05%
Miscellaneous	1.7%	0.8%	2.9%	2.1%	3.4%	3.8%	5.3%	3.2%	4.4%	2.0%
Transfers in	1.4%	1.2%	0.9%	1.1%	0.8%	0.9%	0.8%	0.8%	0.7%	0.7%
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%

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
Community facilities	\$ 77,479	\$ 93,005	\$ 132,174	\$ 550,183	\$ 96,146	\$ 84,988	\$ 82,468	\$ 63,155	\$ 61,072	\$ 57,551
Home health	452,745	455,245	478,038	463,873	477,407	455,141	431,861	481,204	444,272	330,585
Small business incubator	153,460	166,836	163,866	159,863	145,363	159,511	155,872	138,603	132,124	147,572
Water utility division	6,614,912	6,780,770	6,860,855	7,144,643	7,105,960	7,148,937	7,763,105	7,894,275	8,607,362	9,707,599
Metro sewer operations	3,144,561	3,342,055	3,451,722	3,447,702	3,415,305	3,458,844	3,686,853	3,853,671	3,978,771	4,446,076
Solid waste	1,773,813	1,807,043	1,847,420	2,096,777	2,027,230	2,181,947	2,170,407	2,352,772	2,510,707	2,661,399
Silver lake water system	560,408	509,674	325,308	229,247	237,431	228,506	416,201	198,485	263,678	248,210
Water distribution systems improvements	-	-	-	-	-	-	-	-	-	-
Storm Water System Project	-	-	-	-	-	-	-	91,693	140,020	135,335
MSE-TA mariah project	482,537	-	-	-	-	-	-	-	-	-
MR infrastructure project	152,510	120,197	94,298	94,107	94,806	92,681	92,680	92,680	92,681	92,680
Total Expenses	13,412,425	13,274,825	13,353,681	14,186,395	13,599,648	13,810,555	14,799,447	15,166,538	16,230,687	17,827,007
Program Revenues:										
Charges for services:										
Water utility division	6,581,500	7,013,614	7,022,225	7,091,827	7,102,346	6,802,722	6,107,699	7,248,235	8,098,141	8,760,730
Metro sewer operations	3,129,620	3,139,392	3,136,061	3,129,455	3,126,532	3,144,573	2,993,824	4,669,526	4,705,056	5,235,157
Solid waste	2,445,974	2,362,245	2,460,317	2,618,059	2,478,040	2,698,390	2,941,414	2,259,390	2,189,640	2,107,143
Other activities	1,960,876	1,938,562	1,800,880	868,096	750,527	727,752	1,259,049	774,766	783,291	805,174
Silver lake water system	-	-	-	-	-	-	-	1,045,280	92,808	142,912
Operating grants and contributions	244,340	15,425	1,196,557	3,246,789	4,418,961	5,117,876	230	230	3,415	504,414
Capital grants and contributions	1,302,889	1,763,404	-	-	-	-	8,678,630	8,328,536	1,259,602	1,923,702
Total Program Revenues	15,665,199	16,232,642	15,616,040	16,954,226	17,876,406	18,491,313	21,980,846	24,325,963	17,131,953	19,479,232
Net (Expense) Revenue	2,252,774	2,957,817	2,262,359	2,767,831	4,276,758	4,680,758	7,181,399	9,159,425	901,266	1,652,225
General Revenues and Transfers :										
Restricted investment earnings	234,081	684,335	889,296	725,949	258,092	50,062	42,948	38,508	35,654	27,652
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	9,850
Miscellaneous	72,772	28,194	165,373	358,252	214,997	231,147	736,754	752,138	481,513	147,998
Transfers	(272,308)	(251,501)	(246,265)	(298,945)	(205,774)	(246,265)	(246,264)	(246,265)	(246,265)	(246,265)
Total General Revenues and Transfers	34,545	461,028	808,404	785,256	267,315	34,944	533,438	544,381	270,902	(60,765)
Change in Net Position	\$ 2,287,319	\$ 3,418,845	\$ 3,070,763	\$ 3,553,087	\$ 4,544,073	\$ 4,715,702	\$ 7,714,837	\$ 9,703,806	\$ 1,172,168	\$ 1,591,460

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
Community facilities	0.6%	0.7%	1.0%	3.9%	0.7%	0.6%	0.6%	0.4%	0.38%	0.32%
Home health	3.4%	3.4%	3.6%	3.3%	3.5%	3.3%	2.9%	3.2%	2.74%	1.85%
Small business incubator	1.1%	1.3%	1.2%	1.1%	1.1%	1.2%	1.1%	0.9%	0.81%	0.83%
Water utility division	49.3%	51.1%	51.4%	50.4%	52.3%	51.8%	52.5%	52.1%	53.03%	54.45%
Metro sewer operations	23.4%	25.2%	25.8%	24.3%	25.1%	25.0%	24.9%	25.4%	24.51%	24.94%
Solid waste	13.2%	13.6%	13.8%	14.8%	14.9%	15.8%	14.7%	15.5%	15.47%	14.93%
Silver lake water system	4.2%	3.8%	2.4%	1.6%	1.7%	1.7%	2.8%	1.3%	1.62%	1.39%
Water distribution systems improvements	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%
Storm Water System Project	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.86%	0.76%
MSE-TA mariah project	3.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%
MR infrastructure project	1.2%	0.9%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.57%	0.52%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.00%	100.00%
Program Revenues:										
Charges for services:										
Water utility division	42.0%	43.2%	45.0%	41.8%	39.7%	36.8%	27.8%	29.8%	47.27%	44.97%
Metro sewer operations	20.0%	19.3%	20.1%	18.5%	17.5%	17.0%	13.6%	19.2%	27.46%	26.88%
Solid waste	15.6%	14.6%	15.8%	15.4%	13.9%	14.6%	13.4%	9.3%	12.78%	10.82%
Other activities	12.5%	11.9%	11.5%	5.1%	4.2%	3.9%	5.7%	3.2%	4.57%	4.13%
Silver lake water system	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.3%	0.54%	0.73%
Operating grants and contributions	1.6%	0.1%	7.7%	19.2%	24.7%	27.7%	0.0%	0.0%	0.02%	2.59%
Capital grants and contributions	8.3%	10.9%	0.0%	0.0%	0.0%	0.0%	39.5%	34.2%	7.35%	9.88%
Total Program Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.00%	100.00%

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
Governmental activities ²	\$ 33,970,678	\$ 37,617,332	\$ 42,199,989	\$ 42,828,139	\$ 46,207,295	\$ 47,871,373	\$ 51,010,030	\$ 49,978,498	\$ 56,495,855	\$ 54,906,594
Business-type activities ³	13,412,425	13,274,825	13,353,681	14,186,395	13,599,648	13,810,555	14,799,447	15,166,538	16,230,687	17,827,007
Total Expenses	47,383,103	50,892,157	55,553,670	57,014,534	59,806,943	61,681,928	65,809,477	65,145,036	72,726,542	72,733,601
Program Revenues:										
Governmental activities ²	19,849,763	23,671,862	23,393,702	19,946,763	23,361,978	23,212,030	26,048,427	29,167,244	38,806,152	27,241,890
Business-type activities ³	15,665,199	16,232,642	15,616,040	16,954,226	17,876,406	18,491,313	21,980,846	24,326,126	17,131,953	19,479,232
Total Program Revenues	35,514,962	39,904,504	39,009,742	36,900,989	41,238,384	41,703,343	48,029,273	53,493,370	55,938,105	46,721,122
Net (Expense) Revenue	(11,868,141)	(10,987,653)	(16,543,928)	(20,113,545)	(18,568,559)	(19,978,585)	(17,780,204)	(11,651,666)	(16,788,437)	(26,012,479)
General Revenues and Transfers:										
Governmental activities ²	18,989,084	21,502,134	27,116,554	27,027,360	25,643,193	28,330,013	29,965,391	30,370,423	33,642,835	34,386,460
Business-type activities ³	34,545	461,028	808,404	785,256	267,315	34,944	533,438	544,381	270,902	(60,765)
Total General Revenues and Transfers	19,023,629	21,963,162	27,924,958	27,812,616	25,910,508	28,364,957	30,498,829	30,914,804	33,913,737	34,325,695
Change in Net Position	\$ 7,155,488	\$ 10,975,509	\$ 11,381,030	\$ 7,699,071	\$ 7,341,949	\$ 8,386,372	\$ 12,718,625	\$ 19,263,138	\$ 17,125,300	\$ 8,313,216

Data Source:² See Exhibit II³ See Exhibit IV

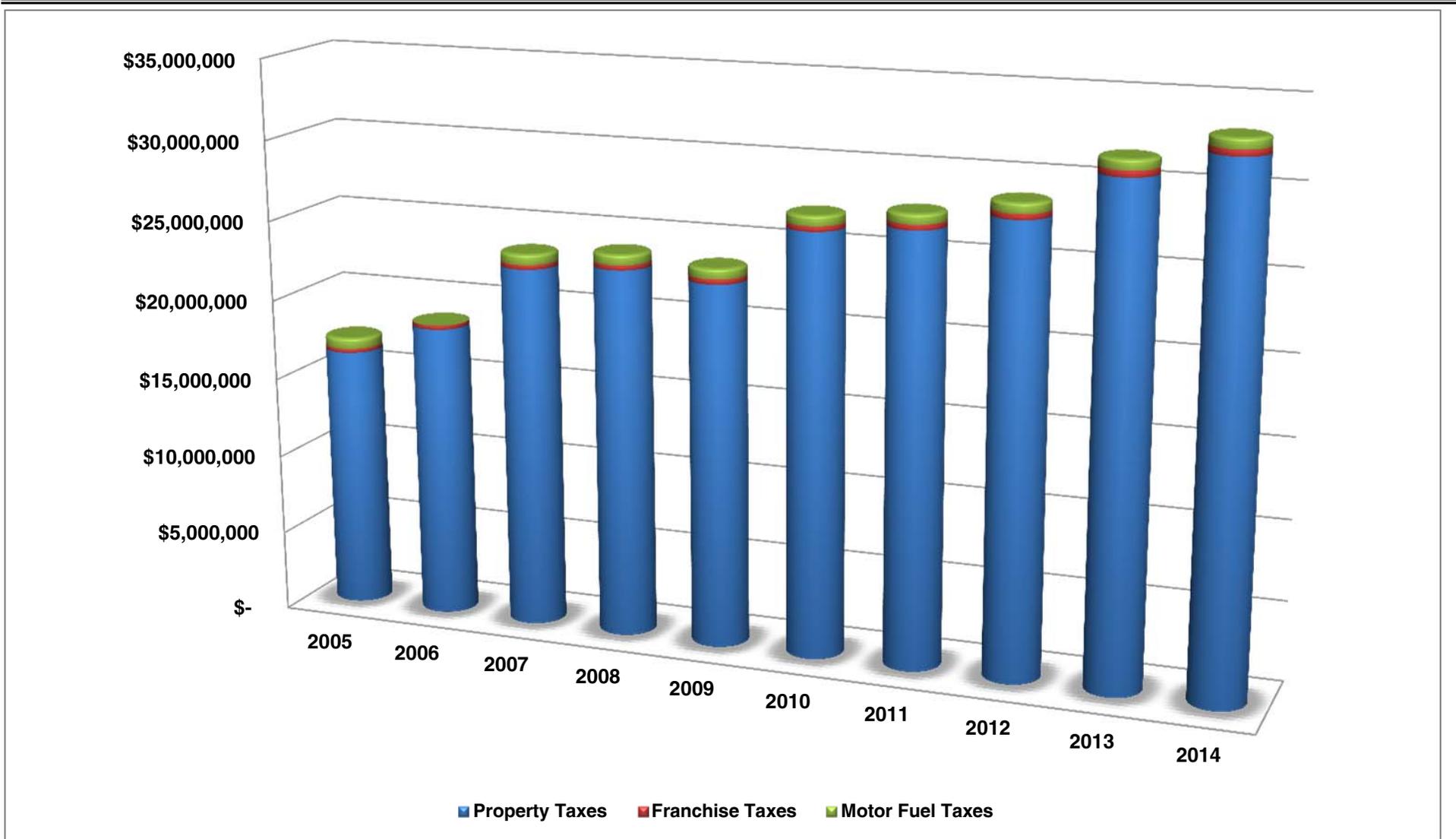
City and County of Butte-Silver Bow, Montana
Tax Revenues by Source - Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)

Amounts				
Fiscal Year Ended June 30,	Property	Franchise	Motor Fuel	Total
2005	16,387,508	240,923	685,844	17,314,275
2006	18,382,499	261,119	668,036	19,311,654
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
 <i>Percentage Change</i> <i>In Dollars Over</i> <i>10 Years ago</i>				
	96.4%	65.2%	-6.2%	91.9%
Percentage of Total				
Fiscal Year Ended June 30,	Property	Franchise	Motor Fuel	Total
2005	94.6%	1.4%	4.0%	100.0%
2006	95.2%	1.4%	3.5%	100.0%
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%

Data Source:

Applicable years' comprehensive annual financial report.

City and County of Butte-Silver Bow, Montana
Tax Revenues by Source - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)



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,						
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
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	<u>7,069,850</u>	<u>5,850,245</u>	<u>6,223,513</u>	<u>6,475,260</u>	<u>6,433,410</u>	<u>6,339,705</u>	<u>6,476,378</u>
General Fund Percentage Change	<u>8.1%</u>	<u>-17.3%</u>	<u>6.4%</u>	<u>4.0%</u>	<u>-0.6%</u>	<u>-1.5%</u>	<u>2.2%</u>
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	<u>31,455,358</u>	<u>33,004,560</u>	<u>35,139,375</u>	<u>41,453,787</u>	<u>43,738,696</u>	<u>48,775,183</u>	<u>44,119,805</u>
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	<u>\$ 38,525,208</u>	<u>\$ 38,854,805</u>	<u>\$ 41,362,888</u>	<u>\$ 47,929,047</u>	<u>\$ 50,172,106</u>	<u>\$ 55,114,888</u>	<u>\$ 50,596,183</u>
All Governmental Funds							
Percentage Change	<u>-13.4%</u>	<u>0.9%</u>	<u>6.5%</u>	<u>15.9% ¹</u>	<u>4.7%</u>	<u>9.9%</u>	<u>-8.2%</u>

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.

City and County of Butte-Silver Bow, Montana
Fund Balances - Governmental Funds
Last Three Fiscal Years
(modified accrual basis of accounting)

	June 30,			
	2011	2012	2013	2014
General Fund				
Restricted	\$ 1,472,578	\$ 1,688,036	\$ 556,878	\$ 642,291
Unassigned	4,870,939	4,473,581	5,533,497	5,210,404
Total General Fund	<u>6,343,517</u>	<u>6,161,617</u>	<u>6,090,375</u>	<u>5,852,695</u>
General Fund Percentage Change	<u>-2.1%</u>	<u>-2.9%</u>	<u>-1.2%</u>	<u>-3.9%</u>
All Other Governmental Funds				
Restricted				
Special Revenue Funds	39,268,276	42,739,475	50,845,614	53,635,990
Debt Service Funds	2,168,637	2,814,405	2,582,468	2,530,743
Capital Projects Funds	5,099,390	3,102,557	2,928,500	2,827,371
Assigned				
Special Revenue Funds	298,714	329,012	3,745,485	3,980,406
Debt Service Funds	347,638	211,422	215,295	84,484
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)
Subtotal All Other Governmental Funds	<u>45,984,381</u>	<u>49,045,716</u>	<u>59,131,308</u>	<u>62,102,209</u>
All Other Governmental Funds Percentage Change	<u>4.2%</u>	<u>6.7%</u>	<u>20.6%</u>	<u>5.0%</u>
Total Governmental Funds				
Restricted	48,008,881	50,344,473	56,913,460	59,636,395
Assigned	792,491	878,484	4,293,019	4,396,852
Unassigned	3,526,526	3,984,376	4,015,204	3,921,657
Total Governmental Funds	<u>\$ 52,327,898</u>	<u>\$ 55,207,333</u>	<u>\$ 65,221,683</u>	<u>\$ 67,954,904</u>
All Governmental Funds Percentage Change	<u>3.4%</u>	<u>5.5%</u>	<u>18.1% ¹</u>	<u>4.2%</u>

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Taxes	\$ 16,542,024	\$ 17,926,699	\$ 21,278,904	\$ 21,626,722	\$ 24,857,438	\$25,497,819	\$ 27,298,789	\$ 28,089,986	30,671,872	30,656,063
Licenses and permits	713,484	774,343	805,522	877,399	830,666	928,139	915,665	908,840	923,446	930,775
Intergovernmental	8,549,685	9,368,620	7,399,545	9,000,547	11,171,822	10,212,639	11,683,405	12,490,588	12,122,994	16,755,995
Charges for services	1,786,644	2,065,963	4,943,359	5,220,217	5,615,561	5,483,436	5,688,730	6,065,730	6,340,499	2,717,945
Fines and forfeitures	671,442	604,964	582,229	643,978	632,353	675,297	604,083	513,279	534,634	455,725
Special assessments	1,245,539	1,181,701	1,259,772	1,306,335	1,287,271	1,375,779	1,383,897	1,271,343	1,318,172	1,500,518
Health insurance contributions	2,612,512	2,842,499	2,895,136	3,175,460	3,213,761	3,295,629	3,276,856	3,746,273	3,798,277	4,547,547
Other grants and donations	829,506	1,589,605	6,840,412	703,469	1,370,834	1,683,976	3,518,458	5,118,977	14,018,672	1,808,954
Letter of credit in lieu of taxes	867,569	2,503,021	260,560	352,075	-	-	-	-	-	-
Investment earnings	1,076,240	1,758,247	2,504,774	2,145,787	937,855	396,421	355,257	342,376	235,723	201,345
Increase (Decrease) in investments to Fair Market Value	-	-	-	-	-	-	-	-	-	(1,539)
Miscellaneous	335,503	225,007	378,402	567,440	809,217	1,080,856	1,591,208	994,491	1,476,686	687,632
Total Revenues	35,230,148	40,840,669	49,148,615	45,619,430	50,726,778	50,629,991	56,316,348	59,541,883	71,440,975	60,260,960
% change from prior year	-7.5%	15.9%	20.3%	-7.2%	11.2%	-0.2%	11.2%	5.7%	20.0%	-15.65%
Taxes	46.95%	43.89%	43.30%	47.41%	49.00%	50.36%	48.47%	47.18%	42.93%	50.87%
Licenses and permits	2.03%	1.90%	1.64%	1.92%	1.64%	1.83%	1.63%	1.53%	1.29%	1.54%
Intergovernmental	24.27%	22.94%	15.06%	19.73%	22.02%	20.17%	20.75%	20.98%	16.97%	27.81%
Charges for services	5.07%	5.06%	10.06%	11.44%	11.07%	10.83%	10.10%	10.19%	8.88%	4.51%
Fines and forfeitures	1.91%	1.48%	1.18%	1.41%	1.25%	1.33%	1.07%	0.91%	0.75%	0.76%
Special assessments	3.54%	2.89%	2.56%	2.86%	2.54%	2.72%	2.46%	2.26%	1.85%	2.49%
Health insurance contributions	7.42%	6.96%	5.89%	6.96%	6.34%	6.51%	5.82%	6.29%	5.32%	7.55%
Other grants and donations	2.35%	3.89%	13.92%	1.54%	2.70%	3.33%	6.25%	8.60%	19.62%	3.00%
Letter of credit in lieu of taxes	2.46%	6.13%	0.53%	0.77%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Investment earnings	3.05%	4.31%	5.10%	4.70%	1.85%	0.78%	0.63%	0.58%	0.33%	0.33%
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%	0.00%
Miscellaneous	0.95%	0.55%	0.77%	1.24%	1.60%	2.13%	2.83%	1.67%	2.07%	1.14%
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.

²In 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.

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenditures:										
Current:										
General government	\$ 8,483,889	\$ 8,953,630	\$ 9,481,676	\$ 10,018,640	\$ 10,457,497	\$ 11,458,574	\$ 12,474,199	\$ 12,287,148	\$ 15,498,469	14,785,356
Public safety	9,699,778	10,197,642	10,876,965	12,311,497	13,161,267	12,997,523	13,509,599	14,156,543	14,952,479	15,766,928
Public works	4,174,413	4,576,959	4,866,008	5,413,879	5,777,139	5,878,676	5,853,713	6,289,553	7,175,285	7,267,846
Public health	2,680,162	2,890,485	3,010,363	3,423,381	4,078,925	4,398,727	4,314,569	4,089,051	3,365,203	2,871,884
Social and economic services	179,334	199,749	201,889	213,651	234,981	232,947	244,450	266,718	267,669	277,888
Culture and recreation	2,005,594	2,161,833	2,344,638	2,563,341	2,594,179	2,823,045	2,985,930	3,204,264	3,295,892	3,650,028
Housing and community development	1,564,992	2,998,699	5,409,237	3,083,104	3,218,235	2,637,652	4,977,792	3,134,041	4,912,038	3,130,182
Total Current	28,788,162	31,978,997	36,190,776	37,027,493	39,522,223	40,427,144	44,360,252	43,427,318	49,467,035	47,750,112
% Change From Prior Year	-3.0%	11.1%	13.2%	2.3%	6.7%	2.3%	9.7%	-2.1%	13.9%	-3.5%
Capital Outlay	2,486,879	3,373,209	3,911,062	2,430,736	9,009,423	9,109,766	6,025,536	13,594,069	8,911,599	6,358,996
% Change From Prior Year	-71.1%	35.6%	15.9%	-37.8%	270.6%	1.1%	-33.9%	125.6%	-34.4%	-28.6%
Debt Service²										
Principal	6,147,031	5,668,811	3,069,620	3,047,950	2,777,083	3,730,440	4,082,022	2,527,347	2,813,182	2,863,588
Interest and fees	505,979	537,306	2,304,627	2,180,758	2,121,027	2,132,612	1,890,566	1,652,584	1,280,368	1,185,254
Bond issuance costs	-	-	-	-	193,760	-	272,160	260,644	-	-
Total Debt Service	6,653,010	6,206,117	5,374,247	5,228,708	5,091,870	5,863,052	6,244,748	4,440,575	4,093,550	4,048,842
% Change From Prior Year	-23.4%	-6.7%	-13.4%	-2.7%	-2.6%	15.1%	6.5%	-28.9%	-7.8%	-1.09%
Total Expenditures	37,928,051	41,558,323	45,476,085	44,686,937	53,623,516	55,399,962	56,630,536	61,461,962	62,472,184	58,157,950
Debt Service as a % of Noncapital Expenditures	18.8%	16.3%	12.9%	12.4%	11.0%	12.7%	11.8%	8.7%	7.6%	7.82%

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.

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenditures:										
Current:										
General government	\$ 8,483,889	\$ 8,953,630	\$ 9,481,676	\$ 10,018,640	\$ 10,457,497	\$ 11,458,574	\$ 12,474,199	\$ 12,287,148	\$ 15,498,469	\$ 14,785,356
Public safety	9,699,778	10,197,642	10,876,965	12,311,497	13,161,267	12,997,523	13,509,599	14,156,543	14,952,479	15,766,928
Public works	4,174,413	4,576,959	4,866,008	5,413,879	5,777,139	5,878,676	5,853,713	6,289,553	7,175,285	7,267,846
Public health	2,680,162	2,890,485	3,010,363	3,423,381	4,078,925	4,398,727	4,314,569	4,089,051	3,365,203	2,871,884
Social and economic services	179,334	199,749	201,889	213,651	234,981	232,947	244,450	266,718	267,669	277,888
Culture and recreation	2,005,594	2,161,833	2,344,638	2,563,341	2,594,179	2,823,045	2,985,930	3,204,264	3,295,892	3,650,028
Housing and community development	1,564,992	2,998,699	5,409,237	3,083,104	3,218,235	2,637,652	4,977,792	3,134,041	4,912,038	3,130,182
Total Current	\$ 28,788,162	\$ 31,978,997	\$ 36,190,776	\$ 37,027,493	\$ 39,522,223	\$ 40,427,144	\$ 44,360,252	\$ 43,427,318	\$ 49,467,035	\$ 47,750,112
Current:										
General government	29.47%	28.00%	26.20%	27.06%	26.46%	28.34%	28.12%	28.29%	31.33%	30.96%
Public safety	33.69%	31.89%	30.05%	33.25%	33.30%	32.15%	30.45%	32.60%	30.23%	33.02%
Public works	14.50%	14.31%	13.45%	14.62%	14.62%	14.54%	13.20%	14.48%	14.51%	15.22%
Public health	9.31%	9.04%	8.32%	9.25%	10.32%	10.88%	9.73%	9.42%	6.80%	6.01%
Social and economic services	0.62%	0.62%	0.56%	0.58%	0.59%	0.58%	0.55%	0.61%	0.54%	0.58%
Culture and recreation	6.97%	6.76%	6.48%	6.92%	6.56%	6.98%	6.73%	7.38%	6.66%	7.64%
Housing and community development	5.44%	9.38%	14.95%	8.33%	8.14%	6.52%	11.22%	7.22%	9.93%	6.56%
Total Current	100.00%									

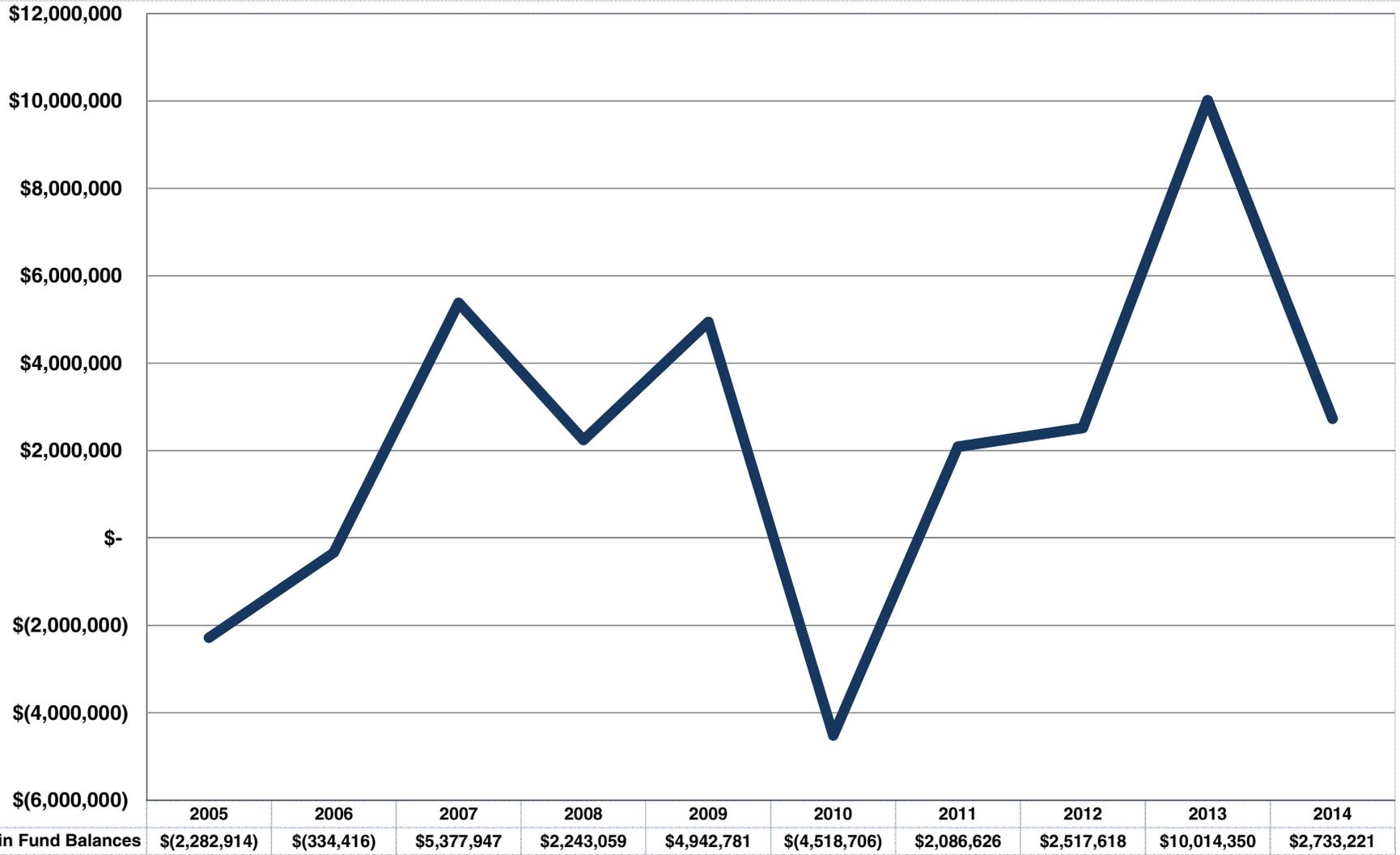
City and County of Butte-Silver Bow, Montana
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Total Revenues - Exhibit IX	\$ 35,230,148	\$ 40,840,669	\$ 49,148,615	\$ 45,619,430	\$ 50,726,778	\$ 50,629,991	\$ 56,316,348	\$ 59,541,883	\$ 71,440,975	\$ 60,260,960
Total Expenditures - Exhibit X	37,928,051	41,558,323	45,476,085	44,686,937	53,623,516	55,399,962	56,630,536	61,461,962	62,472,184	58,157,950
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,697,903)</u>	<u>(717,654)</u>	<u>3,672,530</u>	<u>932,493</u>	<u>(2,896,738)</u>	<u>(4,769,971)</u>	<u>(314,188)</u>	<u>(1,920,079)</u>	<u>8,968,791</u>	<u>2,103,010</u>
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	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	(11,655,000)	(9,721,820)	-	-
Compensation for loss of an asset	-	-	-	-	-	-	-	-	-	324,783
Sale of capital assets	25,612	-	-	-	-	2,000	104,550	-	-	-
Issuance of general obligation	-	-	-	-	-	-	-	-	-	42,163
Transfers in	6,324,257	5,837,567	10,173,684	6,340,104	6,918,720	6,979,676	7,479,978	5,084,279	5,654,553	5,582,273
Transfers out	<u>(5,934,880)</u>	<u>(5,454,329)</u>	<u>(9,997,919)</u>	<u>(6,041,159)</u>	<u>(6,712,946)</u>	<u>(6,733,411)</u>	<u>(7,233,714)</u>	<u>(4,838,014)</u>	<u>(5,408,288)</u>	<u>(5,336,008)</u>
Total Other Financing Sources (Uses)	<u>414,989</u>	<u>383,238</u>	<u>1,705,417</u>	<u>1,310,566</u>	<u>7,839,519</u>	<u>251,265</u>	<u>2,400,814</u>	<u>4,437,697</u>	<u>1,045,559</u>	<u>630,211</u>
Net Change in Fund Balances	<u>\$ (2,282,914)</u>	<u>\$ (334,416)</u>	<u>\$ 5,377,947</u>	<u>\$ 2,243,059</u>	<u>\$ 4,942,781</u>	<u>\$ (4,518,706)</u>	<u>\$ 2,086,626</u>	<u>\$ 2,517,618</u>	<u>\$ 10,014,350</u>	<u>\$ 2,733,221</u>

Data Source:

Applicable years' comprehensive annual financial report.

City and County of Butte-Silver Bow, Montana
Chart-Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)



City and County of Butte-Silver Bow, Montana
Assessed Market Value
Last Ten Fiscal Years

Exhibit XIII

Fiscal Year Ending June 30,	Tax Year	Real/Centrall Assesed Property	Mobile Home	Personal Property	Motor Vehicle	Less: Tax Exempt Property	Total Assessed Market Value	Total Direct Tax Rate¹
2005	2004	1,317,164,163	11,041,565	29,773,087	2,260	50,317,847	1,307,663,228	242.54
2006	2005	1,560,551,015	10,199,975	28,719,197	94,240	53,134,397	1,546,430,030	255.20
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
% Change from 2004 to 2013		47.4%	-15.5%	43.4%	12817.6%	109.5%	44.9%	71.3%
2005	2004	97.0%	0.8%	2.2%	0.0%		100.0%	
2006	2005	97.6%	0.6%	1.8%	0.0%		100.0%	
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%	

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

City and County of Butte-Silver Bow, Montana
Direct and Overlapping Property Tax Rates ¹
Last Ten Fiscal Years

Fiscal Year	Tax Year	Direct Rate			Overlapping Rates ²				
		Operating	Debt Service	Total	School District			Special Districts	State of Montana
					Operating	Debt Service	Total		
2005	2004	217.71	24.83	242.54	354.62	18.49	373.11	19.80	46.00
2006	2005	230.84	24.36	255.20	325.21	16.79	342.00	20.26	46.00
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	333.20	38.28	371.48	323.06	2.16	325.22	16.76	46.00
% Change From 2005-2014		53.0%	54.2%	53.2%	-8.9%	-88.3%	-12.8%	-15.4%	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

City and County of Butte-Silver Bow, Montana
Principal Property Taxpayers
Current Year and Ten Years Ago

Fiscal Year 2014-Tax Year 2013				Fiscal Year 2004-Tax Year 2003			
Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Montana Resources, Inc.	\$ 14,106,619	1	20.19%	Northwestern Energy ¹	\$ 19,182,480	1	30.21%
Northwestern Energy ¹	10,560,137	2	15.12%	ASiMI ¹	12,546,871	2	19.76%
REC (Formerly ASiMI) ¹	10,280,682	3	14.72%	Qwest Corporation	1,070,529	3	1.69%
Basin Creek Equity Partners, LLC	1,071,356	4	1.53%	Montana Resources, Inc.	952,855	4	1.50%
Qwest Corporation	857,780	5	1.23%	Waterford	361,870	5	0.57%
Praxair, Inc. - REC Affiliated ¹	833,859	6	1.19%	Wal-mart Real Estate Business	347,276	6	0.55%
Bresnan Broadband	751,459	7	1.08%	Hyman David L. & Anne Trustees	335,766	7	0.53%
Verizon Wireless	398,999	8	0.57%	Praxair, Inc. ¹	321,074	8	0.51%
Wal-mart Real Estate Business	282,346	9	0.40%	TRI Touch America, Inc.	283,811	9	0.45%
Hyman David L. & Anne Trustees	268,435	10	0.38%	Wilder Resorts, Inc.	182,332	10	0.29%
Total Principal Taxpayers	39,411,672		56.42%	Total Principal Taxpayers	35,584,864		56.05%
All Other Taxpayers	30,445,413		43.58%	All Other Taxpayers	27,901,880		43.95%
Total	<u>\$ 69,857,085</u>		<u>100.00%</u>	Total	<u>\$ 63,486,744</u>		<u>100.00%</u>

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

City and County of Butte-Silver Bow, Montana
Principal Tax Payers in the Ramsay TIFID
Current Tax Year and Ten Years Ago

Fiscal Year 2005- Tax Year 2004						Fiscal Year 2014- Tax Year 2013					
Rank	Property Owner	Aggregate Market Value	Aggregate Taxable Value	Aggregate Taxes Billed	Incremental Taxes Billed	Rank	Property Owner	Aggregate Market Value	Aggregate Taxable Value	Aggregate Taxes Billed	Incremental Taxes Billed
1	Advanced Silicon Materials LLC	255,513,851	7,828,055	4,626,067	3,640,182	1	REC Advanced Silicon Materials LLC	352,471,119	10,280,682	6,373,817	5,365,652
2	Praxair Inc	9,841,061	297,961	176,083	176,083	2	Praxair Inc	28,708,418	833,859	516,976	516,976
3	Advanced Silicon Materials Inc	2,078,719	68,598	40,539	40,539	3	ARC FEBTTMTOOL LLC	2,386,047	60,605	37,574	37,423
4	Rhodia Inc	1,259,827	41,442	24,491	24,491	4	Burlington Northern & Santa Fe Railroad	1,745,841	59,184	36,693	36,693
5	Port of Montana	993,124	32,774	19,368	-	5	Montana Precision Products, LLC	2,488,371	54,651	33,883	33,883
6	Burlington Northern & Santa Fe Railroad	784,361	29,884	17,660	17,660	6	Rhodia Inc	1,781,065	42,446	26,316	26,316
7	Union Pacific Railroad Company	216,207	8,237	4,868	4,778	7	Scouler Company, The	1,050,838	26,692	16,549	16,549
8	Ueland Ranches Inc	188,201	5,903	3,488	-	8	Union Pacific Railroad Company	603,337	20,453	12,680	12,586
9	Rauch William J & Patricia	66,172	2,184	1,291	-	9	SeaCast Of Montana LLC ¹	706,081	14,122	8,755	8,755
10	BGME LLC	56,183	2,042	1,207	1,207	10	Bell-Mont Properties Inc	544,485	13,830	8,574	8,574
11	Hansen Jens M & Holly E	42,402	1,581	934	-	11	Fed Ex Freight Inc BTE/223	385,782	7,716	4,784	4,784
12	Erickson Gloria A Trust	34,866	1,152	681	-	12	Praxair Leased Equipment	137,359	4,022	2,494	2,494

¹ A portion of the taxes billed for SeaCast of Montana LLC (SeaCast) is payment in lieu of taxes for a faciity leased to SeaCast that is owned by the City-County

Data Source:
 City and County Tax Records

City and County of Butte-Silver Bow, Montana
Property Tax Levies and Collections 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		Total Uncollected Taxes	
			Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2005	2004	24,850,190	22,725,010	91.45%	660,457	23,385,467	94.11%	1,464,723	5.89%
2006	2005	27,130,347	24,194,808	89.18%	2,368,130	26,562,938	97.91%	567,409	2.09%
2007	2006	31,502,912	28,455,913	90.33%	2,530,333	30,986,246	98.36%	516,666	1.64%
2008	2007	32,186,481	29,032,690	90.20%	2,739,179	31,771,869	98.71%	414,612	1.29%
2009	2008	32,123,733	29,464,328	91.72%	1,921,861	31,386,189	97.70%	737,544	2.30%
2010	2009	33,503,983	31,298,511	93.42%	1,978,960	33,277,471	99.32%	226,512	0.68%
2011	2010	33,281,458	31,435,793	94.45%	1,339,549	32,775,342	98.48%	506,116	1.52%
2012	2011	35,931,784	33,568,370	93.42%	1,108,426	34,676,796	96.51%	1,254,988	3.49%
2013	2012	38,188,890	35,996,426	94.26%	770,846	36,767,272	96.28%	1,421,618	3.72%
2014	2013	40,683,406	38,571,283	94.81%	-	38,571,283	94.81%	2,112,123	5.19%
Total		349,328,541	322,187,918	92.23%	16,012,653	338,200,571	96.81%	11,127,970	3.19%

Notes:

¹ Does not include Tax Increment Financing Industrial Districts or Urban Revitalization Agency Districts.

² The City and County did not implement GASB Statement No. 44, retroactively.

Data Source:

City and County Tax Collection Records

City and County of Butte-Silver Bow, Montana
Taxable value of the Ramsay TIFID
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Tax Year	Taxable Value of the District¹
2005	2004	6,610,382
2006	2005	6,776,316
2007	2006	7,329,928
2008	2007	7,605,452
2009	2008	9,067,912
2010	2009	8,914,569
2011	2010	10,414,806
2012	2011	10,197,198
2013	2012	10,317,086
2014	2013	9,824,969

¹ Taxable value exclusive of base value of \$1,720,230

Data Source:

City and County Tax Collection Records

City and County of Butte-Silver Bow, Montana
Ratios of Total Debt Outstanding by Type¹
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-type Activities					Total	Percentage of Personal Income ²	Population ²	Debt Per Capita
	General Obligation Bonds ³	Special Assessment Bonds	Capital Leases	Notes & Loans	Tax Increment Financing Bonds	Water Bonds	Solid Waste Bonds	Sewer Bonds	Notes & Loans					
2005	13,590,000	380,000	499,180	687,860	26,080,000	17,040,000	1,635,000	-	1,287,274	61,199,314	5.94%	32,076	1,908	
2006	13,060,000	350,000	473,149	481,504	23,605,000	15,565,000	1,495,000	-	385,885	55,415,538	5.06%	32,982	1,680	
2007	12,510,000	315,000	445,705	1,762,317	21,300,000	13,243,800	-	-	78,130	49,654,952	4.27%	33,905	1,465	
2008	12,887,058	280,000	416,774	1,512,861	19,200,000	11,751,863	-	-	39,065	46,087,621	3.36%	32,486	1,419	
2009	19,806,671	240,000	386,274	1,256,492	17,450,000	9,008,158	-	-	-	48,147,595	4.11%	32,602	1,477	
2010	18,811,630	200,000	354,120	988,420	14,935,000	8,354,837	-	-	-	43,644,007	3.54%	32,949	1,325	
2011	17,851,416	155,000	320,223	815,507	13,995,000	6,772,316	-	-	-	39,909,462	3.21%	34,234	1,166	
2012	16,951,202	105,000	284,489	634,109	16,830,000	6,688,366	-	1,041,322	-	42,534,488	3.20%	34,383	1,237	
2013	16,155,668	55,000	246,817	1,243,107	15,510,000	5,442,691	-	-	-	38,653,283	2.52%	34,403	1,124	
2014	14,946,468	-	207,103	1,041,610	14,170,000	3,246,387	-	-	-	33,611,568	2.19%	34,523	974	

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

City and County of Butte-Silver Bow, Montana
 Ratio 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
2005	13,590,000	91,492	13,498,508	32,076	\$ 1,307,663,228	1.03%	421
2006	13,060,000	88,995	12,971,005	32,982	\$ 1,546,430,030	0.84%	393
2007	12,510,000	370,227	12,139,773	33,905	\$ 1,799,717,742	0.67%	358
2008	12,887,058	468,545	12,418,513	32,486	\$ 1,982,267,020	0.63%	382
2009	19,806,671	206,511	19,600,160	32,602	\$ 2,091,555,484	0.94%	601
2010	18,811,630	89,377	18,722,253	32,949	\$ 2,618,904,259	0.71%	568
2011	17,851,416	163,220	17,688,196	34,234	\$ 2,447,045,834	0.72%	517
2012	16,951,202	293,279	16,657,923	34,383	\$ 2,532,138,739	0.66%	484
2013	16,155,668	89,887	16,065,781	34,403	\$ 2,193,605,742	0.73%	467
2014	14,946,468	89,138	14,857,330	34,523	\$ 2,253,116,469	0.66%	430

Data Source:¹ Exhibit XXII² Exhibit XIII

City and County of Butte-Silver Bow, Montana
 Governmental Activities Direct and Overlapping Debt
 June 30, 2014

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	14,946,468		
Special assessment bonds	-		
Tax increment bonds	14,170,000		
Capital leases	207,103		
Notes and loans	1,041,610		
Total City and County Direct Debt	<u>\$ 30,365,181</u>	100.0%	<u>30,365,181</u>
Total Direct and Overlapping Debt			<u>\$ 30,365,181</u>

Notes:

¹ Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City and 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

City and County of Butte-Silver Bow, Montana
Legal Debt Margin
Last Ten Fiscal Years

Fiscal Year Ended June 30,

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Legal Debt Margin										
Debt limit (2.5% of total assessed value)	\$ 29,021,581	\$ 38,500,598	\$ 40,702,665	\$ 49,237,905	\$ 52,178,893	\$ 65,359,959	\$ 61,212,613	\$ 53,009,291	\$ 53,428,534	\$ 56,327,912
Net debt applicable to limit:	14,777,040	14,014,653	14,718,022	14,816,693	21,449,437	20,154,170	18,987,146	17,869,800	17,645,592	16,195,181
Legal debt margin	<u>\$ 14,716,031</u>	<u>\$ 24,924,941</u>	<u>\$ 28,192,665</u>	<u>\$ 36,350,847</u>	<u>\$ 32,372,222</u>	<u>\$ 46,548,329</u>	<u>\$ 43,361,197</u>	<u>\$ 36,058,089</u>	<u>\$ 37,692,546</u>	<u>\$ 40,132,731</u>
As a percentage of debt limit	<u>50.71%</u>	<u>64.74%</u>	<u>69.26%</u>	<u>73.83%</u>	<u>62.04%</u>	<u>71.22%</u>	<u>70.84%</u>	<u>68.02%</u>	<u>70.55%</u>	<u>71.25%</u>

Legal Debt Margin Calculation for Fiscal Year 2014

Total assessed value	\$ 2,253,116,469
Debt limit (2.5% of total assessed value)	<u>\$ 56,327,912</u>
Total Current Indebtedness	16,195,181
Less special assesement bonds	<u>-</u>
Total debt applicable to limitation	<u>16,195,181</u>
Total legal debt margin	<u>\$ 40,132,731</u>

City and County of Butte-Silver Bow
Schedule of Debt Service Requirements and Debt Service Coverage
Last Ten Fiscal Years

Solid Waste								
Fiscal Year	Operating Revenues	Operating Expenses	Less Depreciation & Amortization	Net Revenue Available for Debt Service	Principal	Interest	Total	Debt Service Coverage
2005	2,447,010	1,675,952	275,824	1,046,882	130,000	97,860	227,860	4.59
2006	2,364,395	1,717,163	315,095	962,327	140,000	89,880	229,880	4.19
2007 ¹	2,462,087	1,847,420	296,559	911,226	1,495,000	-	1,495,000	0.61

Water Utility								
Fiscal Year	Operating Revenues	Operating Expenses	Less Depreciation & Amortization	Net Revenue Available for Debt Service	Principal	Interest	Total	Debt Service Coverage
2005	6,841,415	5,866,743	2,005,511	2,980,183	1,450,000	739,047	2,189,047	1.36
2006	7,017,603	6,084,499	2,147,751	3,080,855	1,475,000	688,882	2,163,882	1.42
2007	7,106,007	6,224,999	2,201,284	3,082,292	1,530,000	635,855	2,165,855	1.42
2008 ¹	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

Ramsay TIFID - Tax Increment Revenue Bonds, Series 2011

Fiscal Year	Net Revenue Available for Debt Service	Principal²	Interest²	Total	Debt Service Coverage
2011	6,572,080	1,150,000	323,781	1,473,781	4.46
2012	6,984,579	1,250,000	689,012	1,939,012	3.60
2013	6,888,900	1,265,000	676,868	1,941,868	3.54
2014	5,968,794	1,315,000	624,669	1,939,669	3.08

Notes:

¹ The revenue bonds were fully retired in fiscal year 2007.

² The principal and interest includes the debt service payments for all outstanding debt in the Ramsay TIFID

Data Source:

Applicable years' comprehensive annual financial report.

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			Median Age	City School Enrollment ³	Unemployment Rates ⁴		
			City & County	United States	County as a % of U.S.			City & County	State of Montana	United States
2005	32,076	1,029,823	31,324	34,471	91%	38.9	4,676	4.1%	3.8%	5.2%
2006	32,982	1,094,702	33,641	35,919	94%	41.6	4,593	3.6%	3.3%	4.8%
2007	33,905	1,163,668	36,130	37,356	97%	41.6	4,431	3.3%	3.1%	4.7%
2008	32,486	1,372,284	38,376	40,941	94%	42.0	4,373	4.3%	4.1%	5.7%
2009	32,602	1,170,662	35,908	38,615	93%	42.0	4,323	6.1%	6.4%	9.7%
2010	32,949	1,234,337	34,622	40,166	86%	42.5	4,328	5.7%	7.2%	9.8%
2011	34,234	1,244,179	34,828	39,635	88%	41.8	4,227	7.1%	7.0%	9.3%
2012	34,383	1,329,445	38,666	41,560	93%	39	4,246	6.2%	6.3%	8.2%
2013	34,403	1,535,776	44,641	43,735	102%	41.3	3,882	4.8%	5.4%	7.2%
2014	34,523	1,535,776	41,536	44,765	93%	41.7	4,197	4.9%	4.6%	6.3%

Data Sources:

¹ U.S. Bureau, of Census, <http://www.bea.gov/regional/reis/default.cfm?catable=CA1-3§ion=2> 2007 & 2008, management estimates, most current data available.

² Based upon management's estimates.

³ Butte School District Number One

⁴ Montana Department of Labor & Industry, not seasonally adjusted,
<http://www.ourfactsyourfuture.org/cgi/dataanalysis/AreaSelection.asp?tableName=Labforce>

City and County of Butte-Silver Bow, Montana
Top Twenty Private Employers
Year Ended June 30, 2013

<u>COMPANY NAME</u>	<u>PRODUCT OR SERVICE</u>
Acadia Montana	Health Services
Advanced Silicon Materials	Polysilicon Production
Aware, Inc.	Human Services
Butte Sheltered Workshop	Retail
Butte Convalescent Center	Health Services
Community Counseling & Correctional Service	Adult Social Services
Community Health Center	Health Services
Easter Seals - Goodwill	Human Services
Harrington Restaurant Supply	Wholesale
Human Resources Council Dist XII	Human Services
Lady of the Rockies Rehab and Living Center	Human Services
Montana Resources	Mining
Northwestern Energy	Utilities
Optimum	Cable/Telecommunications
Safeway	Retail
Silver House	Human Services
St. James Community Hospital	Health Services
Town Pump	Retail/Fuel Services
Wal-Mart	Retail
YMCA of Butte	Fitness

Source: Montana Department of Labor and Industry

Note: Due to confidentiality laws, top employer lists are provided in alphabetical order only. The listing cannot be ranked in order of employment and no employment data can be provided for individual businesses. Data is derived from the most current information available at this time.

City and County of Butte-Silver Bow, Montana
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

As of June 30,										
Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	256	187	201	195	199	200	207	203	227	227
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	41	41	44	44	44	47	48	47	47	48
Civilians	21	21	20	21	21	22	21	23	22	23
Detention Officers	25	26	27	27	27	27	28	27	28	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	30	30	32	32	32	31	30	30	32	33
Civilians	1	1	1	1	1	1	1	1	1	1
Highways and Streets										
Engineering	2	2	2	2	2	2	3	3	2	4
Maintenance	17	17	17	21	24	24	21	24	19	10
Sanitation	5	5	5	6	6	6	8	8	8	6
Culture and Recreation	7	7	10	8	8	8	8	10	10	22
Water	46	44	41	45	45	50	45	47	45	43
Sewer	27	27	25	28	28	26	27	29	27	31
Total	482	412	429	434	441	448	451	456	472	481
Percentage Change From Prior Year	2.3%	-14.5%	4.1%	1.2%	1.6%	1.6%	0.7% #	1.1%	3.5%	1.9%

City and County of Butte-Silver Bow, Montana
Operating Indicators by Function/Program
Last Ten Fiscal Years

Fiscal Year Ended June 30,										
Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Physical arrests	1,837	1,080	2,414	2,346	2,976	3,839	3,577	3,651	4,011	2,975
Parking violations	12,527	13,886	15,288	20,695	14,769	7,335	9,576	11,149	11,235	10,465
Traffic violations	3,958	2,589	4,273	5,195	5,401	4,350	3,848	3,461	3,864	3,737
Fire										
Inspections	152	168	125	117	132	177	185	243	230	226
Highway and streets										
Street resurfacing (miles)	2.9	2.9	4.0	3.5	4	6.8	6.1	22.9	4.3	5.96
Potholes repaired	1,400	1,400	1,500	2300	2500	2500	2800	2650	2497	2782
Sanitation										
Refuse collected (tons/day)	238.30	207.77	219.93	232.77	233.43	176.59	207.34	208.43	178	162
Recyclables collected (tons/day)	25.37	25.31	23.49	27.26	24.56	20.92	21.43	18.94	17.84	18.62
Water										
Connections	11,953	11,983	11,971	12,273	12,313	12,358	12,399	12,746	12,774	12,775
Water main breaks	240	258	200	268	284	240	232	212	231	243
Average daily consumption (thousands of gallons)	7,340	8,280	7,590	7,500	6,653	5,874	6,559	7,978	7,367	7,802
Wastewater										
Average daily sewage treatment (million of gallons/day)	3.19	3.17	3.60	3.56	3.21	3.58	3.94	3.78	3.75	3.87

Data Source:

Various City/County departments

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	23	24	24	25	25	26	34	33	33	35
Fire stations	11	11	11	11	11	11	11	11	11	11
Sanitation										
Collection trucks	7	8	8	10	10	10	16	16	16	17
Highways and streets										
Streets (miles)	715	715	715	715	715	715	715	715	715	715
Streetlights	3,241	3,258	3,311	3,326	3,327	3,330	3,329	3,330	3,330	3,330
Traffic signals	40	40	40	40	40	40	48	48	46	50
Culture and recreation										
Parks acreage	3,895	4,195	4,195	4,195	4,195	4,195	4,195	4,195	4,195	4,195
Parks	44	44	44	44	44	44	44	44	44	44
Swimming pools	1	-	-	-	-	-	-	-	-	-
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	1,026	1,028	1,035	1,099	1,100	1,144	1,165	1,187	1,203	1,218
Maximum daily capacity (millions of gallons)	23	23	23	23	23	23	23	23	1235 23	23
Sewer										
Sanitary sewers (miles)	203.20	203.60	203.60	203.60	203.60	170.80	176.74	172.04	174.00	174.00
Storm sewers (miles)	50.30	50.30	50.30	50.30	50.30	69.61	69.61	81.27	81.27	81.27
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

City and County of Butte-Silver Bow, Montana
Property Tax Levies (Levy Rates) Ramsay Tax Increment Industrial Infrastructure District
Last Ten Fiscal Years

Levy Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	94.94	101.93	99.80	96.95	99.11	95.38	92.75	94.79	114.15	103.28
Mile High Soils	1.04	0.91	0.89	1.04	1.05	0.99	1.01	0.94	0.94	1.13
Port of Montana-Port Authority	3.54	3.38	3.30	3.24	3.26	3.22	3.33	3.16	2.80	2.90
Airport Authority	3.54	3.38	3.30	3.24	3.26	3.22	3.33	3.16	2.80	2.90
Entitlement Levy	12.14	12.35	12.02	11.74	11.82	11.69	11.15	11.53	10.22	10.56
Emergency Services 3T	1.00	1.00	1.00	1.00	1.00	16.83	14.58	32.95	32.99	32.58
County Road	11.76	16.99	19.23	11.91	11.41	19.54	21.30	21.33	18.85	20.02
City-County of Butte-Silver Bow	163.90	208.00	196.58	213.18	252.66	281.46	286.79	259.98	251.40	276.60
City-County Voter Approved Debt Service	24.36	22.77	25.23	18.42	29.17	32.70	28.61	24.60	28.24	31.26
Ramsay Elementary School District No. 3	111.40	104.98	102.06	101.82	102.20	96.60	101.62	105.71	24.93	99.68
Butte High School District No. 1	95.65	93.83	87.86	89.36	88.34	89.11	86.10	74.29	86.66	88.45
Total	569.27	615.52	597.27	597.90	649.28	696.74	696.57	678.44	619.98	715.36

**SINGLE AUDIT
SECTION**



**City and County of Butte-Silver Bow
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014**

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 Housing & Urban Development							
Passed through State Department of Commerce:							
CDBG ED Grant	MT-CDBG-ED13-03	14.228	\$ 145,460	\$ -	\$ 144,423	\$ 144,423	\$ -
CDBG ED Grant	MT-CDBG-PG13-02	14.228	10,000	0	10,000	10,000	0
CDBG ED Grant	MT-CDBG-13PL20	14.228	30,000	0	0	0	0
Neighborhood Stabilization Program (NSP3)	MT-NSP-12-004-01-001	14.264	2,649,000	0	1,059,894	1,059,894	0
Total for United States Department of Housing & Urban Development			2,834,460	0	1,214,317	1,214,317	0
United States Department of Health & Human Services							
Direct:							
Drug Free Communities (07/01/2012-09/30/2013)	H79SP14658A	93.276	125,000	0	23,318	23,318	0
STOP Grant (10/01/2012-9/30/2013)	H79SP019021-01	93.243	48,258	0	18,191	18,191	0
Passed through State Department of Health & Human Services:							
Maternal & Child Health Services - Block Grant	14.07.05.01.047.0	93.994	38,041	0	38,041	38,041	0
Maternal & Child Health Services (07/01/12 - 9/29/14) MIECHV	13.07.5.31.022.0	93.505	100,000	0	25,000	15,950	9,050
Maternal, Infant, & Early Childhood Home Visiting(05/01/14 - 6/30/15)	14.07.5.01.084.0	93.505	105,000	0	26,250	0	26,250
Preventive Health/Family Planning	13.07.51.10.003.0	93.994	322,869	0	172,443	172,443	0
Preventive Health/Family Planning PREP Grant	14.07.5.11.017.0	93.092	65,000	0	65,000	65,000	0
Immunization Program (July - Dec 2013)	13.07.4.31.044.0	93.268	12,735	0	6,368	6,368	0
Immunization Program (January - June 2014)	14.07.4.31.143.0	93.268	12,735	0	6,368	6,368	0
Immunization Program (July 2013 - September 2014)	14.07.4.31.179.0	93.539	12,600	0	10,168	10,168	0
Montana Cancer Control Program	14.07.3.01.001.0	93.283	114,320	0	107,938	107,938	0
Developmentally Disabilities Program-Title XIX Medicaid Admin	0208/0370-01	93.778	20,000	0	20,000	20,000	0
Total for United States Department of Health & Human Services			976,558	0	519,085	483,785	35,300
United States Center of Disease Control and Prevention (CDC)							
Passed through State Department of Health & Human Services:							
Emergency Preparedness & Response	14.07.6.11.049.0	93.069	67,473	0	67,473	67,473	0
Total for United States Center of Disease Control and Prevention (CDC)			67,473	0	67,473	67,473	0
United States Health Resources Services Administration							
Passed through State Department of Health & Human Services:							
HIV Prevention July - December 2013	13.07.4.51.003.0	93.940	19,994	0	7,424	7,424	0
HIV Prevention January - June 2014	14.07.4.51.003.0	93.940	15,148	0	8,003	8,003	0
HIV Case Management	14.07.4.51.101.0	93.117	5,000	0	2,713	2,713	0
Total for United States Health Resources Services Administration			40,142	0	18,140	18,140	0

**City and County of Butte-Silver Bow
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014**

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 Environmental Protection Agency							
Passed through State Department of Environmental Quality:							
Air Quality	514008	66.605	39,776	0	39,776	39,776	0
Passed through State Revolving Fund Program							
Water System Engineering Project Bond "B"		66.468	693,854	0	137,735	137,735	0
<i>Total for United States Environmental Protection Agency</i>			733,630	0	177,511	177,511	0
United States Department of Agriculture							
Passed through State Department of Health & Services:							
Woman, Infants & Children (WIC) July 2013 - Sept. 2013)	13.07.5.21.019.0	10.557	141,618	0	62,627	62,627	0
Woman, Infants & Children (WIC) Oct. 2013 - Sept. 2014)	14.07.5.21.019.0	10.557	149,999	0	122,361	122,361	0
Peer Breast Feeding Coordinator (WIC) July - Sept. 2013)	13.07.5.21.036.0	10.557	9,200	0	3,542	3,542	0
Passed through State Auditor:							
Forest Reserve		10.665	66,813	0	66,813	66,813	0
<i>Total for United States Department of Agriculture</i>			367,630	0	255,342	255,342	0
United States Department of Transportation							
Passed through State Dept. of Transportation:							
Safe Routes to School Non-infrastructure	107076	20.205	49,500	0	40,735	40,735	0
Formula Grants for Other than Urbanized Areas 49 U.S.C. 5311	107135	20.509	709,642	0	643,709	643,709	0
Job Access Reverse Commute 5316 Grant	107397	20.521	40,783	0	24,571	24,571	0
Capital Equipment Purchase; Section 5309	107219	20.500	1,120,000	0	1,120,000	1,120,000	0
Capital Equipment Purchase; Section 5311	107219	20.509	451,421	0	413,692	413,692	0
Air Quality Equipment Grant	UPN 6774	20.205	302,221	0	302,221	302,221	0
Alcohol Impaired Driving Countermeasure Incentive Grant	107371	20.601	82,800	0	20,817	20,817	0
Buckle Up Montana (03/01/13 - 09/30/13)	106930	20.600	21,000	0	8,109	8,109	0
Buckle Up Montana (10/01/13 - 09/30/14)	107251	20.600	35,000	0	24,155	24,155	0
State and Community Highway Safety-STEP	106708	20.600	15,000	0	10,152	10,152	0
State and Community Highway Safety-STEP	107267	20.600	15,000	0	8,891	8,891	0
<i>Total for United States Department of Transportation</i>			2,842,367	0	2,617,052	2,617,052	0

**City and County of Butte-Silver Bow
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014**

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 Justice							
Direct:							
Bureau of Justice Assistance							
Justice Assistance Grant	2010-DC-BX-0038	16.804	308,198	0	58,590	58,590	0
Justice Assistance Grant	2012-DJ-BX-1057	16.738	25,232	0	7,627	7,627	0
Justice Assistance Grant	2013-DJ-BX-1117	16.738	22,088	0	22,088	22,088	0
Bullet Proof Vest Program	13066572	16.607	3,647	0	3,406	3,406	0
District Court Family Drug Court Program	2012-DC-BX-0068	16.541	524,549	0	70,871	70,871	0
Passed through Montana Board of Crime Control:							
Residential Substance Abuse Treatment Program	10-R01-91078	16.593	82,630	3,568	0	3,568	0
Residential Substance Abuse Treatment Program	11-R01-91298	16.593	63,360	0	56,159	56,159	0
Victim/Witness Advocacy Program	13-V01-91466	16.575	51,192	0	51,192	51,192	0
<i>Total for United States Department of Justice</i>			1,080,896	3,568	269,933	273,501	0
United States Department of Homeland Security							
Direct:							
FEMA-Regional Grants							
Homeland Security Grant Program Construction Grant	DHS-12-GPD-067-000-02	97.052	204,000	0	204,000	204,000	0
Assistance to Firefighters-Personal Protective Equipment	EMW-2009-FO-05637	97.044	48,859	0	1,443	1,443	0
Passed through State Disaster and Emergency Services:							
Homeland Security Grant Program (EMPG)	EMW-2012-EP-00057-S01	97.052	78,177	0	15,134	15,134	0
Homeland Security Grant Program (EMPG)	EMW-2013-EP-00044-S01	97.042	79,250	0	37,610	37,610	0
<i>Total for United States Department of Homeland Security</i>			410,286	0	258,187	258,187	0
United States Department of Defense							
<i>Department of the Army Section 595 Program</i>							
Design & Construction Assistance: Butte-Silver Bow Wastewater Collection Improvement Project	BSBPWM50 PMP	12.121	208,110	0	109,062	109,062	0
<i>Total for United States Department of Defense</i>			208,110	0	109,062	109,062	0
<i>National Park Service: Historic Perservation Grant Division</i>							
Butte Mineyard Headframe Project	30-10-ML-2067	15.929	192,000	0	148,641	148,641	0
<i>Total for United States Department of Interior</i>			192,000	0	148,641	148,641	0
Total Federal Financial Assistance			\$ 9,753,552	\$ 3,568	\$ 5,654,744	\$ 5,623,012	\$ 35,300

CITY AND COUNTY OF BUTTE-SILVER BOW, MONTANA

Notes to Schedule of Expenditures of Federal Awards

For Fiscal Year Ended June 30, 2014

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 the requirements of OMB Circular A133, Audits of States, Local governments, and Non-profit Organizations.



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John N. Newland, CPA
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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 aggregate 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, 2014, 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 30, 2014.

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 14-1, 14-2, 14-3, and 14-4.

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 14-5, 14-6, 14-7 and 14-8.

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 30, 2014



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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 Circular A-133 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, 2014. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2014

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 OMB

Circular A-133, 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 14-1, 14-2, and 14-3, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Newland & Company

NEWLAND AND COMPANY
A Professional Corporation

Butte, Montana
December 30, 2014

CITY AND COUNTY OF
BUTTE-SILVER BOW, MONTANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the City and County of Butte-Silver Bow, Montana.
2. Four significant deficiencies relating to the audit of the financial statements are reported in the auditor's comment section as Findings 14-1,14-2,14-3 and 14-4. 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. Three significant deficiencies in internal control over compliance in accordance with OMB Circular A-133 are reported in the Auditor's Comments section as Findings 14-1,14-2 and 14-3, 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 unqualified opinion on all major programs.
6. The programs tested as major programs include:

<u>PROGRAM NAME</u>	<u>CFDA #</u>
Neighborhood Stabilization Program	14.264
Capital Purchase Grant: Section 5309	20.500
Formula Grants	20.509
Air Quality Equipment/Safe Routes to Schools	20.205

CITY AND COUNTY OF
BUTTE-SILVER BOW, MONTANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
YEAR ENDED JUNE 30, 2014

7. The threshold used for distinguishing between Type A and Type B programs was \$300,000.
8. The City and County of Butte-Silver Bow, Montana did not qualify as a low risk auditee.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

Four significant deficiencies are reported in the Auditor's Comments section as Findings 14-1, 14-2, 14-3 and 14-4

C. FINDINGS AND QUESTIONED COSTS – MAJOR AWARDS

Three significant deficiencies is reported in the Auditor's Comments section as Findings 14-1,14-2 and 14-3.

AUDITOR'S COMMENTS

&

PRIOR REPORT RECOMMENDATIONS

AUDITOR’S COMMENTS & SIGNIFICANT DEFICIENCIES

FINDING 14-1: 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.

<u>Offices</u>	<u>Inadequate Segregation of Duties</u>
Parking commission	X
Police Court	X
Civic Center	X
County Attorney	X
Parks and Recreation	X
Transit	X
Fire Department	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 and 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 and County of Butte-Silver Bow. Management is further reviewing the possibility of contracting services to identify additional improvements and documentation of these controls.

Please contact Danette Gleason, Finance and Budget Director, at (406) 497-6323 with any comments or questions.

FINDING 14-2: INTERNAL CONTROL OVER PAYROLL

Condition – Payroll is calculated, reported and processed by one employee. There is no review or approval of the payroll transactions or final payroll by any other individual. We noted that the Law Enforcement Agency (LEA) and the Public Works Department employee timesheets lacked the proper signature and approval.

Criteria – Strong internal control dictates that payroll must be properly reviewed and timesheets have proper authorization approving hours worked.

Cause – Procedures do not exist requiring review and approval of payroll. Furthermore, timesheets and/or personal leave from the LEA were not properly approved. The timesheets for LEA employees are approved after payroll checks are issued.

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 verifying actual hours.

Management's Response – Management concurs that additional staff needs to be assigned duties within the payroll process. In November 2014, the Payroll Department was moved from the Human Resource Department to the Finance & Budget Department. In conjunction with this move, the Accounting Specialist within the Finance & Budget Department was assigned the duty to cross train on all payroll functions and associated activities. An additional internal control including the balancing and final review the transaction journal was established. The Finance & Budget Department has worked with the Payroll Department to develop reports and accounts to better analyze the payroll activity charged to each departments' budget. Budgets can be better tracked by the Departments and issues will be identified quickly. Further review and assignment of payroll functions will be completed and assigned back to the Human Resource Department once this Department is fully staffed.

Management further agrees that timesheets should be properly signed and approved by the management within the Department. The Public Works Department has hired additional management employees, which have been assigned the duty to assist the Public Works Director within their respective areas. Law Enforcement Agency operation Captains reviews and authorizes timecards. However, management has agreed to further review this process to determine if additional front line managers or supervisors will be granted the authority to sign the timesheets to assure all timesheets are properly authorized prior to finalization of the bi-weekly payrolls.

FINDING 14-3: TRANSIT DEPARTMENT GRANT REPORTS (SECTION 5311 CONTRACT CFDA #20.509)

Condition – In fiscal year 2013 the State of Montana performed a compliance audit on the Transit operating grants for 2009-2010 and 2010-2011. The audit discovered errors on the reported costs for the 2010 operating contract and the 2010 JARC contract. The audit covered invoiced costs for fiscal years 2009-2010 and 2010-2011. Butte-Silver Bow had agreed to repay these amounts over eighteen months. At the beginning of fiscal year 2014 Butte-Silver Bow owed a balance of \$7,593.08 in the operating contract of which \$1,898.27 had been paid by year end leaving a balance owing of \$5,694.81. Butte-Silver Bow stopped the repayment during the 2013-2014 fiscal year. During our audit we chose to test the quarterly reports of the transit grant for fiscal year ending June 30, 2014. Two of the four quarterly reports had understated total operating costs of \$4,445.00, while one of the four had overstated the operating costs by \$10,347.66. These operating cost errors lead to an additional amount owing to the state of \$2,193.31.

Criteria – Internal control over the reporting process including review, approval and reconciliation of amounts included on reimbursement reports.

Cause – Report control procedures do not include a review of reports submitted for compliance with program guidelines and reconciliation to source data.

Effect – Improper internal control procedures over grant reporting and incorrect reimbursement requests.

Recommendation –We recommend that Butte-Silver Bow develop procedures to review reports for accuracy and compliance with grant guidelines prior to submission.

Management's Response – Management agrees that procedures and controls need to be instituted to assure the accuracy of the reports issued by the Transit Department. Management has instituted a process whereby the Central Service Program Manager will reconcile the reports each quarter. Prior to the submittal of the reports, the Transit Manager, Central Service Program Manager, and Finance & Budget Director will meet for a final review of the reports to ensure compliance with program guidelines and agreement to source data. Once signed off by the parties, the report will be submitted timely.

Management will also seek training from the State of Montana to ensure that the City and County of Butte-Silver Bow assigned to prepare the reports and those in the review process of a full understanding the program guidelines and the process to submit the reports.

FINDING 14-4: POLICE COURT MISCODING OF TICKETS

Condition – During testing of police court procedures we selected twelve tickets to trace their implementation into the State of Montana’s Full Court software thereby recording these as an amount receivable to the police court. Of those selected five had miscoded citations and were unable to be added into the Full Court software. This lead to delays in entering data and potential understatement of funds receivable to the police court. Also during testing it was found that delinquent fines were not being sent to a credit bureau causing a decline in the receivables being collected.

Criteria – Internal controls require proper recording and accounting of unpaid tickets. The control system should include a reconciliation of beginning balances, tickets issued, tickets adjusted, collections and ending balances for all tickets issued. In addition, management review and approval of all tickets should be required to ensure their accuracy.

Cause – Improper recording of revenues and potential improper waiver of tickets issued.

Effect – Risk of misappropriation of Revenues and shortfalls in revenue collections.

Recommendation – We recommend that management develop internal control procedures to properly track, record, and approve all tickets for accurate implementation of revenue and receivables into the counties accounting system.

Management’s Response – Management has met with the Sheriff and the Police Court Judge to develop and institute controls to eliminate the errors on the tickets and to assure that citations are properly recorded in a timely manner. This will prevent delays in entering the data within the Full Court system. The controls will eliminate the potential for understatement of receivables or improper waiver of tickets issued. The controls consist of training of the Police Officers and the Lieutenants by March 31, 2015 and on a continual basis. The Lieutenants in charge will be required to review all tickets and sign-off on their review. The tickets will be forwarded to Police Court within 7 days of issuance unless the particular citations require additional investigative work. The Sheriff and Police Court Judge, with assigned staff, will hold monthly meetings to address any issues and assure that procedures are properly working. They will add or adjust internal controls as needed. The meetings will be reported to the Finance & Budget Department to document compliance.

The deficiency in collection on delinquent accounts within the Police Court is due to a combination of issues. The lack of staffing, new personnel, and the termination of the use of a collection agency attribute to the under collection and loss in revenue. From July 2013 to November 2014, the Police Court was without one full time employee and in the process of training new staff. In October 2014, the Police Court Judge reinstated the use of a collection agency for the delinquent accounts. In November 2014, the Department was authorized to replace the an additional position. The Department is now fully staffed and able to address the delinquent account issues.

OTHER MATTERS

FINDING 14-5: HEALTH DEPARTMENT AND OTHER FUNDS NEGATIVE CASH

Condition – We noted that the Health Department, Parking Commission, and certain other funds, including the NRPD Greenway funds have negative cash balances at year-end. Butte-Silver Bow has made adjustments to the funds to present interfund borrowings on the financial statements from the General Fund and Economic Development (HR).

Criteria – Internal control over billings and utilization of cash reserves.

Cause – Lack of timely billings and cash reserves utilization.

Effect – Cash flow problems in the affected funds.

Recommendation – Butte-Silver Bow must prepare and submit billings to the appropriate entities for amounts due in a timely manner and initiate appropriate procedures to eliminate negative cash balances in all funds.

Management's Response – Management concurs and has created procedures and protocols to ensure timely billing and reduce the negative cash balances. However, the City and County of Butte-Silver Bow participates in several large grant funded projects. These grants, for the most part are reimbursable grants, which only allow for request for reimbursement on a monthly or quarterly basis. With the reimbursement funding mechanisms, these particular funds, such as the NRPD Greenway Fund, will have a negative cash balance on June 30th. Management fully understands that the General Fund or other designated funds loan the resources until the reimbursements are made on the projects. Adjustments for the loans are made at each fiscal yearend to account for the inter-governmental financing activities.

The negative cash balance relative to the Health Department Special Revenue Fund has been addressed by Management and the Council of Commissioners. The Health Department Drug & Alcohol Program had been operating at a negative cash flow for several years. Upon the advice of the City and County Health Board, this program was eliminated in fiscal year 2014 and these services are no longer provided by Butte-Silver Bow. The Chief Executive and the Council of Commissioners believe that the Health Department is vital to the community and have committed to allocated \$200,000 annually for a five year period to assist in sustaining the various activities of the Butte-Silver Bow Health Department. Fiscal year 2014 was the first year of the allocation.

Management reviewed the function of the Parking Commission during 2014. In February 2014, the Parking Commission was granted funds from the General Fund to purchase new software and hardware to better account for and manage the activities of the Parking Commission. The new systems have been implemented, but the Department has experienced increase in staff turn-over resulting in a decline in the issuance of parking citations. Management is working with the Parking Commission to determine the best management and staffing structure in order to address the revenue stream and meet the operating costs of the Department.

OTHER MATTERS (Continued)

FINDING 14-6: INTERNAL SERVICE FUND OPERATING LOSSES

Condition – During the audit period the GIS Services Internal Service Fund incurred a net loss of \$33,910.

Criteria – Internal service funds are used to account for the financing of goods or services provided by one department to other departments on a cost reimbursement basis.

Cause – Internal Service use charges do not cover all costs necessary to provide the service.

Effect – Improper Internal Service fund charges create deficit cash and fund balances and related cash flow problems.

Recommendation – Review Internal Service Charges to eliminate deficit.

Management's Response – Management concurs and has increased the internal service fund rates charged and reallocated personnel charges to eradicate the net losses with the goal of operating at or near break-even.

FINDING 14-7: PUBLIC ADMINISTRATOR

Condition – The Public Administrator has not posted an annual report in the office of the Clerk of the District Court.

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.

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. Automated systems have been developed to assist the Public Administrator in complying with Section 71-15-207, MCA. Management will work with the County Attorney's Office and Public Administrator to assure compliance.

OTHER MATTERS (Continued)

FINDING 14-8: TREASURERS OFFICE

Condition - During our audit we noted that the Treasurer's office did not properly receipt grant revenue received from the State of Montana for the alcohol and drug program. The check was endorsed and given directly to CCCS, Inc. which had subcontracted to provide services for the program. The Treasurer's office did not issue an A-101 receipt to record the transaction.

Criteria – Internal Control polices require the Treasurer to receipt all funds received by the office, and record the revenue in the city-county records.

Effect – Grant revenue and related grant expense are not reported in the financial statements.

Recommendation – The Treasurer should record all funds received in the office on an A-101 receipt and record the corresponding transfer as a grant expense.

Management Response – Management, the Treasurer, and Deputy Treasurer have met to review the procedures and internal controls related to the receipt and disbursement of cash within the Treasurer's Office. The controls and procedures were in place, but not followed by the staff of the Treasurer's Office. The staff was given conflicting direction, but failed to follow the correct procedures. This issue was discovered by the Finance & Budget Department during the revenue review process. It was determined at this time that there was an issue with earmarked alcohol funds received by the State of Montana. The Finance & Budget Department confirmed with the State of Montana, Department of Health of Human Services, and the contracted non-profit approved to receive the funds, that the Butte-Silver Bow Treasurer did distribute the all funds to the contractor.

Management will continue to educate the Treasurer's Office staff on the internal controls and protocols established for the office.

OTHER MATTERS (Continued)

FINDING 14-9: CONTINUING DISCLOSURE

Condition – The City-County of Butte-Silver Bow discovered that it had not provided certain annual financial information as required pursuant to its outstanding continuing disclosure undertakings related to its General Obligation Bonds, General Obligation Refunding Bonds and its Tax Increment Industrial Infrastructure Development Bonds for fiscal years 2011 and 2012 by the continuing disclosure requirements described the various bond issues. The City-County has posted the required financial information on the EMMA website upon the discovery of the failure to file.

Criteria – Butte-Silver Bow is required to post certain financial information and the audited financial statements on the EMMA website on an annual basis as part of the continuing disclosure requirements included in bond documents.

Effect- Failure to provide continuing disclosure information could result in potential sanctions and penalties.

Recommendation – We recommend that Butte-Silver Bow develop procedures and controls to ensure that the continuing disclosure financial information is reported in a timely manner.

Management Response – Management concurs with the recommendation and has initiated procedures to address this issue. The Finance & Budget Director in May 2014 discovered that Butte-Silver Bow potentially was not in compliance with SEC Rule 15c2-12 nor in compliance with the continuing disclosure undertaking (CDU) as approved with publically issued bonds by Butte-Silver in excess of \$1 million. The CDU filings were not made electronically on the Electronic Municipal Market Access (“EMMA”) website (www.emma.msrb.org) for certain bond issues. Butte-Silver Bow engaged with outside legal counsel to review the filings, determine the materiality, and to seek advice on the corrective actions needed to take place. Butte-Silver Bow also sought recommendations to assure compliance with continuing disclosure requirements in the future. As a result of the recommendations, Butte-Silver Bow has complied with the filing requirements on the EMMA site and the Butte-Silver Bow Council of Commissioners, adopted Resolution 14-48. This resolution contains the required procedures and training elements to assure compliance with CDU and SEC Rule 15c2-12.

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, 2014. The following is a summary of the prior audit report recommendations and whether or not any action has been taken regarding the recommendations:

	<u>Implemented or Corrected</u>	<u>Partially Implemented</u>	<u>Not Implemented</u>
1. Butte-Silver Bow improve internal controls in offices outside the County Treasurer.			X
2. Butte-Silver Bow improve internal Control over payroll and consulting with the County Attorney concerning compensatory time for the Law Enforcement Agency		X	
3. Butte- Silver Bow develop procedures to review Transit Dept. reports for accuracy and compliance with grant guidelines.			X
4. Parking Commission develop internal control procedures to track and bill for unpaid parking tickets and uncollected parking space revenues.	X		
5. Butte-Silver Bow prepare timely billings to certain entities to eliminate negative cash balances			X
6. Butte-Silver Bow increase internal service fees charged to each department to eliminate operating deficits.		X	
7. Butte-Silver Bow comply with section 72-15-207, MCA, concerning the Public Administrator.			X





Comprehensive Annual Financial Report and Audit
City and County of Butte-Silver Bow, State of Montana
for Fiscal Year Ended June 30, 2014

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