

Yellowstone County, Montana

ANNUAL

COMPREHENSIVE

FINANCIAL

REPORT



FISCAL YEAR 2024

JULY 1, 2023 - JUNE 30, 2024

YELLOWSTONE COUNTY, MONTANA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024

Prepared by: Finance Department -

Jennifer Jones, Director

I. INTRODUCTORY SECTION (Unaudited)

**YELLOWSTONE COUNTY, MONTANA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**TABLE OF CONTENTS
(Page 1 of 3)**

	<u>Page</u>
I. <u>INTRODUCTORY SECTION (Unaudited)</u>	
A. Table of Contents	i-iii
B. Letter of Transmittal	iv-xi
C. Organization Chart	xii
D. Elected Officials	xiii
II. <u>FINANCIAL SECTION</u>	
A. Independent Auditor's Report	1-3
B. Management's Discussion and Analysis	4-21
C. Basic Financial Statements	
1. Statement of Net Position	22-23
2. Statement of Activities	24
3. Balance Sheet - Governmental Funds	25
4. Reconciliation of Balance Sheet Fund Balance to Net Position of Governmental Activities	26
5. Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	27
6. Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28
7. Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	29-30
8. Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Major Special Revenue Funds - Road, Property and Liability Insurance, COVID-19, and Public Safety Funds	31
9. Statement of Net Position - Proprietary Funds	32-33
10. Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	34
11. Statement of Cash Flows - Proprietary Funds	35-36
12. Statement of Fiduciary Net Position - Fiduciary Funds	37
13. Statement of Changes in Fiduciary Net Position - External Investment Trust Fund	38
14. Notes to the Financial Statements	39-94

**YELLOWSTONE COUNTY, MONTANA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**TABLE OF CONTENTS
(Page 2 of 3)**

	<u>Page</u>
II. <u>FINANCIAL SECTION, continued</u>	
D. Required Supplementary Information	
1. Employee Group Benefits Plan - Other Post Employment Benefits (OPEB)	95
2. Schedule of Proportionate Share of the Net Pension Liability & Schedule of Contributions	96-102
E. Supplementary Information	
1. Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Major Governmental Debt Service and Capital Projects Funds	103
2. Combining Balance Sheet - Nonmajor Governmental Funds	104
3. Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Nonmajor Governmental Funds	105
4. Nonmajor Special Revenue Funds	
a. Combining Balance Sheet	106-109
b. Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	110-114
5. Nonmajor Debt Service Funds	
a. Combining Balance Sheet	115
b. Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	116
6. Nonmajor Capital Projects Funds	
a. Combining Balance Sheet	117
b. Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	118
7. Internal Service Funds	
a. Combining Statement of Net Position	119
b. Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	120
c. Combining Statement of Cash Flows	121

**YELLOWSTONE COUNTY, MONTANA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**TABLE OF CONTENTS
(Page 3 of 3)**

III. <u>STATISTICAL SECTION (Unaudited)</u>	<u>Page</u>
<u>Schedule</u>	
1. Net Position by Component	122
2. Change in Net Position	123-124
3. Fund Balances, Governmental Funds	125
4. Changes in Fund Balances, Governmental Funds	126
5. Taxable Value and Estimated Actual Value of Taxable Property	127
6. Direct and Overlapping Property Tax Rates	128
7. Principal Property Tax Payers	129
8. Property Tax Levies and Collections	130
9. Ratios of General Bonded Debt Outstanding	131
10. Direct and Overlapping Governmental Activities Debt	132
11. Legal Debt Margin Information	133
12. Demographic and Economic Statistics	134
13. Principal Employers	135
14. Full-time Equivalent County Government Employees by Function	136
15. Operating Indicators by Function	137
16. Actual Levies and Revenues Compared to Statutory Limitations	138
17. Rural Special Improvement Districts Continuing Disclosures	139
IV. <u>SINGLE AUDIT SECTION</u>	
A. 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 <i>Government Auditing Standards</i>	140-141
B. Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	142-144
C. Schedule of Expenditures of Federal Awards	145-146
D. Notes to Schedule of Expenditures of Federal Awards	147-148
E. Schedule of Findings and Prior Year Findings Status	149-150

Yellowstone County, Montana
Annual Comprehensive Financial Report - Transmittal Letter (Unaudited)
June 30, 2024

Yellowstone County

FINANCE
(406) 256-2718
(406) 254-7929 (FAX)



P.O. Box 35003
Billings, MT 59107-5003

November 25, 2024

Board of County Commissioners
Citizens of Yellowstone County
Billings, Montana

The Annual Comprehensive Financial Report of Yellowstone County (the County) for the fiscal year ended June 30, 2024 is hereby submitted. State law requires that counties publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This annual comprehensive financial report meets all required criteria specified by the State, to report the Budgetary, Accounting and Financial Reporting System (BARS), prepared in conformance with the principles and standards for financial reporting as promulgated by the Governmental Accounting Standards Board (GASB). Pursuant to those requirements, the finance department hereby issues the annual comprehensive financial report of Yellowstone County for the fiscal year ended June 30, 2024.

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

Yellowstone County, Montana
Annual Comprehensive Financial Report - Transmittal Letter (Unaudited)
June 30, 2024

Yellowstone County's financial statements have been audited by JCCS, PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Yellowstone County for the fiscal year ended June 30, 2024 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts, and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Yellowstone County's financial statements for the fiscal year ended June 30, 2024 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 Yellowstone County has usually been part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. In FY24, a Single Audit engagement did take place, since the County met the threshold for expenditures of Federal government awards of at least \$750,000. 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. Yellowstone County's MD&A can be found immediately following the report of the independent auditors.

FINANCIAL STATEMENT PRESENTATION

This Annual Comprehensive Financial Report includes all of the financial statements and reports as required by the Governmental Accounting Standards Board. Designed to meet the needs of a broad spectrum of financial statement readers, this Annual Comprehensive Financial Report is divided into four major sections.

1. **Introductory Section:** As the title indicates, this section introduces the reader to the report and includes the table of contents, transmittal letter, organization chart, and list of elected officials.
2. **Financial Section:** Includes the following subsections:
 - Independent Auditor's Report
 - Management's Discussion and Analysis (MD&A) – This report is a narrative providing information and analysis about the County's financial position, results of operations for the audited year, and significant changes from the prior year.
 - Basic Financial Statements – These include government-wide financial statements which report on both governmental and business-type activities on a full accrual (business-like) basis.
 - Notes to Basic Financial Statements – Explanatory narratives, details, and reconciliations that are critical to an understanding of the basic financial statements.
 - Required Supplementary Information
 - Fund Financial Statements – These statements provide additional reporting for the major and nonmajor funds.

Yellowstone County, Montana
Annual Comprehensive Financial Report - Transmittal Letter (Unaudited)
June 30, 2024

3. **Statistical Section:** Although this section contains substantial financial information, these tables differ from financial statements in that they present some non-accounting data and are designed to reflect social and economic data, as well as the fiscal capacity of the County.
4. **Single Audit Section:** This is a requirement of all non-Federal entities that expend \$750,000 or more of federal awards in a fiscal year. The purpose of this audit is to test compliance with Federally awarded programs.

The diverse nature of governmental operations and the necessity of assuring legal compliance preclude recording and summarizing all governmental financial transactions and balances in a single accounting entity. Therefore, from an accounting and financial management viewpoint, a governmental unit is a combination of several distinctly different fiscal and accounting entities, each having a separate set of accounts and functioning independently of each other. Each accounting entity is accounted for in a separate "fund." A fund is defined as a fiscal accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

PROFILE OF THE COUNTY

Yellowstone County (population 170,843), created by legislative enactment in 1883, is located in the south-central section of Montana and includes the incorporated City of Billings, which is the County seat and most populous city in the state (population 120,864); and also includes the incorporated City of Laurel (population 7,193) and Town of Broadview (population 202). The County imposes tax levies for jurisdictions under the authority of the Board of County Commissioners, which includes county funds and some special districts, such as the Big Sky Economic Development Authority (BSEDA). The Board of County Commissioners also approves levies requested by boards of special cemetery and fire districts. The County bills, collects, and distributes property taxes on behalf of other taxing entities such as the State of Montana, schools and cities, but does not approve their levies.

The Board of County Commissioners is a commission form of government with a three-member board comprised of officials elected at-large from three different district boundaries to six-year terms on a staggered two-year cycle. The County has the authority to cause actions that are statutorily permitted under Montana law. The Board of County Commissioners establishes budget authority and policies for County departments.

Budgetary control is maintained through an annual budget adopted by the County Commissioners. Public hearings are published and generally conducted in May or June of each year. The final budget must be adopted by the first Thursday in September or 30 days after receiving the certified taxable values from the State of Montana. Budgetary authority is flexible in that the Commissioners may make transfers among budget object lines within a fund and make budget amendments with statutory restrictions when considered necessary for proper administration of County government. Budget amendments may be passed by the Board of County Commissioners after conducting two published public hearings. The level of budgetary control is established at the fund level. Budget comparisons for the major governmental funds are presented as part of the basic financial statements. These statements also show the original budget that was adopted for the major funds. Generally, the revisions made during the fiscal year are related to grant funding and associated expenditures.

Yellowstone County, Montana
Annual Comprehensive Financial Report - Transmittal Letter (Unaudited)
June 30, 2024

Yellowstone County provides a full range of services as mandated by Montana statutes, including general government, public works, public safety, public health, social and economic, culture and recreation, and community development. Some of the more significant departments and functions within these areas include:

General Government – County Commissioners, Treasurer, Finance, Elections, Records, Auditing, Facility Maintenance, Property and Liability Insurance, Planning and Clerk of District Court

Public Safety – Sheriff's departments including administration, patrol, detectives, civil, records, adult detention, and communications. Other public safety functions include youth detention, county attorney prosecution, disaster and emergency services and traffic safety programs.

Public Works – County road and bridge projects and maintenance, weed control, junk vehicle control, and RSID construction and maintenance.

Public Health – Funding support for operations of the public health department (Riverstone Health), mental health treatment and involuntary commitment costs, animal control, and alcohol rehabilitation programs.

Social and Economic Services – Senior citizen program funding, extension & agricultural services, and low income medical and rent assistance programs.

Culture and Recreation – Library and museum funding, and county parks.

Conservation of Natural Resources – Soil Conservation programs and Air Quality Control funding

Community Development – Community Development Block Grant projects

The County also operates the METRA (Montana Exposition, Trade, and Recreation Arena) and adjacent buildings and grounds. This facility includes 3 large multi-purpose event centers, large adjacent parking, grounds, and ancillary buildings.

FACTORS AFFECTING FINANCIAL CONDITION

General Operating Environment

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

Local business activity includes agricultural, medical, retail, industrial, petroleum refining, banking, mining, and utility enterprises; which contribute substantially to the County's economy and tax base. The County is home to three substantial oil refineries, two major hospitals, and is the major retailer to a large geographical area. Billings also is an important tourism and cultural center to the region. These businesses and industries have historically provided a stable economy for the community and have provided for steady population and economic growth.

Montana's tax structure predominately relies on income, mineral, property, gambling, and motor vehicle taxes. Counties directly levy property taxes and indirectly share in mineral, gambling and motor vehicle taxes by receiving revenue distribution from the State referred to as the entitlement share that is supported by the aforementioned taxes. The State has no general sales tax although some communities in the State are permitted to levy a local sales tax (referred to as the resort tax). Yellowstone County is not currently permitted to levy a local sales tax but does collect local option taxes related to cannabis sales and motor vehicles.

Yellowstone County, Montana
Annual Comprehensive Financial Report - Transmittal Letter (Unaudited)
June 30, 2024

Property taxing authority is statutorily determined and taxing authority above the allowed maximum level must be voter approved. The local governing bodies determine the amount of property tax revenue they wish to levy annually up to the maximum allowed. New property revenues are permitted for new construction valuation and a statutorily determined acceptable inflation growth indexed to 50% of the State's rate of inflation, averaged over the past 3 years. For FY24, that rate equaled 2.46%, and for FY25 the rate will be 2.80%.

The Management Discussion and Analysis provides additional discussion of specific pending financial impacts on the County.

Recent Events and Economic Conditions

The County is almost finished with infrastructure projects at MetraPark utilizing ARPA funds which will enhance that campus's capacity to serve in the event of a wide range of regional events that may involve evacuation, medical emergency, and more. The next six months will see the County complete plans and various options for law enforcement and judicial related needs that will be necessary for the next 20 – 30 years. Both processes just mentioned are critical in the meeting of Yellowstone's primary mission to its citizens of maintaining public safety and public health.

The Billings area continues to benefit as the regional hub for healthcare and now healthcare education with the new four-year medical school that opened in 2023 on the west end of Billings. The healthcare industry is one Yellowstone County's largest employers at approximately 15,000 employees currently, with the expectation that number will increase. Billings currently has two accredited hospitals. Both St. Vincent Regional Hospital/Intermountain Health and Billings Clinic are now Level One Trauma Centers in Montana and Wyoming. Intermountain Health also just announced a new one billion dollar state-of-the-art hospital expected to be open by 2029. Rocky Mountain Vista also announced plans to open the first School of Veterinary Medicine in the state.

Additionally, Yellowstone County continues to be the hub for the oil and gas industry in our region. We currently have three large refineries that frequently provide their employees with salaries that are above the median for our region. Northwestern Energy is working to complete their new 175-megawatt natural gas plant in Laurel bringing above-median jobs to the region.

Since the fall of 2023, Billings Logan International Airport has added seven new or expanded flights to our region bolstering the accessibility for tourism to Yellowstone County and the surrounding areas.

Yellowstone County continues to see strength in our housing industry, although the median average home price listed softened to \$359,000 compared to the previous year. Although the average home price has decreased slightly, we continue to be a sought-after place to live with the median that days homes are on the market at approximately 21 as compared to the national average of 69 days.

While the unemployment rate for Yellowstone County has increased to 3.5% as of June 30, 2024, as compared to 2.7% as of June 30, 2023, the rate still remains below the state and federal levels. Generally, the diversity provided by local energy, retail, medical, education and agriculture businesses help stabilize employment swings in our region. In October 2024, Amazon opened a new distribution center in Yellowstone County bringing new job opportunities and a decline in the unemployment rate.

Yellowstone County, Montana
Annual Comprehensive Financial Report - Transmittal Letter (Unaudited)
June 30, 2024

Internal Controls

In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding; (1) the safeguarding of assets against loss from unauthorized uses; (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets; and (3) maintaining compliance with laws and regulations. The concept of reasonable assurance recognizes the costs of internal control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the County's internal controls adequately safeguard assets, provide reasonable assurance of proper recording of financial transactions, and maintain compliance with laws and regulations.

As a recipient of federal and state financial assistance, the County also is responsible for ensuring adequate internal control is in place to ensure compliance with applicable laws and regulations related to major programs. This internal control is subject to periodic evaluation by management and the internal audit staff of the County.

Risk Management

The County uses a self-funded property and liability insurance fund because the County considers it to be cost effective to self-insure for routine claims and reinsure for catastrophic losses. The County carries commercial liability coverage with a current deductible of \$250,000 and an aggregate limit of \$5,000,000 per year. Coverage of \$5,000,000 per year is anticipated to provide a high degree of safety from catastrophic losses. The property and liability insurance fund has an accrued liability balance of \$500,000, which is considered to be sufficient to fund the incurred claims against the County. See footnote 10 for additional discussion on liability re-insurance. The County also carries \$267.34 million in property damage coverage with a \$100,000 deductible on buildings and their contents.

See footnotes 10 and 11 for additional information on coverages related to worker's compensation and health insurance.

Yellowstone County, Montana
Annual Comprehensive Financial Report - Transmittal Letter (Unaudited)
June 30, 2024

Cash Management

The County currently has an investment program agreement with the local schools, cemetery, rural fire and other special districts to invest their funds as part of an investment pool. The County invests the funds at a fee of 1.00% of the interest proceeds received for the month. Currently the County invests in repurchase agreements, U.S. government securities, agencies of the U.S. government, insured certificates of deposit and the STIP program with the State of Montana. The rate of return for the investment pool is net of bank service fees incurred for the operational costs of the participating pool members. Investments are limited to a 5-year maturity. A comparison of previous years' investment results are as follows:

	Total Interest <u>Earned</u>	Average Investment <u>Balance</u>	Rate of <u>Return</u>
FY14-15	1,110,436	148,673,700	0.75%
FY15-16	1,136,874	152,434,141	0.75%
FY16-17	1,608,857	163,317,123	0.99%
FY17-18	2,626,690	184,972,330	1.42%
FY18-19	3,428,730	181,022,478	1.89%
FY19-20	2,821,458	192,588,686	1.46%
FY20-21	461,093	212,837,658	0.22%
FY21-22	846,997	231,994,654	0.37%
FY22-23	7,783,606	264,620,837	2.94%
FY23-24	12,052,849	294,256,374	4.10%

The rate of return for FY24 showed a consistent yield throughout the year that ranged from 3.16% to 4.47%. Yields on the shorter end of the yield curve continue to experience higher rates. We expect to see the yield curve respond as the Federal Reserve adjusts their monetary policy. Yellowstone County has been seeking investments with extended call protection to mitigate risk of declining rates. See footnote 4 for additional information on cash and cash investments.

Debt

At June 30, 2024 Yellowstone County has a number of debt issues outstanding. These issues include \$6,545,000 in limited tax general obligation bonds; and \$165,000 of rural special improvement district bonds for which the County has limited secondary responsibility. The County has one note payable owed to Montana Board of Investments with an outstanding balance due of \$294,733 as of June 30, 2024.

See footnote 8 and the MD&A for additional information on long-term county debt.

Yellowstone County, Montana
Annual Comprehensive Financial Report - Transmittal Letter (Unaudited)
June 30, 2024

Pension and Other Post-Retirement Benefits and Obligations

All county employees may elect participation in the Public Employees Retirement System (PERS) or Sheriff Retirement System (SRS) if they meet eligibility criteria. Employees exceeding 960 hours of work in a year must participate in PERS if they are in a covered position. Effective July 1, 2023 the current employer contribution rates are 9.07% of covered payroll for PERS and 13.12% for SRS. New employees have the option to elect membership in either a defined benefit (DB) plan or defined contribution (DC) plan. Employees hired before July 1, 2002 have had the opportunity to select their retirement option (DB or DC). New employees have twelve months to select an irrevocable retirement option. Funding requirements and plan administration is the responsibility of the State of Montana.

The County allows retiring employees who are not yet eligible for Medicare the option to retain health insurance coverage through the County's plan. Eligible retirees and their dependents can maintain County coverage provided they pay the full cost of insurance premiums. Retirees who qualify for Medicare but have a spouse under the age of 65 or dependents may elect to keep the spouse and/or dependents on the plan, providing that the retiree pays the coverage costs in full.

Terminating employees who do not elect or are not eligible for a pension may elect to retain County health coverage under the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA). This coverage may be elected and paid for by the terminating employee for up to 18 months.

See footnotes 11E and 12 for additional information on pension and other post-retirement benefits and obligations.

ACKNOWLEDGEMENTS

The goal of this report is to provide useful information regarding the use of the resources provided to Yellowstone County governmental operations. This financial report is simply one method of reflecting efforts of all those who serve in County government. Without our citizens and businesses providing the funding and direction for needed services and programs, Yellowstone County government could not function. We appreciate the efforts of everyone who works to improve the community and its governments.

I would like to express my appreciation to the finance department staff and the staffs of all the County offices for providing excellent work and cooperation during the year. Although the finance department takes on the task of preparing the financial report, all County departments contribute to the effort required to maintain our financial system.

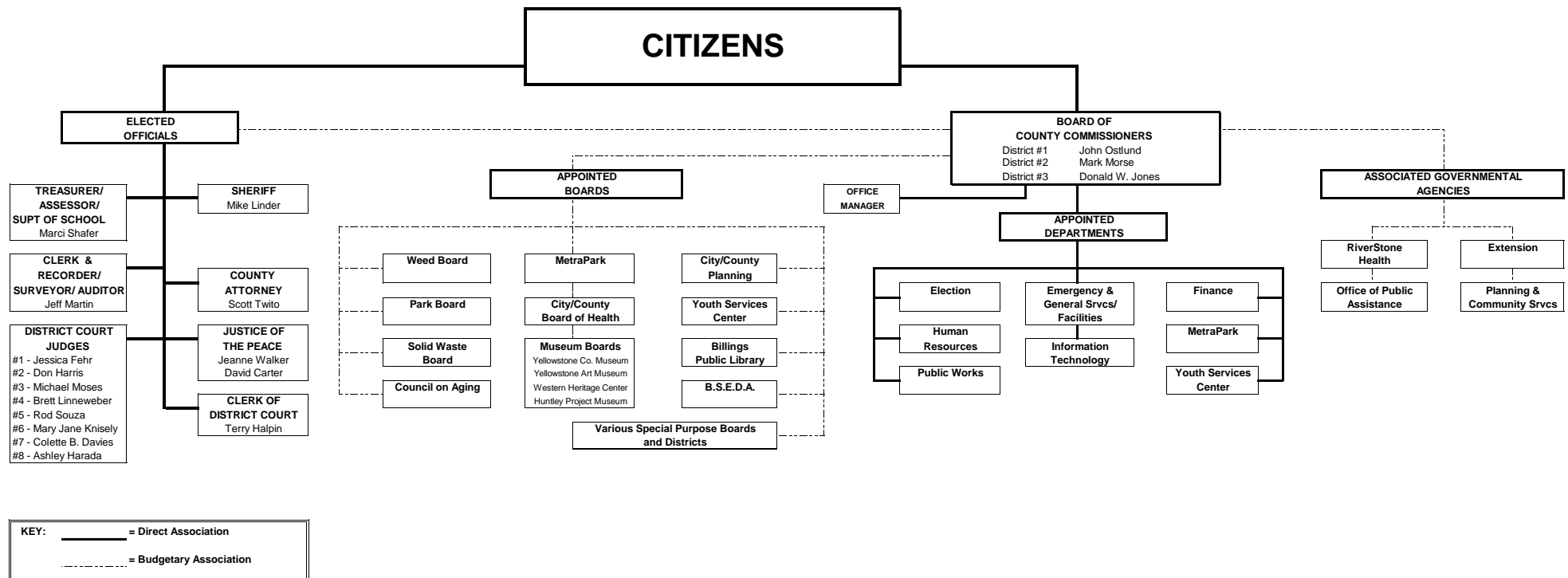
A special "thank you" is extended to Lisa Sticka, Marti Burroughs, Anna Ullom, and Juli Bjornebo for their work in the preparation of the financial report, and assistance with the audit. I would also like to thank JCCS, PC for their assistance, and for the auditing of this report.

Respectfully submitted,

Jennifer Jones

Jennifer Jones, Finance Director

YELLOWSTONE COUNTY, MONTANA ORGANIZATIONAL CHART



Updated: October 7, 2024

YELLOWSTONE COUNTY, MONTANA
ELECTED OFFICIALS
As of June 30, 2024

<u>Office</u>	<u>Name</u>	<u>Term Ends December 31,</u>
Commissioner (Chair)	John Ostlund	2026
Commissioner	Donald W. Jones	2024
Commissioner	Mark Morse	2028
Attorney & Public Administrator	Scott Twito	2026
Auditor, Clerk and Recorder & Surveyor	Jeff Martin	2026
Clerk of District Court	Terry Halpin	2024
Justice of Peace	David Carter	2026
Justice of Peace	Jeanne Walker	2026
Sheriff & Coroner	Mike Linder	2026
Treasurer, Assessor & Superintendent of Schools	Marci Shafer	2024

This Page Intentionally Left Blank

II. FINANCIAL SECTION

**To the Board of County Commissioners
Yellowstone County, State of Montana
Billings, Montana**

INDEPENDENT AUDITORS' REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Yellowstone County, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Yellowstone County's basic financial statements as listed in the table of contents.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Yellowstone County, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and the major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Yellowstone County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Yellowstone County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Yellowstone County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Yellowstone County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, other post-employment benefits information, and employee retirement pension benefits information (collectively, the required supplementary information) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Yellowstone County's, basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2024, on our consideration of Yellowstone County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Yellowstone County's internal control over financial reporting and compliance.

Junkermier, Clark, Campanella, Stevens, P.C.

Helena, Montana
November 14, 2024

YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2024

We offer readers of Yellowstone County's financial statements this narrative and analysis of the financial activities of the County for the fiscal year ended June 30, 2024, and the financial position as of June 30, 2024. Please consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which precedes this report.

Financial Highlights

- The general fund's fund balance increased by \$2,262,137. FY24 interest collections in the general fund increased from the prior year by \$245,455 as interest rates experienced moderate growth from the previous year. General Property Taxes increased \$836,780 largely due to significant gross proceeds tax revenue this year that we receive from a local mine.
- The road fund balance increased by \$69,353. This increase is due to an increase in revenue, primarily attributable to an additional \$318,372 in net proceeds tax, which enabled the road fund to move \$2.125 million into the Construction in Progress (CIP) fund for future projects.
- The liability insurance fund balance increased by \$744,665. This increase is due to a decline in expenditures by \$577,217 over FY23. The fund remains fiscally sound.
- The Sheriff's public safety fund balance increased by \$761,845. The General Fund provided \$2 million of support again in FY24, that combined with unexpended budget led to the increase.
- The County Attorney's fund experienced an increase in its fund balance of \$324,452 as a result of \$132,061 in revenue over expenditures in FY24, and more than \$200,000 in unspent capital expenditure funds.
- The R.S.I.D Maintenance fund balance saw growth of \$1,255,459 in FY24 due to a large number of new subdivisions which were created and newly assessed.
- Metra's operations experienced another favorable increase in its net position of \$1,065,407. Metra continues to increase revenue through more events. This combined with better cost control has led to the increase in net position. The year was successful enough that Metra was able to transfer \$1,700,000 from its operations to Metra's CIP to assist in funding capital expenditure needs on campus. No individual lines of revenue stand out for comment in that while a few were somewhat higher or lower, overall consistency was seen in aggregated revenue amounts. Such is the case with expenditures as well.

YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2024

- Metra infrastructure needs are continuing to be addressed through ARPA (American Rescue Plan Act) funding. This addresses a long-term funding need to repair, replace, and upgrade critical infrastructure systems on that campus, including water, sanitary sewer, storm water and utilities, as Metra serves as Yellowstone County's community shelter, emergency and large-scale disaster staging facility. These activities are scheduled to conclude by the end of 2025.

Explanation of the Financial Statements

The MD&A is intended to serve as an introduction to the basic financial statements of Yellowstone County. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements.

Government-wide financial statements. The Government-wide financial statements are designed to provide readers with a broad overview of Yellowstone County's finances, in a manner similar to a private sector business on a full accrual accounting basis.

The statement of net position presents information on all of Yellowstone County's assets and liabilities, with the difference between the two reported as our net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of Yellowstone County is improving or declining.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (example: uncollected property taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Yellowstone County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs from user fees and charges (business-type activities). The governmental activities of Yellowstone County include general government, public safety, public works (roads and bridges), public health, social and economic programs, cultural and recreational programs, conservation of natural resources, and community/economic development. The business-type activities include refuse disposal and METRA civic center.

The government-wide financial statements can be found on pages 22-24 of this report.

YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2024

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control and account for resources that have been segregated for specific activities or objectives. Yellowstone County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal or contractual requirements. All of the funds of Yellowstone County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current fiscal year inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's recent financial performance.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's recent financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Yellowstone County maintains many individual governmental funds. The general fund, road fund, property and liability insurance fund, COVID-19/ARPA fund, public safety-sheriff fund, RSID bond fund, and capital improvement fund are all reported as major funds. Information for the major funds is reported separately in the governmental fund balance sheet and in the governmental fund's statement of revenues, expenditures, and changes in fund balances. Each of the major funds also reports the revenues and expenditures on a comparative basis with the annually appropriated budget, both original and revised, to demonstrate compliance with this budget. The remaining governmental funds are combined in a single aggregate presentation titled other nonmajor governmental funds.

Individual fund reports for each of the nonmajor governmental funds are presented in the combining financial statements in this report.

The basic governmental fund financial statements can be found on pages 25-31 of this report.

YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2024

Proprietary funds. Yellowstone County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Yellowstone County uses enterprise funds to account for operations of the solid waste disposal fund and METRA civic center. Internal service funds are used to accumulate and allocate costs internally among various government department users or affiliated organizations. The three internal service funds utilized by the County include the health insurance fund, geographical information system fund and the technology fund. Because these services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements. Interdepartmental charges for internal service funds have been eliminated from the Statement of Activities.

Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the Statement of Activities but provide more detail in addition to a cash flow statement. Internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund statements for the internal service funds are presented in the combining statements in this report.

The basic proprietary fund financial statements can be found on pages 32-36 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties and entities outside the government of Yellowstone County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Yellowstone County's own programs.

The basic fiduciary fund financial statements can be found on pages 37-38 of this report.

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

The notes to the financial statements can be found on pages 39-94 of this report.

Required supplementary information. All required supplementary information precedes the basic financial statements or is included in the basic financial statements and accompanying notes, including the Employee Group Benefits Plan – Other Postemployment Benefits (OPEB) schedule and the Schedule of Proportionate Share of the Net Pension Liability.

These schedules are located in the required supplementary information section on pages 95-102 of this report.

YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2024

Government-wide Financial Analysis.

Net position may serve as a useful indicator of a government's financial position, which is one of the reasons why the Governmental Accounting Standards Board (GASB) instituted GASB Statement #34 and required local governments to present net position information. Yellowstone County's net position (assets less liabilities) was \$236,598,724 as of June 30, 2024. The net position for governmental activities was \$193,683,563, while business-type activities' net position stood at \$42,915,161. The net position increase of \$25,204,515 from FY23 to FY24 was due in part to the inclusion in net investment in capital assets of \$13.9 million in construction in progress projects utilizing ARPA funds.

The County manages and budgets its resources in such a way as to provide for positive increases as part of its financial structure. This is an extension of applying the conservatism concept within GAAP. We work to come in slightly above projections in revenue where possible, and also in project expenditures which may come in less than estimates, due to such things as vacancy savings due to employee turnover.

Net position increases afford the County the opportunity to accomplish several things. We can increase reserves where needed to strengthen some funds, we are able to accumulate resources to cover routine, yet material capital asset acquisitions. Finally, we are able to place funds into our CIP fund, in order to provide for property acquisitions and major asset replacement or refurbishment.

Of the County's year-end total net position of \$236,598,724 net investment in capital assets accounted for \$143,999,465 or 60.86% of total net position. Capital assets reflect the large investments in facilities and equipment that are necessary to provide large scale programs and services for the community. The restricted net position represents those funds legally required to be used for a specific purpose. That balance of \$15,720,648 accounts for about 6.64% of net position compared to 6.96% in FY23. Unrestricted net position of \$76,878,611 now accounts for 32.49% of the total net position, up from 30.62% in FY23. Unrestricted net position is primarily used as reserves for cash flow purposes in between real estate property tax collections, which are due in 50% installments on November 30 and May 31 of each year, and as reserves to provide against large unforeseen costs or events.

YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2024

A comparison of the County's net position follows:

Yellowstone County Net Position

	Governmental Activities		Business Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current assets	\$ 139,079,178	\$ 135,724,743	\$ 15,043,891	\$ 12,027,856	\$ 154,123,069	\$ 147,752,599
Noncurrent assets	288,139	366,532	0	0	288,139	366,532
Capital assets	117,327,634	105,418,552	33,952,206	34,821,869	151,279,840	140,240,421
Deferred outflows	7,613,518	8,701,671	388,928	403,461	8,002,446	9,105,132
Total assets and deferred outflows	264,308,469	250,211,498	49,385,025	47,253,186	313,693,494	297,464,684
Current liabilities	23,627,500	33,072,809	3,213,236	2,268,620	26,840,736	35,341,429
Noncurrent liabilities	44,522,720	43,839,243	3,089,774	2,837,960	47,612,494	46,677,203
Deferred inflows	2,474,686	3,773,100	166,854	278,743	2,641,540	4,051,843
Total liabilities and deferred inflows	70,624,906	80,685,152	6,469,864	5,385,323	77,094,770	86,070,475
Net position:						
Net investment in capital assets	110,047,259	97,078,897	33,952,206	34,821,868	143,999,465	131,900,765
Restricted	15,720,648	14,710,793	0	0	15,720,648	14,710,793
Unrestricted	67,915,656	57,736,656	8,962,955	7,045,995	76,878,611	64,782,651
Total net position	\$ 193,683,563	\$ 169,526,346	\$ 42,915,161	\$ 41,867,863	\$ 236,598,724	\$ 211,394,209
Change in net position	\$ 24,157,217	\$ 17,558,706	\$ 1,047,298	\$ 1,287,769	\$ 25,204,515	\$ 18,846,475

Governmental activities.

The continued increase in net position for governmental activities of \$24,157,217 is due to continued investment in capital assets for ARPA projects. As we complete projects our deferred revenue, which is a liability, decreases while our assets increase.

Business activities.

These activities experienced an increase in net position of \$1,047,298 due to a continued increase in events at MetraPark and cost savings resulting in increased assets.

YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2024

Yellowstone County's Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Revenues:</u>						
<u>Program revenues:</u>						
Special assessments	\$ 1,528,034	\$ 1,338,666	\$ 419,561	\$ 420,493	\$ 1,947,595	\$ 1,759,159
Licenses and permits	86,169	58,057	0	0	86,169	58,057
Intergovernmental	1,933,549	2,281,790	0	0	1,933,549	2,281,790
Fines and forfeitures	579,805	570,050	0	0	579,805	570,050
Charges for services	12,707,839	12,169,314	7,322,312	6,670,287	20,030,151	18,839,601
Operating grants and contributions	13,246,558	10,437,017	0	0	13,246,558	10,437,017
Total program revenues	30,081,954	26,854,894	7,741,873	7,090,780	37,823,827	33,945,674
General revenues:						
Property taxes	62,363,062	57,713,303	3,976,290	3,675,725	66,339,352	61,389,028
Licenses and permits	7,086,236	6,875,009	0	0	7,086,236	6,875,009
Intergovernmental	5,060,739	4,684,756	195,125	191,728	5,255,864	4,876,484
Other revenues	9,591,983	5,546,218	256,929	36,094	9,848,912	5,582,312
Total general revenues	84,102,020	74,819,286	4,428,344	3,903,547	88,530,364	78,722,833
Total revenues	114,183,974	101,674,180	12,170,217	10,994,327	126,354,191	112,668,507
<u>Expenses:</u>						
General government	22,774,067	20,897,630	0	0	22,774,067	20,897,630
Public Safety	41,156,842	37,711,034	0	0	41,156,842	37,711,034
Public Works	12,627,028	12,239,269	0	0	12,627,028	12,239,269
Public Health	6,953,873	6,982,812	0	0	6,953,873	6,982,812
Social and Economic	3,281,656	3,264,265	0	0	3,281,656	3,264,265
Culture and Recreation	2,314,510	2,157,236	0	0	2,314,510	2,157,236
Community Development	709,855	646,789	0	0	709,855	646,789
Conservation of Natural Resources	159,840	153,415	0	0	159,840	153,415
Interest on Long-Term Debt	207,944	218,657	0	0	207,944	218,657
Sanitation, solid waste disposal	0	0	362,670	323,814	362,670	323,814
Civic center, METRA	0	0	10,601,391	9,227,111	10,601,391	9,227,111
Total expenses	90,185,615	84,271,107	10,964,061	9,550,925	101,149,676	93,822,032
Increase (decr.) in net position before transfers and extraordinary gain	23,998,359	17,403,073	1,206,156	1,443,402	25,204,515	18,846,475
Transfers	158,858	155,633	(158,858)	(155,633)	0	0
Increase (decrease) in net position	24,157,217	17,558,706	1,047,298	1,287,769	25,204,515	18,846,475
Beginning net position	169,526,346	151,967,640	41,867,863	40,580,094	211,394,209	192,547,734
Ending net position	\$ 193,683,563	\$ 169,526,346	\$ 42,915,161	\$ 41,867,863	\$ 236,598,724	\$ 211,394,209

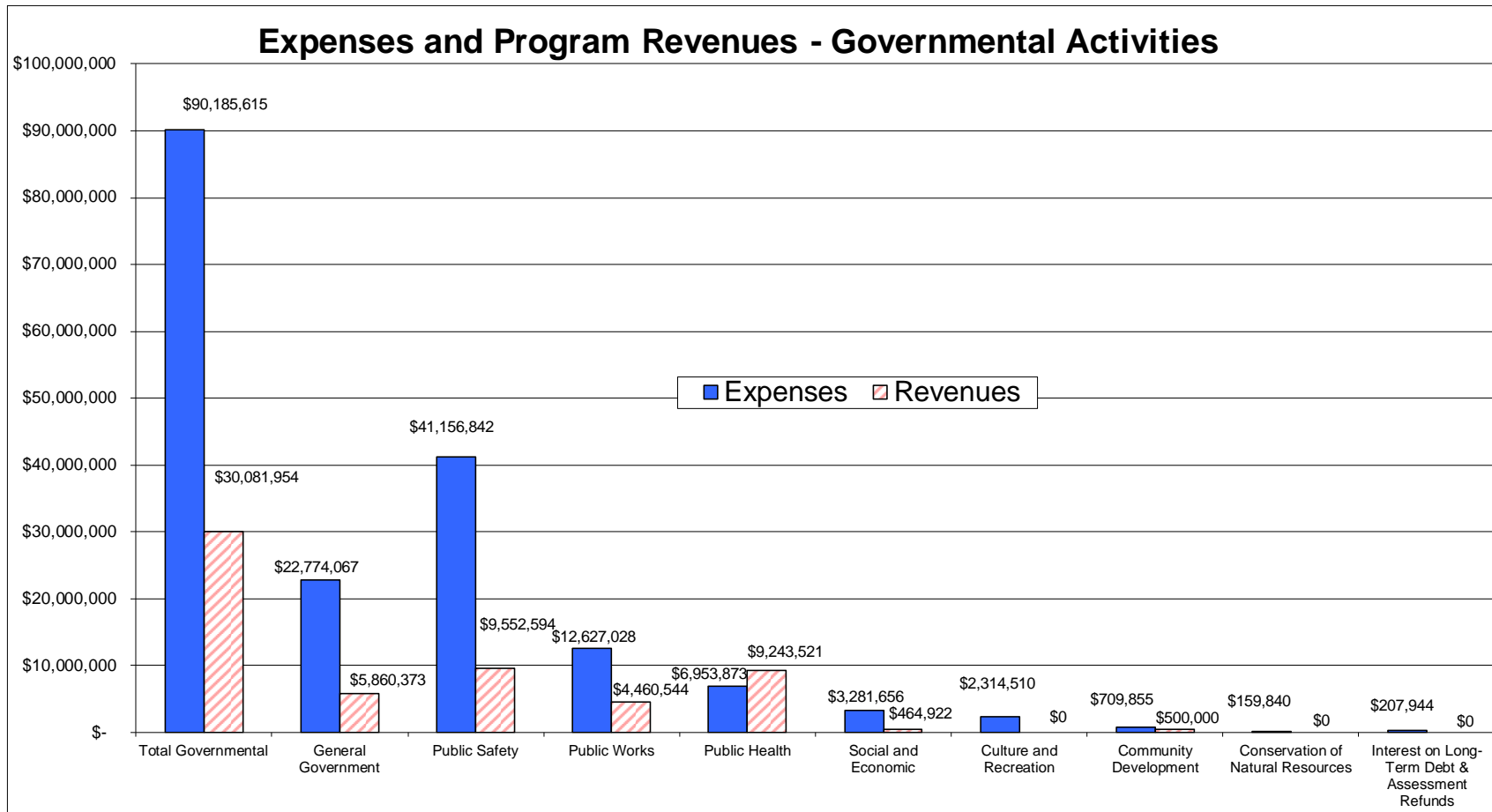
YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2024

Of the County's \$90.19 million in expenses for governmental activities, \$30.08 million (33.4%) was funded with program revenues. The balance of funding came from general revenues, which is primarily property tax revenue (54.7% of total revenues). The major sources of program revenues and change from prior year (shown in parentheses below) include:

- Clerk & Recorder filing fees (General Fund & Rec Preservation Fund): \$826,291 / (-\$79,159)
- Adult detention boarding fees: \$4,208,965 / (+\$676,153)
- Youth detention and secure shelter boarding and program fees: \$1,764,421 / (-\$156,834)
- RSID assessments: \$1,741,671 / (+\$403,005)
- Operating grants (including the American Rescue Plan Act \$8,959,014): \$13,246,558 / (+\$2,809,541)

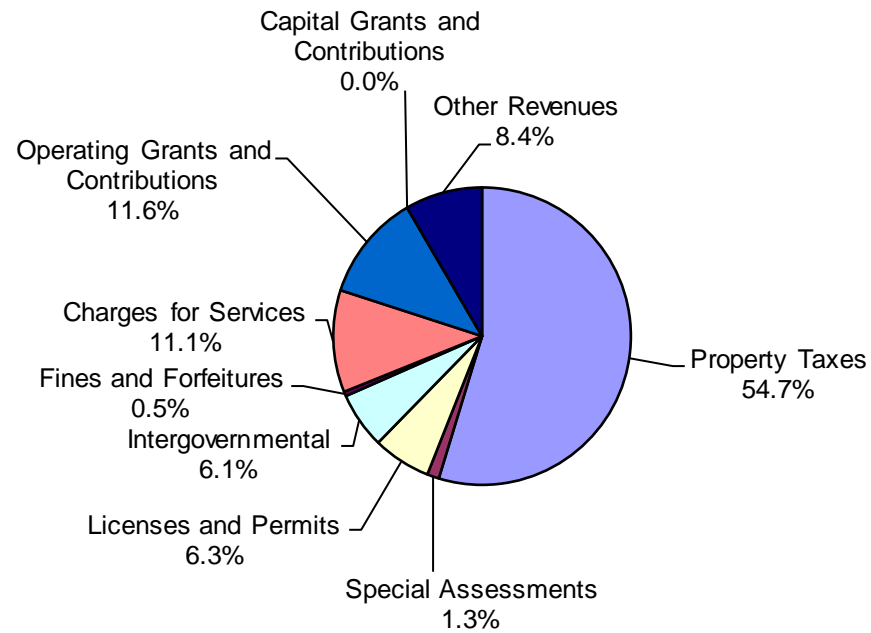
See the Statement of Activities on page 24 for additional detailed information regarding revenues and expenditures.

YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2024



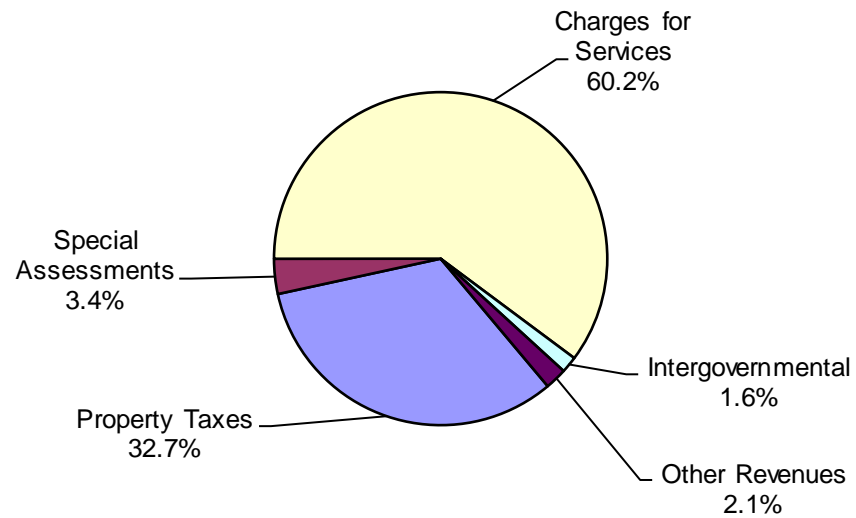
YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2024

Total Revenues by Source - Governmental Activities



YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2024

Total Revenues by Source - Business Type Activities



YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2024

Fund Financial Statement Analysis

Governmental funds.

Yellowstone County's change in governmental fund balance for FY24 was an increase of \$12,708,271 resulting in a total governmental fund balance of \$98,795,768.

The general fund saw an increase in fund balance of \$2,262,137 during fiscal year 2024, mainly due to increased property tax and interest revenue.

The road fund increased by \$69,353 in FY24. The road fund continues to be stable while still transferring over \$2 million to the road CIP fund for future projects.

The public safety fund balance increased by \$761,845. This fund would not be sustainable without the annual support from the general fund. Vacancy savings in FY24 did contribute to the increase in fund balance.

The property and liability insurance fund increased in fund balance of \$744,665. Claims always have some level of unpredictability. However, FY24 did experience significantly large payout on claims.

Fund balance in the capital improvement fund increased \$7,239,225. Interest revenue combined with transfers from relevant funds led to this increase. As some of our major projects are now underway, fund balance will begin to decline in future fiscal years. The capital improvement fund sets aside cash reserves for future capital replacement needs.

See financial highlights section above for discussion related to other notable changes to governmental fund balances.

YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2024

Proprietary funds.

The refuse disposal fund experienced a decrease of \$18,109, leaving an ending balance of \$527,045. This fund remains capable of covering the contract with the City of Billings for the next few years, and saw no increase in rates over FY23.

The health insurance fund experienced a slight fund balance increase of \$276,019, resulting in an ending balance of \$14,990,287 as of 6/30/24. This fund continues to remain able to cover large claims, however premium increases are set for next fiscal year.

The County carries specific stop-loss insurance for health claims at \$350,000 per claim. The County analyzes the health plan every year to review premium rates, benefits, and plan administration. The County offers options to participating members to select a high-deductible health savings plan at a reduced premium or select a traditional plan. This encourages participants to move to consumer driven health care, which can lead to substantive savings over traditional plan designs. Health insurance is not available to retirees over 65, with the exception of offering coverage to a spouse under the age of 65 or any qualifying dependents.

Governmental Fund Budgetary Highlights.

Differences between original and final revised budget are primarily a result of state and federal grant awards and related match funding being added to the original budget. The original budget does not include either new or continuing grant activity and is subsequently amended into the budget by resolution of the Board of County Commissioners. Some of the grants included in the fiscal year 2024 budget were:

- \$731,983 – EWP Flood Recovery Grant
- \$500,000 – DNRC BBWA ARPA Grant
- \$1,500,000 – MCEP Bridge Grant
- \$284,508 – DPHHS Crisis Grant
- \$8,959,014 – American Rescue Plan Act (ARPA)

Some of the significant final budget to actual revenue variances include:

- Additional \$1 million in gross proceed taxes generated this year from difficult to predict coal mine production.
- The County's investment pool earned \$3.6 million more than was budgeted due to continued high yields.
- \$1.2 million revenue shortfall in the Lockwood TEDD fund due to the inclusion of a grant project that is only just getting underway and did not see many expenditures in FY24.
- Revenue of \$8.9 million in the ARPA fund was recognized instead of posting as deferred revenue.
- Motor vehicle option tax revenues in the sheriff's fund exceeded original projections by \$567,418

YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2024

- The public safety Sheriff fund received over \$800,000 more in prisoner boarding fees and jail phone/tablet commissions than expected.
- Transfers to CIP exceeded budget by \$3.8 million due to positive operational performance in the road fund which allowed an additional transfer of \$1,875,000 above what was budgeted and higher interest revenue.

The appropriation final budget to actual expenditure variances of significance include:

- \$11,074,881 of unspent budgeted expenditures in the COVID-19/ARPA fund due to extended length of ARPA projects.
- \$5,872,745 of unspent budgeted expenditures in the General Fund is mostly related to unspent funds in the Worden-Ballantine Water & Sewer ARPA Minimum Allocation Grant, which is ongoing and unexpended funds in each department.
- \$2,059,403 of unspent budgeted expenditures in Road Fund is related to fewer road projects completed in FY24, with \$607,000 attributed to estimated contingency costs and protested taxes, and the rest due to vacancy savings and unspent capital expenditure funds.
- Public safety expenditures came in \$2,812,843 underbudget with \$1.4 million of that attributable to vacancy savings and \$730,000 in unspent capital budgets.
- CIP fund had \$7,172,511 of unspent capital outlay funds. The largest amounts are due to additional budgeted funds for a Short-Term Detention Facility of \$1.5 million, which was then approved for payment from ARPA funds, as well as \$3 million budgeted for renovations to the new County Administration Building. Both projects experienced delays due primarily to design, permitting, and abatement.
- \$1,381,604 of unspent budgeted expenditures in virtually all areas of the County Attorney's budget for FY24, of which \$589,000 is the "placeholder" for estimated contingency costs and protested taxes, with \$210,014 attributable to unspent capital funds.
- \$715,761 in unspent Bridge expenditures related to fewer bridge projects completed in FY24.

YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2024

Capital Assets

A comparison of capital assets for the last two fiscal years is presented below:

	Governmental Activities		Business Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 5,552,186	\$ 5,301,158	\$ 357,388	\$ 357,388	\$ 5,909,574	\$ 5,658,546
Buildings	35,230,060	33,704,490	27,392,772	28,401,714	62,622,832	62,106,204
Improvements other than buildings	2,843,594	2,210,694	4,337,094	4,568,471	7,180,688	6,779,165
Equipment and vehicles	10,185,459	8,838,368	1,485,321	1,459,605	11,670,780	10,297,973
Infrastructure	46,980,737	44,777,235	0	0	46,980,737	44,777,235
Construction in progress	15,916,594	9,662,556	379,631	34,691	16,296,225	9,697,247
Intangible lease assets	446,638	844,646	0	0	446,638	844,646
Intangible subscription assets	172,366	79,405	0	0	172,366	79,405
Total Capital Assets	\$ 117,327,634	\$ 105,418,552	\$ 33,952,206	\$ 34,821,869	\$ 151,279,840	\$ 140,240,421

Governmental capital assets increased by a net amount of \$11,909,082 during the year as a result of the addition of new capital assets and the completion of construction projects in the governmental funds.

Some of the larger capital acquisitions / (dispositions) in the governmental activities were:

- \$7.5 million in infrastructure improvements for County roads
- The completion of \$2,705,799 of ARPA related construction projects
- Various motor graders, roller, and belly dump trailers were traded in for a net cost to the road department of \$1,946,056
- Sheriff patrol vehicles totaling \$261,131

Some of the larger capital acquisitions/improvements in the business activities were:

- Staging equipment for events such as dance competitions and weddings at a cost of \$132,490
- Walk-through metal detectors at a cost of \$79,742

See footnote 7 (pages 56-57) for additional information on capital assets.

YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2024

Long-term Liabilities

As of June 30, 2024, the County has \$8,900,739 of long-term liabilities, excluding OPEB and net pension liability on the government-wide state of net position. Governmental funds account for \$8,727,201 and the enterprise funds account for \$173,538.

The largest component of long-term debt is the balance of \$6,545,000 of limited general obligation bonds issued in 2017 for detention center expansion and improvements.

The County's bond rating from Standard and Poor's is AA+, and was re-affirmed in FY18.

Another major component of long-term debt includes rural special improvement district (RSID) bonds issued to provide property improvements to properties located within a specified area. Repayment of this debt is assessed to the benefited property owners, which can be repaid over the life of the bond or the remaining principal assessment against the property can be repaid anytime. The County provides additional bond debt service collateralization with the County's RSID Revolving Fund and other contingent funding requirements as specified by law. As of June 30, 2024 the County has \$165,000 of outstanding RSID bonds and the RSID Revolving Fund has a fund balance of \$56,800. The County issued no new RSID bonds during FY24.

Notes payable are occasionally used to finance equipment that a particular fund may not have adequate reserves or funding to acquire within a budget cycle. The County has one note payable owed to Montana Board of Investments with an outstanding balance due of \$294,733 as of June 30, 2024.

Claims and judgments represent the amount of the estimated liability established that is expected to pay for the known liability cases pending against the County. The amount of the estimated liability at year end was \$500,000 for all cases. This amount is carried in the accrued liability balance line in the liability fund. Fund balance in the liability fund increased by \$744,665 in FY24.

Compensated absences is the amount of the liability for unpaid vacation and sick leave at year-end. The liability increased from the previous fiscal year by \$212,031. The June 30, 2024 balance was \$3,041,936.

See footnote #8 (pages 58-62) for additional information on long-term debt.

YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2024

Economic Factors and Next Year's Budget

Fiscal year 2024 was a reappraisal year for the State of Montana. This resulted in higher valuations for the majority of taxpayers in the State. Higher increases in valuations, growth, and an inflation allowance by Montana Code Allocated of 2.46% led to increases in most levies. This resulted in a decrease in mills levied over the previous fiscal year.

The economy of Yellowstone County continues to be driven by refining, agricultural prices, the benefits of being a regional retail hub, transportation industry, and the expansive medical facilities in Billings.

The County continues to be benefitted by the Metra's improved operations due to cost controls and more events. We saw another year of higher-than-expected yields, which benefitted many funds. In fiscal year 2025 we projected declines in interest revenue due to anticipated rate cuts.

Unemployment has climbed to 3.0% as of August 2024. That is 0.80% higher than a year ago. Yellowstone County seems to be in line with other counties and the state of Montana that reported an unemployment rate of 3.30% as of August 2024.

Some of the more significant financial items for fiscal year 2025 include:

- Tax protests are budgeted at 2.0% of FY25 property tax revenues, down from FY24's estimate of 3.0%.
- In FY25, the County will continue to spend on building related projects. Work on the Yellowstone County Administrative Building is now underway with anticipated occupancy in fall 2025. The remodel of the Courthouse has also begun and will be able to serve future judges and staff for many years to come. The County and City of Billings are working on an expansion of the Detention facility to house short term inmates. Groundbreaking on that project was October 7, 2024.
- The County engaged in a criminal justice review with results scheduled to be back to the Board of County Commissioners in January 2025.
- Metra infrastructure needs are continuing to be addressed with ARPA funding throughout FY25.

The County's financial health overall is strong, although a long-term solution to our public safety Sheriff's fund will be necessary in the coming fiscal years.

**YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2024**

Requests for Information

This financial report is designed to provide a general overview of Yellowstone County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Yellowstone County Finance Director
P.O. Box 35003
Billings, MT 59107

YELLOWSTONE COUNTY, MONTANA

STATEMENT OF NET POSITION

JUNE 30, 2024

Page 1 of 2

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
<u>Current Assets</u>			
Cash and demand investments, pooled	\$ 60,443,420	\$ 5,689,218	\$ 66,132,638
Cash investments, pooled	72,963,811	6,936,609	79,900,420
Restricted cash and demand investments held in trust, nonpooled	0	2,101,719	2,101,719
Receivables (net of allowance for uncollectibles):			
Property taxes	1,275,506	77,449	1,352,955
Accounts	2,327,549	64,243	2,391,792
Leases	501,996	0	501,996
Delinquent assessments	26,512	47,605	74,117
Assessments	113,783	0	113,783
Accrued interest	775,869	23,403	799,272
Lease interest	1,255	0	1,255
Prepaid expenses	235,633	63,241	298,874
Inventories	413,844	40,404	454,248
Total current assets	139,079,178	15,043,891	154,123,069
<u>Noncurrent Assets</u>			
Assessments receivable, net of allowance	288,139	0	288,139
Total noncurrent assets	288,139	0	288,139
Capital assets, leases, and subscription assets (net of accumulated depreciation)			
Land	5,552,186	357,388	5,909,574
Buildings	35,230,060	27,392,772	62,622,832
Improvements other than buildings	2,843,594	4,337,094	7,180,688
Equipment and vehicles	10,185,459	1,485,321	11,670,780
Infrastructure	46,980,737	0	46,980,737
Construction in progress	15,916,594	379,631	16,296,225
Intangible lease assets	446,638	0	446,638
Intangible subscription assets	172,366	0	172,366
Total capital assets, leases, and subscription assets (net of accumulated depreciation)	117,327,634	33,952,206	151,279,840
DEFERRED OUTFLOWS	7,613,518	388,928	8,002,446
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 264,308,469	\$ 49,385,025	\$ 313,693,494

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

YELLOWSTONE COUNTY, MONTANA

STATEMENT OF NET POSITION

JUNE 30, 2024

Page 2 of 2

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
<u>Current Liabilities</u>			
Accounts payable	\$ 5,737,903	\$ 209,969	\$ 5,947,872
Accrued liabilities	3,909,198	639,469	4,548,667
Lease liabilities	211,836	0	211,836
Subscription liabilities	79,383	0	79,383
Accrued compensated absences	710,467	44,179	754,646
Notes payable	66,470	0	66,470
General obligation bonds	515,000	0	515,000
Liabilities payable from restricted assets:			
Unearned advertising and event revenue	0	635,041	635,041
Deferred revenue	11,990,632	0	11,990,632
Deposits	0	1,684,578	1,684,578
Due to other taxing districts	406,611	0	406,611
Total current liabilities	23,627,500	3,213,236	26,840,736
<u>Noncurrent Liabilities</u>			
Notes payable	228,263	0	228,263
Long-term liability for accrued compensated absences	2,154,752	132,538	2,287,290
Lease liabilities	101,074	0	101,074
Subscription liabilities	48,350	0	48,350
Unearned advertising revenue	0	41,000	41,000
General obligation bonds	6,030,000	0	6,030,000
Special assessment debt with governmental commitment	165,000	0	165,000
OPEB liability	2,561,988	224,683	2,786,671
Net pension liability	33,233,293	2,691,553	35,924,846
Total noncurrent liabilities	44,522,720	3,089,774	47,612,494
TOTAL LIABILITIES	68,150,220	6,303,010	74,453,230
DEFERRED INFLOWS	2,474,686	166,854	2,641,540
<u>NET POSITION</u>			
Net investment in capital assets	110,047,259	33,952,206	143,999,465
Restricted net position	15,720,648	0	15,720,648
Unrestricted	67,915,656	8,962,955	76,878,611
TOTAL NET POSITION	\$ 193,683,563	\$ 42,915,161	\$ 236,598,724

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

YELLOWSTONE COUNTY STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2024

Functions / Programs	Program Revenues								Net (Expense) Revenue and Changes in Net Position		
	Expenses	Special Assessments	Licenses and Permits	Intergovern- mental	Fines and Forfeitures	Charges for Services	Operating Grants and Contributions		Primary Government		Total
									Governmental Activities	Business-type Activities	
Primary government:											
<u>Governmental activities:</u>											
General government	\$ 22,774,067	\$ 0	\$ 0	\$ 80,680	\$ 553,122	\$ 5,149,971	\$ 76,600		\$ (16,913,694)	\$ 0	\$ (16,913,694)
Public Safety	41,156,842	0	32,577	540,402	26,683	7,298,190	1,654,742		(31,604,248)	0	(31,604,248)
Public Works	12,627,028	1,528,034	53,592	847,545	0	259,678	1,771,695		(8,166,484)	0	(8,166,484)
Public Health	6,953,873	0	0	0	0	0	9,243,521		2,289,648	0	2,289,648
Social and Economic	3,281,656	0	0	464,922	0	0	0		(2,816,734)	0	(2,816,734)
Culture and Recreation	2,314,510	0	0	0	0	0	0		(2,314,510)	0	(2,314,510)
Community Development	709,855	0	0	0	0	0	500,000		(209,855)	0	(209,855)
Conservation of Natural Resources	159,840	0	0	0	0	0	0		(159,840)	0	(159,840)
Interest on Long-Term Debt	207,944	0	0	0	0	0	0		(207,944)	0	(207,944)
Total governmental activities	90,185,615	1,528,034	86,169	1,933,549	579,805	12,707,839	13,246,558		(60,103,661)	0	(60,103,661)
<u>Business-type activities:</u>											
Solid Waste Disposal	362,670	419,561	0	0	0	0	0		0	56,891	56,891
METRA	10,601,391	0	0	0	0	7,322,312	0		0	(3,279,079)	(3,279,079)
Total business-type activities:	10,964,061	419,561	0	0	0	7,322,312	0		0	(3,222,188)	(3,222,188)
Total primary government	\$ 101,149,676	\$ 1,947,595	\$ 86,169	\$ 1,933,549	\$ 579,805	\$ 20,030,151	\$ 13,246,558		\$ (60,103,661)	\$ (3,222,188)	\$ (63,325,849)
General revenues:											
Property taxes									62,363,062	3,976,290	66,339,352
Licenses and permits									7,086,236	0	7,086,236
Intergovernmental									5,060,739	195,125	5,255,864
Other revenues									8,813,038	266,572	9,079,610
Leases									433,438	0	433,438
Gain/Loss on disposal of assets									345,507	(9,643)	335,864
Transfers In/(Out)									158,858	(158,858)	0
Total general revenues and transfers									84,260,878	4,269,486	88,530,364
Change in net position									24,157,217	1,047,298	25,204,515
Net position, beginning									169,526,346	41,867,863	211,394,209
Net position, ending									\$ 193,683,563	\$ 42,915,161	\$ 236,598,724

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

**YELLOWSTONE COUNTY, MONTANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	MAJOR FUNDS								
	General	Road	Property & Liability Insurance Fund	COVID-19 Fund	Public Safety Fund	R.S.I.D. Bond Fund	Capital Improvement Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS									
Cash and demand investments, pooled	\$ 6,067,840	\$ 3,220,113	\$ 724,785	\$ 5,907,904	\$ 5,440,116	\$ 41,769	\$ 22,396,060	\$ 9,099,241	\$ 52,897,828
Cash investments, pooled	6,933,923	3,949,613	883,133	7,246,307	6,591,557	50,344	27,094,256	11,089,670	63,838,803
Receivables (net of allowance for uncollectibles):									
Property taxes	341,232	228,055	19,263	0	251,682	0	0	435,274	1,275,506
Accounts	650,996	138,489	0	79,949	821,244	0	3,419	470,440	2,164,537
Leases	501,996	0	0	0	0	0	0	0	501,996
Delinquent assessments	0	0	0	0	0	1,448	0	25,064	26,512
Assessments	0	0	0	0	0	401,922	0	0	401,922
Accrued interest	401,053	0	3,301	0	45,703	500	211,908	40,044	702,509
Lease interest	1,255	0	0	0	0	0	0	0	1,255
Due from other funds	263,029	0	0	0	0	0	0	0	263,029
Prepaid expenses	97,301	0	2,427	0	21,172	0	0	3,893	124,793
Inventories	74,668	253,536	0	0	0	0	0	85,640	413,844
Total assets	\$ 15,333,293	\$ 7,789,806	\$ 1,632,909	\$ 13,234,160	\$ 13,171,474	\$ 495,983	\$ 49,705,643	\$ 21,249,266	\$ 122,612,534
LIABILITIES:									
Accounts payable	\$ 612,648	\$ 2,011,897	\$ 128,451	\$ 1,005,760	\$ 403,597	\$ 0	\$ 350,962	\$ 1,130,289	\$ 5,643,604
Accrued liabilities	655,777	217,088	556,865	237,768	1,383,341	0	9,462	542,156	3,602,457
Due to other funds	0	0	0	0	0	204,669	0	58,360	263,029
Deferred revenue	0	0	0	11,990,632	0	0	0	0	11,990,632
Due to other taxing districts	0	0	0	0	0	0	0	406,611	406,611
Total liabilities	1,268,425	2,228,985	685,316	13,234,160	1,786,938	204,669	360,424	2,137,416	21,906,333
DEFERRED INFLOW OF RESOURCES:									
Uncollected tax revenue	341,232	228,055	19,263	0	251,682	87,149	0	460,338	1,387,719
Uncollected lease revenue	522,714	0	0	0	0	0	0	0	522,714
Total deferred inflow of resources	863,946	228,055	19,263	0	251,682	87,149	0	460,338	1,910,433
FUND BALANCE:									
Nonspendable	171,969	253,536	2,427	0	21,172	0	0	89,533	538,637
Restricted	0	5,079,230	0	0	0	204,165	0	9,922,670	15,206,065
Committed	172,344	0	592,777	0	8,738,832	0	0	5,014,842	14,518,795
Assigned	3,573,847	0	333,126	0	2,372,850	0	49,345,219	3,624,467	59,249,509
Unassigned	9,282,762	0	0	0	0	0	0	0	9,282,762
Total fund balance	13,200,922	5,332,766	928,330	0	11,132,854	204,165	49,345,219	18,651,512	98,795,768
Total liabilities, deferred inflows and fund balance	\$ 15,333,293	\$ 7,789,806	\$ 1,632,909	\$ 13,234,160	\$ 13,171,474	\$ 495,983	\$ 49,705,643	\$ 21,249,266	\$ 122,612,534

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

**YELLOWSTONE COUNTY
RECONCILIATION OF BALANCE SHEET FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2024**

Fund Balance June 30, 2024, governmental funds	\$ 98,795,768
Net position of internal service funds as of June 30, 2024, are included as general governmental functions since they are primarily related to that function.	16,395,445
Net capital assets of internal service funds included above	(414,330)
Uncollected tax revenues are not available to pay for current period expenditures and, therefore, are deferred on the fund statements	1,387,719
Long-term portion of compensated absences is not anticipated to be expended in the current period	(2,136,547)
Long-term debt previously recognized as revenue in prior periods	(7,004,733)
Accrued interest payable on long-term debt	(93,015)
Net capital assets	116,708,630
Intangible lease asset	446,638
Intangible subscription asset	172,366
Other post employment benefits- OPEB Liability	(2,561,988)
Net pension liability	(33,233,293)
Lease liability	(312,910)
Subscription liability	(127,733)
Deferred outflow of resources - Pension & OPEB	7,613,518
Deferred inflow of resources - Pension & OPEB	(1,951,972)
Net Position of governmental activities, June 30, 2024	<u>\$ 193,683,563</u>

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

YELLOWSTONE COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	MAJOR FUNDS								
			Property and Liability Insurance Fund	COVID-19 Fund	Public Safety Fund	RSID Bond Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
	General	Road							
REVENUES:									
Taxes	\$ 18,177,514	\$ 7,993,940	\$ 1,028,159	\$ 0	\$ 12,903,789	\$ 0	\$ 0	\$ 22,012,082	\$ 62,115,484
Special assessments	0	0	0	0	0	144,625	0	1,459,375	1,604,000
Licenses and permits	68,819	53,592	0	0	6,099,994	0	0	950,000	7,172,405
Intergovernmental	2,900,239	2,990,820	452,238	8,959,014	826,921	0	0	4,111,614	20,240,846
Fines and forfeitures	553,122	0	0	0	4,540	0	0	22,143	579,805
Charges for services	1,152,695	197,062	389,474	0	5,456,645	0	28,523	1,904,161	9,128,560
Leases	433,438	0	0	0	0	0	0	0	433,438
Other	3,991,705	10,571	48,014	0	584,788	5,087	2,309,216	522,038	7,471,419
Total revenues	27,277,532	11,245,985	1,917,885	8,959,014	25,876,677	149,712	2,337,739	30,981,413	108,745,957
EXPENDITURES:									
Current:									
General government	12,740,800	0	1,703,322	0	0	0	0	54,545	14,498,667
Public safety	1,332,316	0	0	0	26,729,111	0	0	9,262,412	37,323,839
Public works	553,289	9,018,175	0	0	0	0	0	2,029,153	11,600,617
Public health	302,870	0	0	760,182	137,235	0	0	5,751,932	6,952,219
Social and economic services	1,005,583	0	0	0	0	0	0	2,262,592	3,268,175
Culture and recreation	0	0	0	0	0	0	0	2,274,407	2,274,407
Conservation of natural resources	27,020	0	0	0	0	0	0	132,820	159,840
Community development	697,994	0	0	0	0	0	0	11,861	709,855
Capital outlay	915,440	152,574	6,998	8,198,832	510,331	0	3,973,514	2,431,612	16,189,301
Debt service:									
Principal	0	0	0	0	0	113,000	0	562,983	675,983
Interest	0	0	0	0	0	19,230	0	197,424	216,654
Total expenditures	17,575,312	9,170,749	1,710,320	8,959,014	27,376,677	132,230	3,973,514	24,971,741	93,869,557
Excess (deficiency) of revenues over (under) expenditures	9,702,220	2,075,236	207,565	0	(1,500,000)	17,482	(1,635,775)	6,009,672	14,876,400
OTHER FINANCING SOURCES (USES):									
Interfund transfers in	1,467,504	209,615	537,100	0	3,095,500	(39,746)	8,875,000	1,559,468	15,704,441
Interfund transfers out	(8,907,587)	(2,215,498)	0	0	(833,655)	0	0	(5,966,094)	(17,922,834)
Long term debt proceeds	0	0	0	0	0	0	0	50,264	50,264
Total other financing sources (uses)	(7,440,083)	(2,005,883)	537,100	0	2,261,845	(39,746)	8,875,000	(4,356,362)	(2,168,129)
Net change in fund balances	2,262,137	69,353	744,665	0	761,845	(22,264)	7,239,225	1,653,310	12,708,271
Fund balance July 1, 2023	10,938,785	5,263,413	183,665	0	10,371,009	226,429	42,105,994	16,998,202	86,087,497
Fund balance June 30, 2024	\$ 13,200,922	\$ 5,332,766	\$ 928,330	\$ 0	\$ 11,132,854	\$ 204,165	\$ 49,345,219	\$ 18,651,512	\$ 98,795,768

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

**YELLOWSTONE COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Net change in fund balances - total governmental funds	\$ 12,708,271
Change in net position of internal service funds are included as general governmental functions since they are primarily related to that function.	21,951
Capital Assets:	
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense.	
Acquisition of capital assets	20,840,483
Depreciation expense	(9,002,741)
Gain (loss) on disposal, trade-in	345,507
Amortization of lease asset	(398,008)
(Increase) decrease in lease liability	599,337
Acquisition of intangible subscription asset	167,519
Amortization of subscription asset	(72,086)
Adjustment to beginning subscription asset balance	(2,471)
(Increase) decrease in subscription liability	(52,777)
(Decrease) increase in property tax and special assessment receivables that may not be available in the current period	171,611
Increase in the long-term portion of compensated absences that is not anticipated to be expended in the current period	(187,487)
Change in net long-term debt (notes, bonds). Repayment or the issuance of debt has no impact on net assets. Governmental funds report repayment of debt as an expenditure and the issuance of debt as revenue.	625,719
Change in accrued interest payable	8,710
Change in other post employment benefits	32,676
Change in pension expense	(1,648,997)
Change in net position in governmental activities	\$ 24,157,217

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

YELLOWSTONE COUNTY, MONTANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Page 1 of 2)

	BUDGET		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final Revised		
<u>REVENUES:</u>				
Taxes:				
Real estate property taxes	\$ 16,962,405	\$ 16,962,405	\$ 16,664,640	\$ (297,765)
Personal property taxes	228,200	228,200	278,025	49,825
Mobile homes, penalty and interest, other	886,200	893,200	1,234,849	341,649
Licenses and permits	54,200	54,200	68,819	14,619
Intergovernmental:				
Grants	1,603,091	5,087,871	1,973,039	(3,114,832)
State entitlement and other	871,216	871,232	927,200	55,968
Fines and forfeitures, justice court	475,000	475,000	553,122	78,122
Charges for services:				
Clerk & recorder	935,000	935,000	826,291	(108,709)
Miscellaneous	316,200	316,200	326,404	10,204
Leases	547,000	547,000	433,438	(113,562)
Other:				
Interest on investments	737,000	737,000	3,719,555	2,982,555
On-behalf revenue	0	0	366,549	366,549
Miscellaneous	351,925	102,500	(94,399)	(196,899)
Total revenues	\$ 23,967,437	\$ 27,209,808	\$ 27,277,532	\$ 67,724

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

YELLOWSTONE COUNTY, MONTANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Page 2 of 2)

	BUDGET			Variance with Final Budget - Positive
EXPENDITURES:				
Current:				
General government:	Original	Final Revised	Actual	(Negative)
County commissioners	\$ 604,123	\$ 604,123	\$ 585,807	\$ 18,316
Elections	903,890	953,890	831,061	122,829
Clerk & recorder	790,098	790,098	729,087	61,011
Treasurer, auditor, finance	3,002,983	3,019,083	2,789,419	229,664
Information technology	1,329,054	1,329,054	1,107,258	221,796
Building maintenance	1,226,097	1,226,097	1,060,187	165,910
Leases	407,610	407,610	599,337	(191,727)
Subscriptions	0	0	75,412	(75,412)
Other	6,671,609	6,611,109	4,963,232	1,647,877
Public safety:				
Disaster and emergency, rural fire	610,027	701,027	506,006	195,021
Juvenile detention	681,310	681,310	681,310	0
Jail alternative programs	145,000	145,000	145,000	0
Public works	694,072	3,411,263	553,289	2,857,974
Public health	427,292	427,292	302,870	124,422
Social and economic services:				
Youth shelter	340,683	340,683	340,683	0
Rent assistance program	137,500	137,500	137,500	0
Other	474,046	608,347	527,400	80,947
Conservation of natural resources	27,020	27,020	27,020	0
Community development	710,452	717,468	697,994	19,474
Capital outlay	1,022,820	1,310,083	915,440	394,643
Total expenditures	20,205,686	23,448,057	17,575,312	5,872,745
Excess (deficiency) of revenues over (under) expenditures	3,761,751	3,761,751	9,702,220	5,940,469
OTHER FINANCING SOURCES (USES):				
Interfund transfers in	1,658,076	1,658,076	1,467,504	(190,572)
Interfund transfers out	(9,008,550)	(9,008,550)	(8,907,587)	100,963
Total other financing sources (uses)	(7,350,474)	(7,350,474)	(7,440,083)	(89,609)
Net change in fund balances	\$ (3,588,723)	\$ (3,588,723)	2,262,137	\$ 5,850,860
Fund balance July 1, 2023			10,938,785	
Fund balance June 30, 2024			\$ 13,200,922	
The notes to the financial statements are an integral part of this statement.				

YELLOWSTONE COUNTY, MONTANA
MAJOR SPECIAL REVENUE FUNDS - ROAD, PROPERTY and LIABILITY INSURANCE, COVID-19, AND PUBLIC SAFETY FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Road Fund				Property and Liability Insurance Fund				COVID-19 Fund				Public Safety Fund			
	BUDGET		Actual	Variance with Final Budget - Positive (Negative)	BUDGET		Actual	Variance with Final Budget - Positive (Negative)	BUDGET		Actual	Variance with Final Budget - Positive (Negative)	BUDGET		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final Revised			Original	Final Revised			Original	Final Revised			Original	Final Revised		
REVENUES:																
Taxes	\$ 7,937,683	\$ 7,937,683	\$ 7,993,940	\$ 56,257	\$ 1,031,768	\$ 1,031,768	\$ 1,028,159	\$ (3,609)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,862,777	\$ 12,862,777	\$ 12,903,789	\$ 41,012
Licenses and permits	24,400	24,400	53,592	29,192	0	0	0	0	0	0	0	0	5,521,000	5,521,000	6,099,994	578,994
Intergovernmental	3,499,050	3,499,050	2,990,820	(508,230)	585,372	585,372	452,238	(133,134)	62,891	62,891	8,959,014	8,896,123	1,017,581	1,018,085	826,921	(191,164)
Fines and forfeitures	0	0	0	0	0	0	0	0	0	0	0	0	2,000	2,000	4,540	2,540
Charges for services	40,000	40,000	197,062	157,062	405,675	405,675	389,474	(16,201)	0	0	0	0	4,398,500	4,398,500	5,456,645	1,058,145
Other	2,000	2,000	10,571	8,571	21,000	21,000	48,014	27,014	0	0	0	0	707,500	707,500	584,788	(122,712)
Total revenues	11,503,133	11,503,133	11,245,985	(257,148)	2,043,815	2,043,815	1,917,885	(125,930)	62,891	62,891	8,959,014	8,896,123	24,509,358	24,509,862	25,876,677	1,366,815
EXPENDITURES:																
Current:																
General government	0	0	0	0	2,406,846	2,406,846	1,703,322	703,524	0	0	0	0	0	0	0	0
Public safety	0	0	0	0	0	0	0	0	0	0	0	0	28,821,056	28,802,860	26,729,111	2,073,749
Public works	12,259,210	10,384,210	9,018,175	1,366,035	0	0	0	0	0	0	0	0	0	0	0	0
Public health	0	0	0	0	0	0	0	0	2,100,000	2,200,000	760,182	1,439,818	121,838	145,338	137,235	8,103
Capital outlay	845,942	845,942	152,574	693,368	7,000	7,000	6,998	2	17,636,895	17,833,895	8,198,832	9,635,063	1,237,122	1,241,322	510,331	730,991
Total expenditures	13,105,152	11,230,152	9,170,749	2,059,403	2,413,846	2,413,846	1,710,320	703,526	19,736,895	20,033,895	8,959,014	11,074,881	30,180,016	30,189,520	27,376,677	2,812,843
Excess (deficiency) of revenues over (under) expenditures	(1,602,019)	272,981	2,075,236	1,802,255	(370,031)	(370,031)	207,565	577,596	(19,674,004)	(19,971,004)	0	19,971,004	(5,670,658)	(5,679,658)	(1,500,000)	4,179,658
OTHER FINANCING SOURCES (USES):																
Interfund transfers in	235,320	235,320	209,615	(25,705)	538,160	538,160	537,100	(1,060)	0	0	0	0	3,304,850	3,304,850	3,095,500	(209,350)
Interfund transfers out	(343,271)	(2,218,271)	(2,215,498)	2,773	0	0	0	0	0	0	0	0	(833,655)	(833,655)	(833,655)	0
Total other financing sources (uses)	(107,951)	(1,982,951)	(2,005,883)	(22,932)	538,160	538,160	537,100	(1,060)	0	0	0	0	2,471,195	2,471,195	2,261,845	(209,350)
Net change in fund balances	\$(1,709,970)	\$ (1,709,970)	69,353	\$ 1,779,323	\$ 168,129	\$ 168,129	744,665	\$ 576,536	\$(19,674,004)	\$(19,971,004)	0	\$ 19,971,004	\$ (3,199,463)	\$ (3,208,463)	761,845	\$ 3,970,308
Fund balance July 1, 2023			5,263,413				183,665				0				10,371,009	
Fund balance June 30, 2024			\$ 5,332,766				\$ 928,330				\$ 0				\$ 11,132,854	

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

YELLOWSTONE COUNTY, MONTANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024
(Page 1 of 2)

	Business-Type Activities Enterprise Funds			Governmental Activities -
	Refuse Disposal Fund	METRA Fund	Total	Internal Service Funds
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
CURRENT ASSETS:				
Cash and demand investments, pooled	\$ 215,329	\$ 5,473,889	\$ 5,689,218	\$ 7,545,592
Cash investments, pooled	264,111	6,672,498	6,936,609	9,125,008
Restricted cash and demand investments held in trust, nonpooled	0	2,101,719	2,101,719	0
Receivables (net of allowance for uncollectibles):				
Property taxes	0	77,449	77,449	0
Accounts	0	64,243	64,243	163,012
Assessments	47,605	0	47,605	0
Accrued interest	0	23,403	23,403	73,360
Prepaid expenses	0	63,241	63,241	110,840
Inventories	0	40,404	40,404	0
Total current assets	527,045	14,516,846	15,043,891	17,017,812
NONCURRENT ASSETS:				
Capital assets:				
Land	0	357,388	357,388	0
Buildings	0	56,305,683	56,305,683	0
Improvements other than buildings	0	8,477,470	8,477,470	0
Equipment and vehicles	0	3,847,771	3,847,771	1,019,216
Construction in progress	0	379,631	379,631	0
Accumulated depreciation	0	(35,415,737)	(35,415,737)	(604,886)
Total capital assets (net of accumulated depreciation)	0	33,952,206	33,952,206	414,330
DEFERRED OUTFLOWS	0	388,928	388,928	0
Total assets and deferred outflows	\$ 527,045	\$ 48,857,980	\$ 49,385,025	\$ 17,432,142

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

YELLOWSTONE COUNTY, MONTANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024
(Page 2 of 2)

	Business-Type Activities Enterprise Funds			Governmental Activities -
	Refuse Disposal Fund	METRA Fund	Total	Internal Service Funds
<u>LIABILITIES AND DEFERRED INFLOWS</u>				
CURRENT LIABILITIES:				
Accounts payable	\$ 0	\$ 209,969	\$ 209,969	\$ 94,299
Accrued liabilities	0	639,469	639,469	918,125
Accrued compensated absences	0	44,179	44,179	6,068
Total current liabilities	0	893,617	893,617	1,018,492
CURRENT LIABILITIES PAYABLE FROM RESTRICTED CASH:				
Unearned event revenue	0	635,041	635,041	0
Deposits	0	1,684,578	1,684,578	0
Total current liabilities payable from restricted cash	0	2,319,619	2,319,619	0
NONCURRENT LIABILITIES:				
Accrued compensated absences	0	132,538	132,538	18,205
Unearned advertising revenue	0	41,000	41,000	0
OPEB implicit rate subsidy	0	224,683	224,683	0
Net pension liability	0	2,691,553	2,691,553	0
Total noncurrent liabilities	0	3,089,774	3,089,774	18,205
Total liabilities	0	6,303,010	6,303,010	1,036,697
DEFERRED INFLOWS	0	166,854	166,854	0
<u>NET POSITION</u>				
Net investment in capital assets	0	33,952,206	33,952,206	414,330
Unrestricted	527,045	8,435,910	8,962,955	15,981,115
Total net position	527,045	42,388,116	42,915,161	16,395,445
Total liabilities, deferred inflows and net position	\$ 527,045	\$ 48,857,980	\$ 49,385,025	\$ 17,432,142

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

YELLOWSTONE COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds			Governmental Activities -
	Solid Waste Disposal Fund	METRA Fund	Total	Internal Service Funds
OPERATING REVENUES:				
Charge for services and use of facilities	\$ 419,561	\$ 7,322,312	\$ 7,741,873	\$ 1,121,633
Health insurance premiums	0	0	0	7,924,434
Total operating revenues	419,561	7,322,312	7,741,873	9,046,067
OPERATING EXPENSES:				
Salaries and benefits	0	3,918,090	3,918,090	450,220
Supplies	0	1,091,379	1,091,379	82,493
Subscriptions	0	0	0	4,240
Contracted services	362,670	3,738,982	4,101,652	978,610
Health claims	0	0	0	10,319,638
Stop-loss insurance and administration	0	0	0	245,478
Awards	0	116,469	116,469	0
Depreciation	0	1,736,471	1,736,471	155,967
Total operating expenses	362,670	10,601,391	10,964,061	12,236,646
Operating income (loss)	56,891	(3,279,079)	(3,222,188)	(3,190,579)
NONOPERATING REVENUES (EXPENSES):				
Taxes	0	3,976,290	3,976,290	0
Intergovernmental revenue	0	195,125	195,125	0
Interest revenue (expense)	0	247,357	247,357	835,246
Other revenue	0	19,215	19,215	33
Total nonoperating revenues (expenses)	0	4,437,987	4,437,987	835,279
Income (loss)	56,891	1,158,908	1,215,799	(2,355,300)
Transfers in from other funds	0	1,700,000	1,700,000	2,377,251
Transfers out to other funds	(75,000)	(1,783,858)	(1,858,858)	0
Gain/Loss on disposal of fixed assets	0	(9,643)	(9,643)	0
Change in net position	(18,109)	1,065,407	1,047,298	21,951
Net position July 1, 2023	545,154	41,322,709	41,867,863	16,373,494
Net position June 30, 2024	\$ 527,045	\$ 42,388,116	\$ 42,915,161	\$ 16,395,445

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

YELLOWSTONE COUNTY, MONTANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Page 1 of 2)

	Business-type Activities - Enterprise Funds			Governmental Activities
	Solid Waste Disposal	METRA		Internal Service Funds
	Fund	Fund	Total	
<u>Cash flows from operating activities:</u>				
Cash received from users	\$ 420,345	\$ 8,021,843	\$ 8,442,188	\$ 1,118,270
Cash received from health insurance premiums	0	0	0	7,764,784
Cash paid to other suppliers for goods or services	(363,499)	(4,890,384)	(5,253,883)	(1,013,988)
Cash paid to employees for services	0	(3,587,366)	(3,587,366)	(445,918)
Cash paid for health claims	0	0	0	(10,023,748)
Cash paid for stop-loss insurance and administration	0	0	0	(245,478)
Net cash provided (used) by operating activities	56,846	(455,907)	(399,061)	(2,846,078)
<u>Cash flows from noncapital financing activities:</u>				
Cash received from taxes, licenses, permits, and intergovernmental revenue	0	4,088,319	4,088,319	0
Cash received from interfund transfer	0	1,700,000	1,700,000	2,377,251
Cash transferred to other funds for services	0	(1,783,858)	(1,783,858)	0
Cash transferred to Blight Abatement	(75,000)	0	(75,000)	0
Cash received from other revenues	0	19,215	19,215	0
Net cash provided (used) by noncapital financing activities	(75,000)	4,023,676	3,948,676	2,377,251
<u>Cash flows from capital and related financing activities:</u>				
Acquisition of capital assets	0	(780,235)	(780,235)	(186,847)
Net cash used for capital and related financing activities	0	(780,235)	(780,235)	(186,847)
<u>Cash flows from investing activities:</u>				
Deposits into cash investments	(39,984)	(2,389,882)	(2,429,866)	(1,857,920)
Interest received on investments	0	234,994	234,994	805,850
Net cash provided (used) by investing activities	(39,984)	(2,154,888)	(2,194,872)	(1,052,070)
Net increase (decrease) in cash and demand investments	(58,138)	632,646	574,508	(1,707,744)
Cash and demand investments, and restricted cash, July 1, 2023	273,467	6,942,962	7,216,429	9,253,336
Cash and demand investments, and restricted cash, June 30, 2024	\$ 215,329	\$ 7,575,608	\$ 7,790,937	\$ 7,545,592
<u>Presented in Statement of Net Position as follows:</u>				
Cash and demand investments, pooled	\$ 215,329	\$ 5,473,889	\$ 5,689,218	
Restricted cash held in trust, nonpooled	0	2,101,719	2,101,719	
Cash and demand investments, and restricted cash, June 30, 2024	\$ 215,329	\$ 7,575,608	\$ 7,790,937	

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

YELLOWSTONE COUNTY, MONTANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Page 2 of 2)

	Business-type Activities - Enterprise Funds			Governmental Activities
	Solid Waste Disposal	METRA		Internal
	Fund	Fund	Total	Service Funds
Noncash transactions:				
Net pension liability	\$ 0	\$ 232,387	\$ 232,387	\$ 0
OPEB liability	\$ 0	\$ 8,505	\$ 8,505	\$ 0

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities

Operating income (loss)	\$ 56,891	\$ (3,279,079)	\$ (3,222,188)	\$ (3,190,579)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation expense	0	1,736,471	1,736,471	155,967
(Increase) decrease in assets:				
Accounts receivable	0	(40,652)	(40,652)	(163,016)
Delinquent assessments receivable	784	0	784	0
Prepaid expenses	0	41,600	41,600	24,781
Inventories	0	12,247	12,247	0
Increase (decrease) in liabilities:				
Accounts payable	(829)	2,599	1,770	41,953
Accrued liabilities	0	117,368	117,368	284,816
Unearned event revenue	0	460,453	460,453	0
Deposits	0	279,732	279,732	0
NPL/ OPEB liability	0	213,354	213,354	0
Total adjustments	(45)	2,823,172	2,823,127	344,501
Net cash provided (used) by operating activities	\$ 56,846	\$ (455,907)	\$ (399,061)	\$ (2,846,078)

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

YELLOWSTONE COUNTY, MONTANA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	CUSTODIAL FUNDS		Total
	Investment	Other Custodial	Fiduciary
	Trust Fund	Funds	Funds
<u>ASSETS</u>			
Cash and demand investments, pooled	\$ 65,503,908	\$ 5,498,248	\$ 71,002,156
Cash investments, pooled	79,187,169	6,743,846	85,931,015
Cash investments, nonpooled	0	0	0
Restricted cash and demand investments held in trust, nonpooled	0	58,157	58,157
Restricted cash and demand investments for capital improvements, pooled	0	0	0
Restricted cash and demand investments for capital improvements, nonpooled	0	0	0
Restricted cash investments for capital improvements, nonpooled	0	57,625,951	57,625,951
Restricted cash investments for debt service, nonpooled	0	26,071,322	26,071,322
Receivables:			
Tax title sales contracts	0	0	0
Property taxes	0	5,267,181	5,267,181
Accounts receivable	0	0	0
Delinquent assessments	0	479,269	479,269
Assessments	0	0	0
Accrued interest	648,764	62,830	711,594
Total assets	\$ 145,339,841	\$ 101,806,804	\$ 247,146,645
<u>LIABILITIES</u>			
Accounts payable and Bond payable	\$ 0	\$ 763,044	\$ 763,044
Accrued liability	0	0	0
Due to other funds - protest tax fund	0	0	0
Due to others	0	0	0
Due to other taxing districts	0	0	0
Total liabilities	0	763,044	763,044
<u>NET POSITION</u>			
Restricted for:			
Pool participants	145,339,841	0	145,339,841
Individuals, organizations, and other governments	0	101,393,760	101,393,760
Total net position	\$ 145,339,841	\$ 101,043,760	\$ 246,383,601

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

**YELLOWSTONE COUNTY, MONTANA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
EXTERNAL INVESTMENT TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	CUSTODIAL FUNDS	
	Investment Trust Fund	Other Custodial Funds
<u>ADDITIONS:</u>		
Contributions to pooled investments	\$790,231,784	\$ 0
Property taxes/assessments	0	69,809,550
Miscellaneous	0	425,639,348
Interest and investment income	7,138,230	21,765
Total additions	\$797,370,014	\$ 495,470,663
<u>DEDUCTIONS:</u>		
Distributions from pooled investments	(787,116,070)	0
Investment administrative expenses	(58,733)	0
Payments to outside sources	0	(431,639,893)
Total deductions	(787,174,803)	(431,639,893)
Change in net position	10,195,211	63,830,770
Net position held in trust for pool participants, July 1, 2023	135,144,630	37,562,990
Net position held in trust for pool participants, June 30, 2024	\$145,339,841	\$ 101,393,760

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

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies

The financial statements of Yellowstone County (the County) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

Yellowstone County's financial statements include those separate governmental entities that are controlled or are dependent on the County. Fiduciary funds are not controlled by the County. The determination to include separate governmental entities is based on the criteria of GASB Statement No. 61. GASB Statement No. 61 defines the reporting entity as the County and those component units for which the County is financially accountable. To be financially accountable, a voting majority of the organization's board must be appointed by the County, and either a) the County must be able to impose its will, or b) the County may potentially benefit financially or be financially responsible for the organization. The County does not report any separate government entities as component units.

B. Fund Accounting

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

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

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

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

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

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies, continued

C. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Yellowstone County does not have any component units as of June 30, 2024. Interfund activity constituting reimbursements for expenditures or expenses previously recorded in another fund, for the most part, has been removed from these statements. This avoids reporting the same expenditure or expense twice and eliminates the associated reimbursement revenue. *Governmental-activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the governmental-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Non-major funds are aggregated and presented in a single column. The internal service funds are aggregated in a single column on the face of the proprietary fund statement.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

Custodial funds included in the fiduciary financial statements do not involve measurement of results of operations.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies, continued

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

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

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

The government reports the following major governmental funds:

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

The *road fund* accounts for the construction, maintenance, and improvements of public roads outside incorporated areas.

The *property and liability insurance fund* accounts for the collection of levied taxes used to pay property and casualty insurance and the establishment of reserves for this self-funded liability program.

The *public safety fund* accounts for the levy and expenditures of the Sheriff's Department, including the Yellowstone County Detention Facility.

The *COVID-19 fund* accounts for all resources and expenditures qualified under the American Rescue Plan Act (ARPA).

The *RSID bond fund* accounts for the resources accumulated and payments made for principal and interest on long-term debt issued for rural special improvement districts.

The *capital improvement fund* accounts for the accumulation and expenditure of resources for major capital expenditures, construction, or improvements.

The government reports the following major fund proprietary funds:

The *METRA fund* accounts for the operations of the Montana Exposition, Trade, and Recreation Arena (METRA), which reports all activities and events held in the 10,000 seat arena and other event facilities and grounds.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies, continued

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

Additionally, the government reports the following fund types:

Internal service funds account for the County's self-insured health insurance plan, geographic information system, and technology services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges for property and liability insurance. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fiduciary fund types are used to account for assets held by a governmental unit in a trustee or custodial capacity for individuals, private organizations, other governmental units, and/or other funds. The County's custodial funds include cash and property tax receivables for County school districts and other County special districts. They also include property tax receivables levied by Yellowstone County on behalf of the State of Montana and the Cities of Billings, Laurel, and Broadview. Cash collections on those property tax receivables are distributed to associated taxing jurisdictions in the month subsequent to collection.

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first.

E. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the general purpose financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies, continued

F. Assets, Liabilities, and Net Position or Equity

1. Cash and Demand Investments, and Cash Investments

Cash resources, to the extent available, of the individual funds are combined to form a cash pool, which is managed by the County Finance Director. The cash pool is not registered with the Securities and Exchange Commission as an investment company and is not subject to regulatory oversight. Investments of the pooled cash, which are authorized by State law, consist primarily of repurchase agreements, the State of Montana's Short Term Investment Pool (STIP), and securities of the U.S. Government, its agencies, or government sponsored entities and are carried at quoted market prices. The fair value of investments is determined annually, and is based on quoted market prices. The method used to determine the values of participants' equity withdrawn is based on the book value of the participants' percentage participation at the date of withdrawal. Bank deposits include demand deposits and overnight repurchase agreements in County banks. Interest income earned as a result of pooling and changes in the fair value of investments are distributed to the appropriate funds as designated by state law utilizing a formula based on the applicable cash balance participation of each fund. The general fund receives interest revenue from those funds not specifically designated by State law to receive interest. Government sponsored entities include: federal home loan bank, federal national mortgage association, federal home mortgage corporation, and federal farm credit bank.

The County has not provided nor obtained any legally binding guarantees during the fiscal year ended June 30, 2024 to support the value of shares in the pool.

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

For purposes of the statement of cash flows, the County considers all highly liquid debt instruments with an original maturity of three months or less, including restricted cash and demand investments, as cash equivalents.

Montana Code Annotated 7-6-202 regarding "Investment of Public Money in Direct Obligations of United States" reads as follows:

(1) A local governing body may invest public money not necessary for immediate use by the county, city, or town in the following eligible securities:

(a) United States government treasury bills, notes, and bonds and in United States treasury obligations, such as state and local government series (SLGS), separate trading of registered interest and principal of securities (STRIPS), or similar United States treasury obligations;

(b) United States treasury receipts in a form evidencing the holder's ownership of future interest or principal payments on specific United States treasury obligations that, in the absence of payment default by the United States, are held in a special custody account by an independent trust company in a certificate or book-entry form with the federal reserve bank of New York; or

(c) obligations of the following agencies of the United States, subject to the limitations in subsection (2):

(i) federal home loan bank;

(ii) federal national mortgage association;

(iii) federal home mortgage corporation; and

(iv) federal farm credit bank.

(2) An investment in an agency of the United States is authorized under this section if the investment is a general obligation of the agency and has a fixed or zero-coupon rate and does not have prepayments that are based on underlying assets or collateral, including but not limited to residential or commercial mortgages, farm loans, multifamily housing loans, or student loans.

(3) The local governing body may invest in a United States government security money market fund if:

(a) the fund is sold and managed by a management-type investment company or investment trust registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 through 80a-64), as may be amended;

(b) the fund consists only of eligible securities as described in this section;

(c) the use of repurchase agreements is limited to agreements that are fully collateralized by the eligible securities, as described in this section, and the investment company or investment trust takes delivery of the collateral for any repurchase agreement, either directly or through an authorized custodian;

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies, continued

F. Assets, Liabilities, and Net Position or Equity, continued

1. Cash and Demand Investments, and Cash Investments

(d) the fund is listed in a national financial publication under the category of "money market mutual funds", showing the fund's average maturity, yield, and asset size; and

(e) the fund's average maturity does not exceed 397 days.

(4) Except as provided in subsections (5) and (6), an investment authorized in this part may not have a maturity date exceeding 5 years, except when the investment is used in an escrow account to refund an outstanding bond issue in advance.

(5) An investment of the assets of a local government group self-insurance program established pursuant to 2-9-211 or 39-71-2103 in an investment authorized in this part may not have a maturity date exceeding 10 years, and the average maturity of all those authorized investments of a local government group self-insurance program may not exceed 6 years.

(6) An investment in zero-coupon United States government treasury bills, notes, and bonds purchased as a sinking fund investment for a balloon payment on qualified construction bonds described in 17-5-116(1) may have a maturity date exceeding 5 years if:

(a) the maturity date of the United States government treasury bills, notes, and bonds is on or before the date of the balloon payment; and

(b) the school district trustees provide written consent.

(7) This section may not be construed to prevent the investment of public funds under the state unified investment program established in Montana Code Annotated Title 17, chapter 6, part 2.

Montana Code Annotated 7-6-206 permits time or savings deposits and repurchase agreements with banks, savings and loans associations, or credit unions within the State.

2. Restricted Cash and Demand Investments

Restricted cash and demand investments represent resources set aside for capital improvements, advances, and debt service.

3. Receivables and Payables

All trade, special assessment, and property tax receivables are shown net of an allowance for uncollectibles. As of June 30, 2024, the allowances were as follows:

	<u>Allowance Amount</u>
Accounts receivable	\$ 3,381
Property taxes	161,900
Delinquent special assessments	13,100
Special assessments	21,200
Total uncollectible allowance	<u>\$ 199,581</u>

Activity between funds that are representative of lending/borrowing arrangements with an outstanding balance at the end of the fiscal year are referred to as "due to/from other funds" or "advances to/from other funds" in the fund financial statements. In the government-wide financial statements, "due to other taxing districts" represents funds due to Riverstone Health from the City/County health fund.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in corresponding governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies, continued

F. Assets, Liabilities, and Net Position or Equity, continued

4. Inventories

In the proprietary funds, inventories are recorded at the lower of cost (first-in, first-out method) or market, and are recorded as expenses when consumed. In the governmental funds, reported inventories are recorded at average and current cost, and are recorded as expenditures when consumed.

5. Capital Assets

Capital assets, which include property, plant, and equipment, and infrastructure assets (e.g., road, bridges, sidewalks, and similar items), are reported in the governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The governmental fund financial statements may include expenditures for minor capital assets valued between \$2,500 and \$5,000 that the County has budgeted as capital in order to provide fixed asset control of these items, however, these items are not being reported or depreciated as capital assets on the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Public domain infrastructure	50
System infrastructure	30
Vehicles	5
Office equipment	5
Computer equipment	5

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund statement of net position.

The County's collection of donated artifacts and art held at the Yellowstone County Museum are not capitalized or depreciated. During fiscal year ended June 30, 2024, there were no significant purchases or deaccession of collection items.

6. Self-Insurance Accruals

The County provides for an estimated accrual for incurred claims at year end in the Property and Liability Insurance Fund for liability claims and the Health Insurance Fund for unpaid health claims.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies, continued

F. Assets, Liabilities, and Net Position or Equity, continued

7. Due to Other Taxing Districts

This account represents cash, tax receivables, and other assets held by the County for other taxing jurisdictions. Cash received by the County for the State of Montana, multi-jurisdictional service districts, and cities and towns located in Yellowstone County is distributed in the month following collection.

8. Compensated Absences

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a liability for the responsible governmental fund in the fund financial statements. Amounts of vested or accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported as a long-term liability in the government-wide financial statements. Vested or accumulated vacation and sick leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. The non-vested portion of sick leave is 75% of the accrued sick leave times the rate of pay.

All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements.

9. Long-term Obligations

In the government-wide financial statements, and proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position.

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

10. Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has three types of items, which arise only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, one item, unavailable revenue, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from property taxes and special assessments. The other items relate to Net Pension Liability, OPEB (other post-employment benefits), and leasing arrangements. These are found only on the government-wide financial statements. Both amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

11. Fund Equity

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The Government Accounting Standards Board (GASB) issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which is effective for the County beginning in fiscal year 2011. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies, continued

F. Assets, Liabilities, and Net Position or Equity, continued

that can be more consistently applied and by clarifying the existing governmental fund type definitions. The five fund balance classifications, in order of constraint level, are Nondisposable, Restricted, Committed, Assigned, and Unassigned. Nondisposable can represent a constraint or an asset that is not spendable in form.

In compliance with GASB Statement No. 54, Yellowstone County adopted a Fund Balance Classification Policy. This policy states that committed fund balances will be authorized by the County Commission in a public meeting by resolution or policy. Committed fund balance may only become uncommitted by the same formal action authorized by the County Commission in a public meeting by resolution or policy. Assigned fund balance may be assigned informally by the Finance Director based on future budget expenditures after a current fund balance review has been completed. Assigned fund balance may become unassigned by the same action.

Yellowstone County's expenditure order of resource categories for all governmental funds, when restricted, committed, assigned or unassigned are available, will be as follows:

1. Restricted
2. Committed
3. Assigned
4. Unassigned

12. Net Position

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

13. New Accounting Pronouncements

GASB Statement No. 99, *Omnibus 2022*, includes a section that is effective for the County beginning in fiscal year 2024. This statement has requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53, and is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, is effective for the County beginning in fiscal year 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

Accounting Standards effective in a future period:

GASB Statement No. 101, *Compensated Absences*, is effective for the County beginning in fiscal year 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies, continued

F. Assets, Liabilities, and Net Position or Equity, continued

Accounting Standards effective in a future period, continued:

GASB Statement No. 102, *Certain Risk Disclosures*, is effective for the County beginning in the fiscal year 2025. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

GASB Statement No. 103, *Financial Reporting Model Improvement*, which is effective for the County beginning in fiscal year 2026. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

The effect of adopting these Statements cannot be determined at this time.

Note 2. Reconciliation Comparative of Government-wide and Fund Financial Statements

A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

A separate report has been included in the general purpose financial statements to explain the differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position.

B. Explanation of Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

A separate report has been included in the general purpose financial statements to explain the differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities.

Note 3. Stewardship, compliance, and accountability

Budgets

Budgets are adopted on a basis consistent with a modified accrual basis of accounting. Annual legal budgets are adopted for the general, special revenue, debt service, and capital projects funds. All annual appropriations lapse at fiscal year-end. Project-length financial plans are adopted for all capital projects funds.

The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. Individual fund budgets are the same as appropriation amounts. Unexpended appropriations lapse at the end of the year.

Budget amendments can be made at any time during the year by resolution after holding public hearings. Supplemental appropriations were made for unanticipated state and federal grants awarded during the year. There were no budget amendments made during the year that were unusual in nature for fiscal year 2024.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 4. Cash and Demand Investments, and Cash Investments

The County maintains a cash and investment pool for all funds under the control of the County Treasurer. The non-pooled investments represent those investments held for districts or other entities to be utilized for a specific purpose or capital project. The County's investments are categorized below to give an indication of the level of risk assumed by the County at June 30, 2024. All investments meet collateral requirements specified by State Law.

Investments are categorized into these three categories of credit risk:

- (1) Insured or registered, or securities held by the County or its agent in the County's name.
- (2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the County's name.
- (3) Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the County's name.

At year-end, the County's pooled investment balances were as follows:

	Category			Reported Amount/ Fair Value
	1	2	3	
Cash investments - U.S. Gov't agencies & Bank CDs	\$ 165,831,435	\$ 0	\$ 0	\$ 165,831,435
Cash in overnight sweep agreements	0	0	30,407,508	30,407,508
Cash on hand and demand deposits	78,644	0	1,296,429	1,375,073
Subtotal	<u>\$ 165,910,079</u>	<u>\$ 0</u>	<u>\$ 31,703,937</u>	<u>197,614,016</u>
<u>Investments Not Subject to Categories:</u>				
Short-Term Investment Pool (STIP)				<u>105,352,213</u>
Total pooled investments				<u>\$ 302,966,229</u>

At year-end, the County's non-pooled investment balances were as follows:

	Category			Reported Amount/ Fair Value
	1	2	3	
Cash investments - CD account registry service	\$ 26,071,322	\$ 0	\$ 0	\$ 26,071,322
Cash on hand and demand deposits	250,000	1,909,876	0	2,159,876
Subtotal	<u>\$ 26,321,322</u>	<u>\$ 1,909,876</u>	<u>\$ 0</u>	<u>28,231,198</u>
<u>Investments Not Subject to Categories:</u>				
Short-Term Investment Pool (STIP)				<u>57,625,951</u>
Total non-pooled investments				<u>\$ 85,857,149</u>
Total Investments				<u>\$ 388,823,378</u>

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 4. Cash and Demand Investments, and Cash Investments, continued

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

The total cash reported at June 30, 2024, is detailed as follows:

	<u>Total</u>	<u>Statement of Net Position</u>	<u>Fiduciary Net Position</u>
Cash and demand investments, pooled	\$ 137,134,794	\$ 66,132,638	\$ 71,002,156
Restricted cash and demand investments held in trust, non-pooled	2,159,876	2,101,719	58,157
Total cash and demand investments	139,294,670	68,234,357	71,060,313
Cash investments, pooled	165,831,435	79,900,420	85,931,015
Restricted cash investments for capital, non-pooled	57,625,951	0	57,625,951
Restricted cash investments for debt service, non-pooled	26,071,322	0	26,071,322
Total	<u>\$ 388,823,378</u>	<u>\$ 148,134,777</u>	<u>\$ 240,688,601</u>
 Cash on hand, pooled	 \$ 1,367,613		
Cash in bank deposits and other bank deposits, pooled	7,460		
Cash in bank deposits and other bank deposits, non-pooled	2,159,876		
Cash in overnight repurchase agreements, pooled	39,044,279		
Cash in Short-Term Investment Pool (STIP)	105,352,213		
Outstanding warrants, pooled	(8,636,771)		
Total cash and demand investments	139,294,670		
Cash investments, pooled	165,831,435		
Cash investments, non-pooled	83,697,273		
Total	<u>\$ 388,823,378</u>		
 Cash and demand investments, and cash investments - pooled	 \$ 302,966,229		
Cash and demand investments, and cash investments - non-pooled	85,857,149		
	<u>\$ 388,823,378</u>		

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 4. Cash and Demand Investments, and Cash Investments, continued

Cash on hand - represents two types of cash items: Petty cash and change funds on hand - \$52,770; Cash received after last bank deposit - \$1,296,429.

Cash in bank deposits and other bank deposits – Cash in bank deposits represent cash on deposit in local bank accounts used for pooled banking operations of the County - \$7,461; other bank deposits represent cash held in trust for other individuals in which any interest earnings are not distributed to the investment pool - \$2,159,876. The balance may be over the FDIC insured limit of \$250,000, however the funds are still collateralized by the respective bank. Monthly confirmations are received.

Cash in overnight sweep accounts – represents cash invested on a daily basis by the County's primary bank to its Government Money Market Mutual Fund sweep account. Invested funds represent the nightly balance of collected funds in the County's main depository bank account. The overnight sweep agreement has the funds re-deposited into the County's main bank account the next business day. The invested funds are backed by and/or invested in government agency debt, agency repos, Treasury repo agreements, and U.S. Treasury debt – all permissible U.S. government securities. Direct obligations of governmental entities are purchased at 100% of invested dollars, while repurchase agreement securities are backed by eligible government securities of at least 102% of the investment value. The balance may be over the FDIC insured limit of \$250,000, however the funds are still collateralized by the respective bank. Monthly confirmations are received.

Cash in Short-Term Investment Pool (STIP)

STIP is considered an external investment pool. STIP is also classified as a "2a-7 like" pool. A "2a-7-like" pool is an external investment pool that is not registered with the Securities and Exchange Commission as an investment fund but has a policy that it will and does operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The County's investment position in STIP is determined by the pool's share price, which is dollar denominated.

STIP is not FDIC-insured or otherwise insured or guaranteed by the federal government, the State of Montana, the Montana Board of Investments or any other entity against investment losses and there is no guaranteed rate of return on funds. STIP limits concentration of credit risk exposure by limiting portfolio investment types to 3% in any issuer except for U.S. Treasury and U.S. Agency securities as well as any repurchase agreements with a financial institution. The Montana Board of Investments maintains a reserve fund to offset possible losses and limit fluctuations in STIP's valuation.

The STIP portfolio includes, but is not limited to, fixed income and variable investments including US Treasuries, US government agencies, asset backed commercial paper, certificates of deposit, and cash & cash equivalents held by custodian banks. Any investments that are fixed in nature have a maximum maturity of 397 days or less. Variable type securities have a maximum duration of two years.

Information on policies, along with investments held by STIP can be found at: <https://investmentmt.com>.

Outstanding warrants - represent issued and outstanding warrants and checks of the County and school districts.

Cash investments - represent investments held by the County Treasurer with maturity dates exceeding one day.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 4. Cash and Demand Investments, and Cash Investments, continued

At June 30, 2024 pooled cash investment items were:

<u>Investment Type</u>	<u>Yield</u>	<u>Maturity Date</u>	<u>Credit Risk Rating Moody's - S&P</u>	<u>Fair Value</u>
<u>Bank Certificates of Deposit</u>				
None			100% FDIC Insured	\$ 0
Total bank certificates of deposit				<u>\$ 0</u>
<u>U.S. Government Treasury Notes</u>				
None				\$ 0
Total U.S. Treasury Notes				<u>\$ 0</u>
<u>U.S. Government Agencies</u>				
Federal Farm Credit	0.53%-5.57%	10/24-04/29	AAA - AA+	\$ 56,726,372 *
Federal Home Loan Mortgage Corporation	0.55%-6.00%	02/25-10/28	AAA - AA+	20,757,787 *
Federal Home Loan Bank	0.70%-5.73%	07/24-04/29	AAA - AA+	76,327,626 *
Federal National Mortgage Association	0.65%-5.00%	10/24-12/27	AAA - AA+	12,019,650
Total U.S. government agency securities				<u>\$ 165,831,435</u>
Certificate of Deposit Account Registry Service	N/A	N/A	100% FDIC Insured	\$ 0
Short-Term Investment Pool (STIP)	5.51% (Varies)	Daily		\$ 105,352,213 *
Total cash investments, pooled				<u><u>\$ 271,183,648</u></u>

At June 30, 2024, non-pooled cash investment items were:

<u>Investment Type</u>	<u>Yield</u>	<u>Maturity Date</u>	<u>Credit Risk Rating Moody's - S&P</u>	<u>Fair Value</u>
<u>U.S. government agency securities</u>				
Certificate of Deposit Account Registry Service	4.00%	6/12/2025	100% FDIC Insured	\$ 26,071,322 *
Short-Term Investment Pool (STIP)	5.51% (Varies)	Daily		57,625,951 *
Restricted cash investments for capital improvements, non-pooled				<u><u>\$ 83,697,273</u></u>

* - represents 5% or more of total cash investments

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 4. Cash and Demand Investments, and Cash Investments, continued

The following represents a condensed statement of net position and changes in net position for the cash and investment pool as of June 30, 2024:

<u>Condensed Statement of Net Cash and Investment Assets</u>	
Cash and demand investments, pooled	\$ 137,134,794
Cash investments, pooled	165,831,435
Restricted cash and demand investments held in trust, nonpooled	2,159,876
Restricted cash investments for capital improvements, nonpooled	57,625,951
Restricted cash investments for debt service, nonpooled	26,071,322
Accrued interest receivable	1,510,865
Net position held in trust for all pool participants	<u><u>\$ 390,334,243</u></u>
Equity of internal pool participants	\$ 244,994,402
Equity of external pool participants	145,339,841
Total equity	<u><u>\$ 390,334,243</u></u>
<u>Condensed Statement of Changes in Net Cash and Investment Assets</u>	
Net position at July 1, 2023	\$ 309,787,669
Net changes in investments by pool participants	77,579,361
Market value adjustment of cash investments	2,967,213
Net position at June 30, 2024	<u><u>\$ 390,334,243</u></u>

Investments-Fair Value Measurement and Application (GASB 72):

The County categorizes its fair value measurements within the fair value hierarchy established by general principles, as defined under GASB 72. The hierarchy established is as follows:

Level 1 – Quoted prices for identical assets or liabilities in active markets.

Level 2 – Prices determined using inputs, other than quoted prices included within Level 1, which are observable for an asset or liability, either directly or indirectly.

Level 3 – Prices determined using unobservable inputs.

The County has the following recurring fair value measurements as of June 30, 2024:

U.S. Government Agency securities and bank CDs of \$165,831,435 are valued using quoted market prices (Level 1 inputs)

Yellowstone County, Montana

Notes to the Financial Statements

June 30, 2024

Note 5. Receivables

Receivables as of year-end for the government's individual major funds; and non-major, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	MAJOR GOVERNMENTAL FUNDS							Other Nonmajor Governmental Funds	MAJOR ENTERPRISE FUNDS		Internal Service Funds	Fiduciary Funds	Total
	General	Road	Liability & Property Insurance	COVID-19	Public Safety - Sheriff	R.S.I.D. Bond Fund	Capital Improvement Fund		Refuse Disposal	METRA			
Receivables:													
Property taxes	\$ 383,032	\$ 252,555	\$ 21,663	\$ 0	\$ 282,582	\$ 0	\$ 0	\$ 488,174	\$ 0	\$ 86,849	\$ 0	\$ 5,267,181	\$ 6,782,036
Accounts	650,996	138,489	0	79,949	821,244	0	3,419	470,440	0	67,624	163,012	0	2,395,173
Leases	501,996	0	0	0	0	0	0	0	0	0	0	0	501,996
Delinquent assessments	0	0	0	0	0	1,748	0	29,464	56,005	0	0	479,269	566,486
Assessments	0	0	0	0	0	423,122	0	0	0	0	0	0	423,122
Accrued interest	401,053	0	3,301	0	45,703	500	211,908	40,044	0	23,403	73,360	711,593	1,510,865
Lease Interest	1,255	0	0	0	0	0	0	0	0	0	0	0	1,255
Gross receivables	1,938,332	391,044	24,964	79,949	1,149,529	425,370	215,327	1,028,122	56,005	177,876	236,372	6,458,043	12,180,933
Less allowances for uncollectible accounts	(41,800)	(24,500)	(2,400)	0	(30,900)	(21,500)	0	(57,300)	(8,400)	(12,781)	0	0	(199,581)
Net total receivables	\$ 1,896,532	\$ 366,544	\$ 22,564	\$ 79,949	\$ 1,118,629	\$ 403,870	\$ 215,327	\$ 970,822	\$ 47,605	\$ 165,095	\$ 236,372	\$ 6,458,043	\$ 11,981,352

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Proprietary funds report unearned revenue due to funds received for events but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* were as follows:

	Deferred Inflow of Resources
Uncollected tax revenue	\$1,387,719
Uncollected lease revenue	522,714
Total Deferred Inflow of Resources	\$1,910,433

The delinquent taxes receivable accounts represent the past five years of uncollected tax levies. The allowance for uncollectibles is estimated based on delinquent tax collection history. All net property taxes and special assessments receivables are offset by uncollected revenue in the governmental fund types.

The 2023 real property taxes and the 2023 special assessments were levied and became receivables in October 2023. The semi-annual installments were due in November 2023 and May 2024. As of December 1, 2023, and June 1, 2024, uncollected real property taxes and special assessments became delinquent and all uncollected amounts as of June 30, 2024, have been reported as uncollected revenue. Delinquent taxes become a lien on the property on June 1 and after 3 years the County may exercise the lien and take title to the property. Personal property taxes were levied throughout the year and became a receivable when levied. Personal property taxes are due 30 days from the levy date. Amounts not collected as of June 30, 2024, have been reported as uncollected revenue. There was no significant land held for resale as of June 30, 2024.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 6. Interfund Receivables, Payables and Transfers

Interfund receivables and payables

Advances from / to other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	RSID bond	\$ 204,669
General fund	RSID maintenance	58,360
		<u>\$ 263,029</u>

Interfund transfers

The County utilizes transfers to address three needs. First, all transfers from various funds to the Capital Improvement Fund provide for major construction projects and the purchase of large-value fixed assets. Second, the County transfers from the General Fund and the Public Safety – Sheriff Fund amounts to cover general obligation bond payments due within the fiscal year. Third, the County transfers undesignated funds to assist in the operations of various activities.

Transfers in											
MAJOR GOVERNMENTAL FUNDS						Other Capital Improvement Fund	MAJOR Nonmajor Governmental Funds	ENTERPRISE FUND METRA-CIP	Internal Service Funds	Total	
General	Road	Liability & Property Insurance	Public Safety - Sheriff	R.S.I.D. Bond Fund							
Transfers out:											
General Fund	\$ 0	\$ 0	\$ 500,000	\$ 2,000,000	\$ 0	\$ 6,000,000	\$ 270,000	\$ 0	\$ 137,587	\$ 8,907,587	
Road Fund	0	0	0	0	0	2,125,000	27,227	0	63,271	2,215,498	
Public Safety - Sheriff Fund	157,229	0	0	0	0	0	676,426	0	0	833,655	
Nonmajor Governmental Funds	1,151,417	209,615	37,100	1,095,500	(39,746)	750,000	585,815	0	2,176,393	5,966,094	
Major Enterprise Fund - METRA	83,858	0	0	0	0	0	0	1,700,000	0	1,783,858	
Refuse Disposal Fund	75,000	0	0	0	0	0	0	0	0	75,000	
Total transfers	\$ 1,467,504	\$ 209,615	\$ 537,100	\$ 3,095,500	\$ (39,746)	\$ 8,875,000	\$ 1,559,468	\$ 1,700,000	\$ 2,377,251	\$ 19,781,692	

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 7. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2024 was as follows:

<u>Governmental-type Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 5,309,158 *	\$ 243,028	\$ 0	\$ 5,552,186
Construction in progress	9,662,557	10,535,967	(4,281,931)	15,916,594
Total capital assets, not being depreciated	<u>\$ 14,971,715</u>	<u>\$ 10,778,995</u>	<u>\$ (4,281,931)</u>	<u>\$ 21,468,780</u>
Capital Assets, Being Depreciated:				
Buildings	\$ 60,636,644 *	\$ 3,213,259	\$ 0	\$ 63,849,903
Improvements other than buildings	4,679,714	886,482	0	5,566,196
Machinery and equipment	26,039,763	5,239,093	(4,120,136)	27,158,720
Infrastructure	99,901,175	7,475,850	(14,035)	107,362,990
Intangible lease assets	1,640,662	0	0	1,640,662
Intangible subscription assets	150,014 **	123,026	0	273,040
Total assets being depreciated	<u>\$ 193,047,972</u>	<u>\$ 16,937,710</u>	<u>\$ (4,134,171)</u>	<u>\$ 205,851,511</u>
Less Accumulated Depreciation For:				
Buildings	\$ 26,932,154 *	\$ 1,687,689	\$ 0	\$ 28,619,843
Improvements other than buildings	2,469,020	253,582	0	2,722,602
Machinery and equipment	17,201,394	1,951,260	(2,179,393)	16,973,261
Infrastructure	55,123,941	5,266,178	(7,866)	60,382,253
Intangible lease assets	796,015	398,009	0	1,194,024
Intangible subscription assets	28,588 **	72,086	0	100,674
Total accumulated depreciation	<u>\$ 102,551,112</u>	<u>\$ 9,628,804</u>	<u>\$ (2,187,259)</u>	<u>\$ 109,992,657</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 90,496,860</u>	<u>\$ 7,308,906</u>	<u>\$ (1,946,912)</u>	<u>\$ 95,858,854</u>
Governmental Activities Capital Assets, Net	<u>\$ 105,468,575</u>	<u>\$ 18,087,901</u>	<u>\$ (6,228,843)</u>	<u>\$ 117,327,634</u>

* The beginning balance of land, building, and building accumulated depreciation will not match FY23's ending balance. This is due to land (\$8,000) and a fully depreciated building (\$7,000) being added in FY24 for the Sunnyside Library Museum building and land that was deeded to the County for \$1 in 1916.

** The beginning balance of intangible subscription assets (\$44,492) and amortization (\$2,471) have been adjusted to account for additional SBITA items identified in FY24.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 7. Capital Assets, continued

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-type Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 357,388	\$ 0	\$ 0	\$ 357,388
Construction in progress	34,691	362,238	(17,298)	379,631
Total capital assets, not being depreciated	<u>\$ 392,079</u>	<u>\$ 362,238</u>	<u>\$ (17,298)</u>	<u>\$ 737,019</u>
Capital Assets, Being Depreciated:				
Buildings	\$ 56,309,013	\$ 105,785	\$ (109,115)	\$ 56,305,683
Improvements other than buildings	8,402,550	90,649	(15,729)	8,477,470
Machinery and equipment	3,573,766	335,076	(61,071)	3,847,771
Total capital assets, being depreciated	<u>\$ 68,285,329</u>	<u>\$ 531,510</u>	<u>\$ (185,915)</u>	<u>\$ 68,630,924</u>
Less Accumulated Depreciation For:				
Buildings	\$ 27,907,299	\$ 1,113,026	\$ (107,414)	\$ 28,912,911
Improvements other than buildings	3,834,079	322,026	(15,729)	4,140,376
Machinery and equipment	2,114,161	301,419	(53,130)	2,362,450
Total accumulated depreciation	<u>\$ 33,855,539</u>	<u>\$ 1,736,471</u>	<u>\$ (176,273)</u>	<u>\$ 35,415,737</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 34,429,790</u>	<u>\$ (1,204,961)</u>	<u>\$ (9,642)</u>	<u>\$ 33,215,187</u>
Business-type Activities Capital Assets, Net	<u>\$ 34,821,869</u>	<u>\$ (842,723)</u>	<u>\$ (26,940)</u>	<u>\$ 33,952,206</u>

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

<u>Governmental Activities</u>	
General Government	\$ 847,575
Public Safety	1,729,553
Public Works	6,372,331
Public Health	0
Social and Economic	2,470
Culture and Recreation	50,812
Governmental Internal Service Funds	155,967
Total depreciation expense - governmental activities	<u>9,158,708</u>
<u>Business-type Activities</u>	
METRA	1,736,471
Total depreciation expense - primary government	<u>\$ 10,895,179</u>

Yellowstone County, Montana

Notes to the Financial Statements

June 30, 2024

Note 8. Long-Term Debt

A. General Obligation Bonds

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental-type activities. The capital assets acquired with the general obligation debt were donated to METRA, which is a business-type activity, however METRA is not responsible for servicing the debt. Debt service is the responsibility of the governmental debt service fund which receives transfers from other levied funds to service the debt.

General obligation bonds are direct obligations and pledge the full faith and credit of the County, and where a levy to repay the debt exists, it is not subject to other tax levy limits. Limited tax general obligation bonds are funded from available tax authority and have budget priority funding. Outstanding general obligation bonds are as follows:

<u>Governmental-type Activities:</u>	<u>Interest Rate</u>	<u>Amount</u>
2017 Limited Tax General Obligation Bonds – Jail Expansion & Improvements (nontaxable) 2.0% - 3.0% due July 1, 2037, payable in annual principal installments of \$395,000 to \$565,000, prepay option on or after July 1, 2027	2.00 – 3.00%	\$6,545,000
		<u>\$ 6,545,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending</u>	<u>Governmental - type Activities</u>		
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	515,000	160,800	675,800
2026	530,000	145,125	675,125
2027	550,000	128,925	678,925
2028	565,000	115,025	680,025
2029	395,000	105,425	500,425
2030-2037	3,990,000	489,548	4,479,548
Total	<u>\$ 6,545,000</u>	<u>\$ 1,144,848</u>	<u>\$ 7,689,848</u>

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 8. Long-Term Debt, continued

B. Rural Special Improvement District Bonds

The County issued no new special assessment bonds in fiscal year 2024.

Rural special improvement district bonds are payable from special assessments levied against the properties of the respective districts. The bonds are issued with specific maturity dates, but must be called and repaid earlier, at par value plus accrued interest, if the related special assessments are collected.

The County has a secondary responsibility on the special assessment bonds issued for the various rural special improvement districts (R.S.I.D.) to the extent of availability of cash in the R.S.I.D. Revolving Fund. State law provides for, and the County uses, an R.S.I.D. Revolving Fund to accumulate resources for such debt service payment. Law allows for a special property tax levy as long as the balance in this fund is less than 5% of the principal amount of outstanding R.S.I.D. bonds. No tax levy for this fund was assessed for fiscal year ended June 30, 2024. The R.S.I.D. Revolving Fund has no unfunded commitment to the R.S.I.D. bond fund as of June 30, 2024. The R.S.I.D. Revolving Fund would be committed to the R.S.I.D. Bond Fund as a result of lost revenues due to unpaid assessments from properties taken by tax title. The amount of the liability can fluctuate based on future tax deed losses, collections of penalties and interest on delinquent assessments, proceeds from unsold tax deed properties and other circumstances. The R.S.I.D. Revolving Fund, which has a fund balance of \$56,800 at June 30, 2024, is treated as a debt service fund.

The outstanding rural special improvement district bonded indebtedness of the County was as follows:

Rural Special Improvement District Number	Interest Rates	Date Issued	Final Maturity Date	Amount of Original Issue	Balance June 30, 2024
758	3.75%	05/01/07	7/1/2027	\$ 373,000	\$ 0
785	5.30%	02/01/11	8/1/2026	126,945	20,000
803	3.36%	09/20/12	8/1/2027	1,015,434	145,000
Outstanding rural special improvement district bonds, June 30, 2024					\$ 165,000

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 8. Long-Term Debt, continued

B. Rural Special Improvement District Bonds, continued

Annual debt service requirements to maturity for special assessment bonds are as follows:

Debt Service Requirements

Year Ending <u>June 30,</u>	<u>Governmental-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	0	5,932	5,932
2026	10,000	5,932	15,932
2027	75,000	5,402	80,402
2028	80,000	2,688	82,688
2029	0	0	0
Total	<u>\$165,000</u>	<u>\$19,954</u>	<u>\$184,954</u>

C. Notes Payable

Notes payable are long-term obligations which are financed through the current operating budget of the respective funds.

As of June 30, 2024, the County had an outstanding balance of \$294,733 owed to Montana Board of Investments in the form of an InterCap loan. This note is payable in semi-annual principal and interest installments with a variable rate of 5.75% as of June 30, 2024 and payable over 10 years with the final payment due August 15, 2033.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 8. Long-Term Debt, continued

D. Changes in Long-Term Liabilities

The OPEB plan allows retirees to participate, as a group, at a rate that does not cover all the related costs. This results in an OPEB Liability that must be reported in the related financial statements due to the implementation of GASB Statement Nos. 75 & 85.

	Year Ended June 30, 2024				
	Beginning			Ending	Principal
	Balance	Additions	Reductions	Balance	Due Within
					One Year
<u>Governmental Activities:</u>					
General obligation bonds	\$ 7,045,000	\$ 0	\$ (500,000)	\$ 6,545,000	\$ 515,000
Special assessment debt with governmental commitment	278,000	0	(113,000)	165,000	0
Notes payable	307,452	50,264	(62,983)	294,733	66,470
Claims and judgments	800,950	0	(300,950)	500,000	500,000
Compensated absences	2,613,084	252,135	0	2,865,219	710,467
Lease liability	912,248	0	(599,338)	312,910	211,836
Subscription liability	74,956 *	89,395	(36,618)	127,733	79,383
Net pension liability	32,134,176	1,099,117	0	33,233,293	0
OPEB liability	2,320,882	241,106	0	2,561,988	0
Governmental activity long-term liabilities	<u>\$ 46,486,748</u>	<u>\$ 1,732,017</u>	<u>\$ (1,612,889)</u>	<u>\$ 46,605,876</u>	<u>\$ 2,083,156</u>
<u>Business-type Activities:</u>					
Compensated absences	216,821	0	(40,104)	176,717	44,179
Net pension liability	2,459,166	232,387	0	2,691,553	0
OPEB liability	216,178	8,505	0	224,683	0
Business-type activities long-term liabilities	<u>\$ 2,892,165</u>	<u>\$ 240,892</u>	<u>\$ (40,104)</u>	<u>\$ 3,092,953</u>	<u>\$ 44,179</u>

*Beginning balance adjusted, should have been included in FY23 chart

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 8. Long-Term Debt, continued

E. Summary of Debt Maturities

Annual debt service principal and interest payments required on outstanding debt at June 30, 2024, are as follows:

Year Ending June 30,	Type of Debt		
	General Obligation Bonds	Rural Special Improvement Bonds	Lockwood Safety Intercap Loan
2025	\$ 675,800	\$ 5,932	\$ 82,462
2026	675,125	15,932	68,189
2027	678,925	80,402	43,158
2028	680,025	82,688	44,645
2029	500,425	0	46,161
2030-2037	4,479,548	0	26,109
	<u>\$ 7,689,848</u>	<u>\$ 184,954</u>	<u>\$ 310,724</u>

Note 9. GASB Statement No. 54 Fund Balance

The Government Accounting Standards Board (GASB) issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which is effective for the County beginning in fiscal year 2011. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The five fund balance classifications, in order of constraint level, are Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 9. GASB Statement No. 54 Fund Balance, continued

	MAJOR FUNDS									
	General Fund	Road Fund	Property & Liability Insurance Fund	COVID-19 Fund	Public Safety Fund	R.S.I.D. Bond Fund	Capital Improvement Fund	Other Nonmajor Governmental Funds	Total Governmental Funds	
Nonspendable										
Inventory	\$ 74,668	\$ 253,536	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 85,640	\$ 413,844	
Prepays	97,301	0	2,427	0	21,172	0	0	3,893	\$ 124,793	
Total nonspendable fund balance	\$ 171,969	\$ 253,536	\$ 2,427	\$ 0	\$ 21,172	\$ 0	\$ 0	\$ 89,533	\$ 538,637	
Restricted										
Road	0	5,079,230	0	0	0	0	0	0	\$ 5,079,230	
Predatory animal	0	0	0	0	0	0	0	174	\$ 174	
Park	0	0	0	0	0	0	0	475,715	\$ 475,715	
Public safety - mental health	0	0	0	0	0	0	0	168,433	\$ 168,433	
Lockwood pedestrian safety	0	0	0	0	0	0	0	346,687	\$ 346,687	
Lockwood TEDD	0	0	0	0	0	0	0	668,428	\$ 668,428	
Drug forfeiture	0	0	0	0	0	0	0	320,335	\$ 320,335	
RSID maintenance	0	0	0	0	0	0	0	7,767,496	\$ 7,767,496	
Junk vehicle	0	0	0	0	0	0	0	79,906	\$ 79,906	
DUI task force/highway traffic safety	0	0	0	0	0	0	0	38,696	\$ 38,696	
RSID revolving	0	0	0	0	0	0	0	56,800	\$ 56,800	
RSID bond	0	0	0	0	0	204,165	0	0	\$ 204,165	
Total restricted fund balance	\$ 0	\$ 5,079,230	\$ 0	\$ 0	\$ 0	\$ 204,165	\$ 0	\$ 9,922,670	\$ 15,206,065	
Committed										
Bridge	0	0	0	0	0	0	0	810,073	\$ 810,073	
Weed	0	0	0	0	0	0	0	164,048	\$ 164,048	
Liability & property insurance	0	0	592,777	0	0	0	0	0	\$ 592,777	
Health services	0	0	0	0	0	0	0	(1,782)	\$ (1,782)	
Mental health fund	172,344	0	0	0	0	0	0	0	\$ 172,344	
Extension service	0	0	0	0	0	0	0	142,022	\$ 142,022	
Public safety	0	0	0	0	8,738,832	0	0	0	\$ 8,738,832	
County attorney	0	0	0	0	0	0	0	2,501,771	\$ 2,501,771	
Museum	0	0	0	0	0	0	0	355,622	\$ 355,622	
Youth services	0	0	0	0	0	0	0	1,043,088	\$ 1,043,088	
Total committed fund balance	\$ 172,344	\$ 0	\$ 592,777	\$ 0	\$ 8,738,832	\$ 0	\$ 0	\$ 5,014,842	\$ 14,518,795	

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 9. GASB Statement No. 54 Fund Balance, continued

	MAJOR FUNDS								
	General Fund	Road Fund	Property & Liability Insurance Fund	COVID-19 Fund	Public Safety Fund	R.S.I.D. Bond Fund	Capital Improvement Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Assigned									
Use of reserves	3,165,444	0	333,126	0	2,372,850	0	14,877,850	3,175,846	\$ 23,925,116
Blight	219,153	0	0	0	0	0	0	0	\$ 219,153
Record preservation	189,250	0	0	0	0	0	0	0	\$ 189,250
PILT	0	0	0	0	0	0	0	448,621	\$ 448,621
Capital improvement	0	0	0	0	0	0	34,467,369	0	\$ 34,467,369
Total assigned fund balance	\$ 3,573,847	\$ 0	\$ 333,126	\$ 0	\$ 2,372,850	\$ 0	\$ 49,345,219	\$ 3,624,467	\$ 59,249,509
Unassigned									
General fund	9,282,762	0	0	0	0	0	0	0	\$ 9,282,762
Total unassigned fund balance	\$ 9,282,762	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,282,762
Total Fund Balance	\$ 13,200,922	\$ 5,332,766	\$ 928,330	\$ 0	\$ 11,132,854	\$ 204,165	\$ 49,345,219	\$ 18,651,512	\$ 98,795,768

Non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form, such as inventories, or limited due to legal or contractual restrictions.

Restricted fund balance classification includes constraints placed on the use of resources that are legally enforceable by an external party. External parties include creditors, grantors, contributors, and laws/regulations of other governments.

Committed fund balance classifications include constraints placed on the use of resources that are imposed by formal action of the government's highest level of decision-making authority.

Assigned fund balance classifications include constraints placed on the use of resources that are imposed by the government's intent to be used for a specific purpose and the intent to spend down fund balance to fund the next year's projected deficit spending (if this exists).

Unassigned fund balance classifications include spendable amounts that have not been Restricted, Committed or Assigned to a specific purpose within the General Fund.

Revenue sources for the major special revenue funds:

Road Fund – Real and personal property taxes, road permits, intergovernmental revenue, charge for services, other income including sale of fixed assets and transfers in.

Property & Liability Insurance Fund - Real and personal property taxes, charge for services, refund reimbursement, other income including interest revenue and transfers in.

Public Safety Fund - Real and personal property taxes, permits and licenses, intergovernmental revenue including grant revenues, charge for services, other income including sale of fixed assets and transfers in.

Yellowstone County, Montana

Notes to the Financial Statements

June 30, 2024

Note 10. Risk Management

The County faces a considerable number of risks of loss, including a) damage to and loss of property and contents, b) employee torts, c) professional liability, i.e. errors and omissions, d) environmental damage, e) workers' compensation, i.e. employee injuries, and f) medical insurance costs of employees. A variety of methods is used to manage these risks.

Liability and Property Insurance

The County is self-insured on liability and property claims. As of year-end, the County has reserved \$500,000 for outstanding liability claims. Reinsurance for liability claims is purchased from a third-party risk retention group. Coverage history is as follows:

	<u>Deductible</u>	<u>Limit per occurrence</u>	<u>Annual aggregate</u>
Claims outstanding prior to October 1990	No coverage	No coverage	No coverage
October 4, 1990 to October 4, 1998	\$ 250,000	\$ 1,500,000	\$ 3,000,000
October 4, 1998 to October 4, 2002	\$ 100,000	\$ 1,500,000	\$ 3,000,000
October 4, 2002 to October 4, 2003	\$ 200,000	\$ 1,500,000	\$ 3,000,000
October 4, 2003 to October 4, 2004	\$ 250,000	\$ 1,500,000	\$ 3,000,000
October 4, 2004 to January 4, 2005	\$ 500,000	\$ 1,500,000	\$ 3,000,000
January 4, 2005 to June 30, 2020	\$ 250,000	\$ 1,500,000	\$ 3,000,000
July 1, 2020 to June 30, 2024	\$ 250,000	\$ 1,500,000	\$ 5,000,000

County buildings and their contents are covered by a blanket property and casualty insurance policy of \$267,343,000 with a \$500,000 deductible for wind/hail coverage and \$100,000 for all other occurrences. The County at June 30, 2024, had a fund balance in its Property and Liability Insurance Fund totaling \$928,330. The County carries \$6,000,000 of museum collection and temporary loan insurance coverage for artifacts and art held at the Yellowstone County Museum.

Liability insurance is covered under Montana Association of Counties and commences at \$250,000 of liability. The County did not have any claims in fiscal year 2024 that exceeded the \$250,000 threshold.

Workers' Compensation

The County converted from MACo to the Montana State Fund's Workers' Compensation plan as of October 1, 2016. Montana State Fund is backed by the citizens of Montana and the policyholders of the Fund. The County pays monthly premiums for its workers' compensation coverage.

Financial statements for the Montana State Fund are available online and are located in Helena, Montana.

Employee health insurance is discussed in note 11B.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 11. Employee Benefits

A. Compensated Absences

All full-time County employees accumulate vacation and sick leave hours for later use or for payment upon termination, death, or retirement. Employees earn annual vacation leave at the rate of 15 days per year for the first 10 years of employment up to a maximum of 24 days per year after 20 years. There is no requirement that annual vacation leave be taken, but the maximum permissible accumulation is twice the current annualized rate as of December 31 of each year. At termination employees are paid for any accumulated annual vacation 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 for 25% of accumulated sick leave. The liability for vested accumulated annual vacation and sick leave at June 30, 2024, is \$3,041,396. The unvested 75% of accumulated sick pay benefits, which totaled \$2,841,785 at June 30, 2024, has not been recorded as a liability.

B. Health Insurance

The County has a self-funded health care benefit plan for its employees. The County has contracted with a private insurance company to provide the aggregate stop loss coverage and claims processing. The County contributes a monthly amount for each full-time employee for health and dental insurance benefits. Employees may elect to include coverage of their dependents at the employees' expense. Revenues to the plan from the various funds and employees are recorded as health insurance premiums in the Health Insurance Fund, an internal service fund. The fund records health care costs as expenses when claims are incurred. The fund establishes claims liabilities, including incurred but not reported (IBNR) claims based on the estimated ultimate cost of settling the claims (including the effects of inflation and other societal and economic factors), using past experience adjusted for current trends and any other factors that modify past experience. Claims liabilities include only specific, incremental claim adjustment expenses. The liability recorded for the IBNR is \$900,000 for FY24.

Following is a summary of the changes in the balance of claim liabilities during the last three fiscal years:

Fiscal Year	Claims paid, net of expected reimbursements	IBNR Estimate at fiscal-year end	Total estimated claims
2021-2022	\$7,517,578	\$750,000	\$8,267,578
2022-2023	\$8,882,055	\$604,110	\$9,486,165
2023-2024	\$10,084,510	\$900,000	\$10,984,510

Yellowstone County carries specific stop loss insurance of \$350,000 per claim on a claims incurred basis. There were 3 claims that exceeded the specific stop loss level for fiscal year 2024. Effective in fiscal year 2003, the County elected to utilize the permissive medical levy. This levy may be utilized to fund medical inflation costs of the employer. The permissive medical levy transferred \$2,176,393 to the health insurance fund in fiscal year 2024.

Yellowstone County, Montana

Notes to the Financial Statements

June 30, 2024

Note 11. Employee Benefits, continued

B. Health Insurance, continued

Results of operations for fiscal year ended:

	June 30, 2024	June 30, 2023
Health insurance premiums	\$ 7,924,434	\$ 7,652,177
Health claims	(10,319,638)	(9,094,593)
Administrative expenses	(340,416)	(419,427)
Interest revenue	835,246	377,981
Interfund transfer in	2,176,393	2,174,663
Net income (loss)	276,019	690,801
Net position, beginning of fiscal year	14,714,268	14,023,467
Net position, end of fiscal year	\$ 14,990,287	\$ 14,714,268

In addition to providing health benefits for existing employees, the County also allows retired employees under the age of 65 and COBRA (1985 Consolidated Omnibus Budget Reconciliation Act) employees, and their families, and dependents of retirees 65 and older (a spouse under 65 or a child or children) to participate in the plan at the former employee's expense. As of June 30, 2024, there are 22 former employees and dependents covered under the health plan. As of January 1, 2018 County retirees eligible for Medicare were discontinued from the County plan, with no future option to re-enroll.

The County also allows participation in the plan for employees and dependents of Riverstone Health Department and the Big Sky Economic Development. For FY24, employees of Riverstone Health Department and Big Sky Economic Development pay premiums at the same County rates plus a 2% of premium administrative fee per month per employee. The economic impact of the extension of benefits to these other participating entities and former employees cannot be separated from the County's cost to cover active employees.

Premiums for both employee coverage and retiree coverage did not increase for fiscal year 2024, but will increase 3% for fiscal year 2025.

C. Life Insurance and Long-Term Disability

All County employees covered by health insurance are also covered by life insurance. The County also covers permanent part-time employees that do not elect health insurance. The County pays the cost of life insurance for coverage at 100% of the prior year's salary rounded to the highest \$1,000. All full-time employees are covered to a maximum of \$50,000. Supplemental life insurance is optionally available at the employee's cost up to three times the employee's employer paid coverage. The County has contracted with a private insurance carrier to provide the life insurance coverage.

The County pays for third-party long-term disability insurance at an insured level of 60% of monthly pre-disability base pay for employees. The County also provides short-term disability at an insured level of 60% of monthly pre-disability base with a maximum of \$1,500 per week of benefits paid after the seven-day waiting period is met and with a maximum duration of 25 weeks when long-term disability commences. Eligibility for long-term is the same as life insurance eligibility. To be eligible for short-term disability, the employee must be working 40 hours per week.

D. Deferred Compensation Plans

The County offers its employees various deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all County employees, permit them to defer a portion of their salary until future years. Participation in the plans is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The County has consolidated into one deferred compensation plan that allows several investment options. The choice of plan and investment options is made by the employee. Plan assets are maintained in an exclusive trust for the benefit of participants and their beneficiaries. Accordingly, plan assets are not reported in the County's financial statements.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 11. Employee Benefits, continued

E. Other Post-Employment Benefits (OPEB)

As required by Governmental Accounting Standards Board (GASB) Statement No. 75 Other Post-Employment Benefits, the County has calculated and included a post-employment benefit liability in 2024.

1. Plan Description

As required by State law (MCA 2-18-704), the County allows its retiring employees with at least five years of service and who are at least 50 years of age, along with their eligible spouses and dependents, the option to continue participation in the County's group health insurance plan until the retiree becomes eligible for Medicare coverage. This option creates a defined benefit other post-employment benefits plan (OPEB) since retirees are typically older than the average age of active plan participants and therefore receive a benefit of lower insurance rates. The OPEB plan is a single employer defined benefit plan administered by a third party. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The County covers OPEB costs when they come due, on a pay-as-you-go basis.

2. Funding Policy

The County provides no direct subsidy to the health insurance premiums for retirees. Retirees pay for the entire cost of the health insurance premium. Eligible retired employees must be under the age of 65, including former full-time and certain other employees. As of June 2024 there are 22 retirees and/or survivors enrolled for the employer's sponsored health insurance plan. In 2024, retirees contributed \$147,256 towards the cost of the County's annual premium. A trust fund for future liabilities has not been established.

3. Benefits Provided

The OPEB plan provides healthcare insurance benefits for retirees, eligible spouses and dependents as defined in MCA 2-18-704. Eligible retirees are required to pay the full amount of their health insurance premiums.

4. Employees Covered by Benefit Terms

As of July 1, 2022 the following employees were covered:

Inactive employees or beneficiaries currently receiving benefit payments	11
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	441
	<hr/>
	452

5. Total OPEB liability

The County's total OPEB liability of \$2,537,060 was measured as of July 1, 2022, and was determined by an actuarial valuation as of July 1, 2022 for reporting as of June 30, 2024.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 11. Employee Benefits, continued

E. Other Post-Employment Benefits (OPEB), continued

Accrued liability (Total OPEB Liability)	July 1, 2022
1. Split by implicit rate liability vs direct subsidy liability	
a. Implicit rate liability	\$ 2,537,060
b. Direct subsidized liability	0
c. Total	<u>\$ 2,537,060</u>
2. Split by status	
a. Actives	\$ 2,231,448
b. Retirees and beneficiaries	305,612
c. Total	<u>\$ 2,537,060</u>

6. Actuarial assumptions and other inputs

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
20-Year Municipal Bond Yield	3.80%
Salary increases	Service graded table
Discount rate	3.80%
Medical cost trend rates	6.5% as of July 1, 2022 grading to 5.00% over 6 years then to 4.00% over the next 48 years
Dental cost trend rates	N/A

Since the Plan is not funded by an irrevocable trust, the discount rate is equal to the 20-Year AA-rated Municipal Bond Yield. Mortality rates were based on the PUB-2010 Public Retirement Plans Headcount- Weighted Mortality Tables with MP-2021 Generational Improvement Scale.

The withdrawal and retirement assumptions used in the July 1, 2022 Actuarial Valuation (June 30, 2024 report) were similarly based on the MPERA experience study for general and safety employees. The most recent six-year experience studies were completed in 2016.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 11. Employee Benefits, continued

7. Changes in the total OPEB liability

	Total OPEB Liability
Balance at June 30, 2023	<u>\$ 2,537,060</u>
Changes for the year:	
Service cost	264,909
Interest	104,225
Differences between expected and actual experience	0
Assumption changes	0
Benefit payments	<u>(119,523)</u>
Net changes	249,611
Balance at June 30, 2024	<u><u>\$ 2,786,671</u></u>

Changes in assumptions and other inputs reflect the current discount rate of 3.80%. The covered-employee payroll for the reporting period is \$24,886,776. The total OPEB liability as a percentage of covered-employee payroll is 11% for the reporting period.

8. Sensitivity of the total OPEB liability to changes in the discount rate

The following represents the total OPEB liability reported by the County, as well as how that liability would change if the discount rate used to calculate the OPEB liability was decreased or increased by 1 percent:

	1% Decrease 2.80%	Discount Rate 3.80%	1% Increase 4.80%
Total OPEB liability	<u>\$ 3,014,315</u>	<u>\$ 2,786,671</u>	<u>\$ 2,576,102</u>

9. Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability reported by the County, as well as how that liability would change if the healthcare trend rate used in projecting benefit payments was to decrease or increase by 1 percent:

	1% Decrease	Healthcare Trend Rate	1% Increase
Total OPEB liability	<u>\$ 2,450,212</u>	<u>\$ 2,786,671</u>	<u>\$ 3,187,504</u>
Medical Trend Rate	5.25% decreasing to 5.00% then 4.00%	6.25% decreasing to 5.00% then 4.00%	7.25% decreasing to to 5.00% then 4.00%
Dental Trend Rate	N/A	N/A	N/A

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 11. Employee Benefits, continued

10. OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended June 30, 2024, the County recognized OPEB expense of \$89,458. The County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer Contributions	\$ 142,816	\$ 0
Assumption Changes	0	623,451
Liability Gains	0	255,320
Total	\$ 142,816	\$ 878,771

Future recognition of deferred flows in OPEB expense:

Year ended June 30:	
2025	\$ (279,676)
2026	\$ (279,674)
2027	\$ (159,713)
2028	\$ (159,708)
2029	\$ 0
Thereafter	\$ 0

11. Projected Benefit Payments

Year Beginning July 1 and Ending June 30 of the Following Year	Implicit Subsidy Only Payments	Subsidized Payments*	Total Projected Net Payments
2023	\$ 142,816	\$ 0	\$ 142,816
2024	\$ 153,952	\$ 0	\$ 153,952
2025	\$ 179,883	\$ 0	\$ 179,883
2026	\$ 174,886	\$ 0	\$ 174,886
2027-2031	\$ 1,113,465	\$ 0	\$ 1,113,465
2032-2036	\$ 1,384,137	\$ 0	\$ 1,384,137
2037-2041	\$ 1,345,834	\$ 0	\$ 1,345,834
2042-2046	\$ 1,413,271	\$ 0	\$ 1,413,271
Thereafter	\$ 4,750,588	\$ 0	\$ 4,750,588

*Yellowstone County does not pay any subsidized benefits (e.g. implicit only).

Yellowstone County, Montana

Notes to the Financial Statements

June 30, 2024

Note 12. Pension and Retirement Fund Commitments

Public Employees' Retirement System (PERS)

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with participation in the Public Employees' Retirement System Defined Benefit Retirement Plan (the Plan). This includes the proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions. Employers are provided guidance in GASB Statement 68, paragraph 74, where pension amounts must be combined as a total or aggregate for reporting, whether provided through cost-sharing, single-employer, or agent plans. This report provides information for employers who are using a June 30, 2023 measurement date for the 2024 reporting.

A. Summary of Significant Accounting Policies

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

B. General Information about the Pension Plan

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

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

C. Benefits Provided

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

1. Service retirement

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

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 12. Pension and Retirement Fund Commitments, continued

C. Benefits Provided, continued

2. Early Retirement

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

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

- a. Retire before January 1, 2016 and accumulate less than 2 years additional service credit or retire on or after January 1, 2016 and accumulate less than 5 years additional service credit:
 - i. A refund of member's contributions plus return interest (currently 2.02% effective July 1, 2018).
 - ii. No service credit for second employment;
 - iii. Start the same benefit amount the month following termination; and
 - iv. Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.
- b. Retire before January 1, 2016 and accumulate at least 2 years of additional service credit:
 - i. A recalculated retirement benefit based on provisions in effect after the initial retirement; and
 - ii. GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months.
- c. Retire on or after January 1, 2016 and accumulate 5 or more years of service credit:
 - i. The same retirement as prior to the return to service;
 - ii. A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and
 - iii. GABA starts on both benefits in the January after receiving the original and the new benefit for 12 months.

4. Member's highest average compensation (HAC)

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

5. Compensation Cap

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

6. Monthly benefit formula

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

Yellowstone County, Montana

Notes to the Financial Statements

June 30, 2024

Note 12. Pension and Retirement Fund Commitments, continued

C. Benefits Provided, continued

7. Guaranteed Annual Benefit Adjustment (GABA)

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

- a. 3.0% for members hired **prior to** July 1, 2007
- b. 1.5% for members hired between July 1, 2007 and June 30, 2013
- c. Members hired on or after July 1, 2013:
 - i. 1.5% for each year PERS is funded at or above 90%;
 - ii. 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
 - iii. 0% whenever the amortization period for PERS is 40 years or more.

D. Contributions

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

1.Special Funding

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

2. Not Special Funding

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

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

Fiscal Year	Member		State & Universities	Local Government		School Districts	
	Hired <7/01/11	Hired >7/01/11	Employer	Employer	State	Employer	State
2024	7.9%	7.9%	9.170%	9.070%	0.100%	8.800%	0.370%
2023	7.9%	7.9%	9.070%	8.970%	0.100%	8.700%	0.370%
2022	7.9%	7.9%	8.970%	8.870%	0.100%	8.600%	0.370%
2021	7.9%	7.9%	8.870%	8.770%	0.100%	8.500%	0.370%
2020	7.9%	7.9%	8.770%	8.670%	0.100%	8.400%	0.370%
2019	7.9%	7.9%	8.670%	8.570%	0.100%	8.300%	0.370%
2018	7.9%	7.9%	8.570%	8.470%	0.100%	8.200%	0.370%
2017	7.9%	7.9%	8.470%	8.370%	0.100%	8.100%	0.370%
2016	7.9%	7.9%	8.370%	8.270%	0.100%	8.000%	0.370%
2015	7.9%	7.9%	8.270%	8.170%	0.100%	7.900%	0.370%
2014	7.9%	7.9%	8.170%	8.070%	0.100%	7.800%	0.370%
2012-2013	6.9%	7.9%	7.170%	7.070%	0.100%	6.800%	0.370%
2010-2011	6.9%		7.170%	7.070%	0.100%	6.800%	0.370%
2008-2009	6.9%		7.035%	6.935%	0.100%	6.800%	0.235%
2000-2007	6.9%		6.900%	6.800%	0.100%	6.800%	0.100%

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 12. Pension and Retirement Fund Commitments, continued

D. Contributions, continued

3. Member Contributions

a. Member contributions to the system of 7.9% are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.

4. Employer contributions to the system

a. Effective July 1, 2014, following the 2013 Legislative session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below the 25 years following the reduction of both the additional employer and additional member contributions rates.

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

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

5. Non Employer Contributions

a. Special Funding:

- i. The State contributed 0.1% of members' compensation on behalf of local government entities.
- ii. The State contributed 0.37% of members' compensation on behalf of school district entities.
- iii. The state contributed a Statutory Appropriation from the General Fund of \$34,979,900.

E. Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end. The basis for the TPL as of June 30, 2023, is on an actuarial valuation performed by the Plan's actuary as of June 30, 2023.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the State of Montana's NPL for June 30, 2023, and 2022, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. The state's proportionate share for a particular employer equals the ratio of the contributions for the particular employer to the total state contributions paid.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 12. Pension and Retirement Fund Commitments, continued

E. Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued

As of measurement date	Net Pension Liability as of 6/30/2023	Net Pension Liability as of 6/30/2022	Percent of Collective NPL as of 6/30/2023	Percent of Collective NPL as of 6/30/2022	Change in Percent of Collective NPL
YELLOWSTONE COUNTY Proportionate Share	\$ 22,211,605	\$ 21,397,574	0.910180%	0.899857%	0.010323%
State of Montana Proportionate Share associated with the Employer	\$ 6,141,430	\$ 6,392,110	0.251661%	0.268815%	(0.017154)%
Total	\$ 28,353,035	\$ 27,789,684	1.161841%	1.168672%	(0.006831)%

Changes in actuarial assumptions and methods:

- There have been no changes to the assumptions or other inputs that affected the measurement of the TPL since the previous measurement date.

Changes in benefit terms:

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

Changes in proportionate share:

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

F. Pension Expense

At June 30, 2023, the employer recognized a Pension Expense of \$2,027,539 for its proportionate share of the Plan's pension expense. The employer also recognized grant revenue of \$576,157 for the support provided by the State of Montana for its proportionate share of the pension expense associated with the employer.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 12. Pension and Retirement Fund Commitments, continued

F. Pension Expense, continued

As of measurement date	Pension Expense as of 6/30/2023	Pension Expense as of 6/30/2022
YELLOWSTONE COUNTY's Proportionate Share	\$ 2,027,539	\$ 2,187,397
State of Montana Proportionate Share associated with the Employer	576,157	662,546
Total	\$ 2,603,696	\$ 2,849,943

G. Recognition of Deferred Inflows and Outflows

At June 30, 2023 (measurement date), the employer reported its proportionate share of the Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs. Actual Experience	\$ 884,650	\$ 0
Projected Investment Earnings vs. Actual Investment Earnings	56,356	0
Changes in Assumptions	0	792,234
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	505,883	0
Employer Contributions Subsequent to the Measurement Date	1,667,654	
Total	\$ 3,114,543	\$ 792,234
<i>Yellowstone County reported \$1,667,654 as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.</i>		

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

For the Measurement Year ended June 30:	Recognition of Deferred Outflows and Deferred Inflows in future years as an increase or (decrease) to Pension Expense
2024	\$ (179,967)
2025	\$ (343,970)
2026	\$ 1,313,406
2027	\$ (134,814)
Thereafter	\$ 0

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 12. Pension and Retirement Fund Commitments, continued

H. Actuarial Assumptions

The total pension liability as of June 30, 2023, was determined on the results of an actuarial evaluation date of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

Investment Return (net of admin expense)	7.30%
General Wage Growth*	3.50%
*includes Inflation at	2.75%
Merit Increases	0% to 4.80%
Post Retirement Increases	
1. Guaranteed Annual Benefit Adjustment (GABA) each January	
• After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of all other adjustments to the member's benefits.	
• Members hired prior to July 1, 2007	3.0%
• Members hired between July 1, 2007 & June 30, 2013	1.5%
• Members hired on or after July 1, 2013	
• For each year PERS is funded at or above 90%	1.5%
• The 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%	
• 0% whenever the amortization period for PERS is 40 years or more	0%
Mortality:	
• Active Participants	PUB-2010 General Amount Weighted Employer Mortality projected to 2021 for males and females. Projected generationally using MP-2021.
• Disable Retirees	PUB-2010 General Amount Weighted Disabled Retiree Mortality table, projected to 2021, set forward one year for both males and females.

Yellowstone County, Montana

Notes to the Financial Statements

June 30, 2024

Note 12. Pension and Retirement Fund Commitments, continued

<ul style="list-style-type: none"> • Contingent Survivors 	PUB-2010 General Amount Weighted Contingent Survivor Mortality projected to 2021 with ages set forward one year for males and females. Projected generationally using MP-2021.
<ul style="list-style-type: none"> • Healthy Retirees 	PUB-2010 General Amount Weighted Healthy Retiree Mortality table projected to 2021, with ages set forward one year and adjusted 104% for males and 103% for females. Projected generationally using MP-2021.

The actuarial assumptions and methods utilized in the June 30, 2023 valuation were developed in the five-year experience study for the period ending 2021. However, the current long-term rate of return is based on analysis in the experience study, without consideration for the administrative expenses analysis shown in the experience study.

I. Discount Rate

The discount rate used to measure the TPL was 7.30%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board's funding policy, which established the contractually required rates under Montana Code Annotated. The State contributed 0.10% of the salaries paid by local governments and 0.37% paid by school districts. In addition, the state contributed a statutory appropriation from the general fund. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2127. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. A municipal bond rate was not incorporated in the discount rate.

J. Target Allocations

The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the Plan about every five years. The long-term rate of return as of June 30, 2023, is based on analysis in the experience study report dated May 2, 2022, without consideration for the administrative expense analysis shown. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, are summarized in the following table.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 12. Pension and Retirement Fund Commitments, continued

J. Target Allocations, continued

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic Basis
Cash	3.0%	(0.33%)
Domestic Equity	30.0%	5.90%
International Equity	17.0%	7.14%
Private Investments	15.0%	9.13%
Real Assets	5.0%	4.03%
Real Estate	9.0%	5.41%
Core Fixed Income	15.0%	1.14%
Non-Core Fixed Income	6.0%	3.02%
Total	100%	

K. Sensitivity of the proportionate share of the NPL to changes in the discount rate

The following presents the employer's sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.30%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

As of measurement date	1.0% Decrease (6.30%)	Current Discount Rate	1.0% Increase (8.30%)
Employer's Net Pension Liability	\$ 32,084,581	\$ 22,211,605	\$ 13,929,059

L. PERS Disclosure for the defined contribution plan

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

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

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

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

At the plan level for the measurement period ended June 30, 2023, the PERS-DCRP employer did not recognize any net pension liability or pension expense for the *defined contribution* plan. Plan level non-vested forfeitures for the 348 employers that have participants in the PERS-DCRP totaled \$1,409,309.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 12. Pension and Retirement Fund Commitments, continued

M. Pension plan fiduciary net position

The stand-alone financial statements (76d) of the Montana Public Employees Retirement Board (PERB) Annual Comprehensive Financial Report (ACFR) and the GASB 68 Report disclose the Plan's fiduciary net position. These reports, as well as the actuarial valuations and experience study, are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 or both are available on the MPERA website at <http://mpera.mt.gov/about/annualreports1/annualreports>.

Sheriff's Retirement System

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*, employers are required to recognize and report certain amounts associated with participation in the Sheriff's Retirement System (the Plan). This includes the proportionate share of the collective Net Pension Liability (NPL); Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions. Employers are provided guidance in GASB Statement 68, paragraph 74, where pension amounts must be combined as a total or aggregate for reporting, whether provided through cost-sharing, single-employer, or agent pension plans. This report provides information for employers who are using June 30, 2023 measurement date for the 2024 reporting.

A. Summary of Significant Accounting Policies

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

B. General Information about the Pension Plan

1. Plan Description

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

2. Benefits provided

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

a. Service retirement and monthly benefit formula

- i. Members hired prior to July 1, 2023: 20 years of membership service, regardless of age.
- ii. Members hired on or after July 1, 2023: 20 years of membership service at age 50.
- iii. 2.5% of HAC x years of service credit.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 12. Pension and Retirement Fund Commitments, continued

B. General Information about the Pension Plan, continued

b. Early Retirement

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

c. Second Retirement

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

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

3. Member's compensation period used in benefit calculation

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

4. Compensation Cap

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

Yellowstone County, Montana

Notes to the Financial Statements

June 30, 2024

Note 12. Pension and Retirement Fund Commitments, continued

B. General Information about the Pension Plan, continued

5. Guaranteed Annual Benefit Adjustment (GABA)

After the member has completed 12 full months of retirement, a Guaranteed Annual Benefit Adjustment (GABA) will be made January 1 each year equal to:

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

C. Contributions

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

Fiscal Year	Member	Employer
2018 - 2024	10.495%	13.115%
2010 - 2017	9.245%	10.115%
2008 - 2009	9.245%	9.825%
1998 - 2007	9.245%	9.535%

For reporting date June 30, 2025: During the 2023 Legislative session, House Bill 569 was signed into law which states that an actuarially determined contribution will be developed and contributed beginning fiscal year end 2025. The new policy will use a layered amortization approach with a 25-year closed amortization period for the legacy unfunded liability and 10-year closed amortization period for contemporary unfunded liabilities for SRS. For July 1, 2024 and after, contribution rates are actuarially determined beginning with the June 30, 2023 actuarial valuation and applying to the year beginning July 1, 2024 and ending June 30, 2025. For July 1, 2024 through June 30, 2025, the contribution rate will be 12.074%. This rate may not exceed last year's statutory rate of 13.115% by more than the statutory rate increase limit of 0.500%. This is a change in actuarial methods.

For reporting date June 30, 2025: House Bill 569 also provides a one-time appropriation of general fund dollars to the SRS of \$26.8 million.

D. Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end. The basis for the TPL as of June 30, 2023, is on an actuarial valuation performed by the Plan's actuary as of June 30, 2023.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's NPL for June 30, 2023, and 2022, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer contributions during the measurement period.

The employer recorded a liability of \$	13,713,241
and the employer's proportionate share was	9.3292%

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 12. Pension and Retirement Fund Commitments, continued

D. Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued

As of measurement date	Net Pension Liability as of 6/30/2023	Net Pension Liability as of 6/30/2022	Percent of Collective NPL as of 6/30/2023	Percent of Collective NPL as of 6/30/2022	Change in Percent of Collective NPL
Employer Proportionate Share	\$ 13,713,241	\$ 13,195,768	9.3292%	9.6373%	(0.3082)%
Total	\$ 13,713,241	\$ 13,195,768	9.3292%	9.6373%	(0.3082)%

Changes in actuarial assumptions and methods:

There have been no changes to the actuarial assumptions or other inputs that affected the measurement of the TPL since the previous measurement date.

Changes in benefit terms: The change in benefit terms since the previous measurement date:

- Effective July 1, 2023, the retirement eligibility criteria for new hires first entering the system on or after July 1, 2023, changes from 20 years of service at any age to age 50 and 20 years of service. This change had no impact on the TPL.

Changes in proportionate share:

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

At June 30, 2023 measurement date, the employer recognized its proportionate share of the Plan's pension expense.

As of measurement date	Pension Expense as of 6/30/2023	Pension Expense as of 6/30/2022
Employer's Proportionate Share	\$ 2,845,589	\$ 2,327,987
Total	\$ 2,845,589	\$ 2,327,987

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 12. Pension and Retirement Fund Commitments, continued

E. Recognition of Deferred Inflows and Outflows

At June 30, 2023, the employer reported its proportionate share of the Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

As of measurement date	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs. Actual Experience	\$ 2,167,445	\$ 0
Projected Investment Earnings vs. Actual Investment Earnings	97,430	0
Changes in Assumptions	1,104,943	205,107
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	0	242,714
Employer Contributions Subsequent to the Measurement Date	1,375,270	
Total	\$ 4,745,088	\$ 447,821
<i>Yellowstone County reported \$1,667,654 as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.</i>		

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

For the Measurement Year ended June 30:	Recognition of Deferred Outflows and Deferred Inflows in future years as an increase or (decrease) to Pension Expense
2024	\$ 1,451,274
2025	\$ 650,735
2026	\$ 920,529
2027	\$ (100,542)
Thereafter	\$ 0

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 12. Pension and Retirement Fund Commitments, continued

F. Actuarial Assumptions

The total pension liability in the June 30, 2023, was determined by an actuarial evaluation date of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

Investment Return (net of admin expense)	7.30%
General Wage Growth*	3.50%
*includes Inflation at	2.75%
Merit Increases	1.0% to 6.4%
Post Retirement Increases	
Guaranteed Annual Benefit Adjustment (GABA)	
• Requires 12 full months of retirement before GABA will be made	
• Members prior to July 1, 2007	3.00%
• Members hired on or after July 1, 2007	1.50%
Mortality:	
• Active Participant	PUB-2010 Safety Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021.
• Healthy Retiree	PUB-2010 Safety Amount Weighted Healthy Retiree Mortality table projected to 2021 set forward one year and adjusted 105% for males. Projected generationally using MP-2021.
• Contingent Survivor	PUB-2010 Safety Amount Weighted Contingent Survivor Mortality projected to 2021, set forward one year for males. Projected generationally using MP-2021.
• Disable Retiree	PUB-2010 Safety Amount Weighted Disabled Retiree Mortality table projected to 2021, set forward one year for males.

The actuarial assumptions and methods utilized in the June 30, 2023 valuation, were developed in the five-year experience study for the period ending June 30, 2021. However, the current long-term rate of return is based on analysis in the experience study, without consideration for the administrative expenses analysis shown in the experience study.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 12. Pension and Retirement Fund Commitments, continued

G. Discount Rate

The discount rate used to measure the TPL was 7.30%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members and employers will be made based on the Board's funding policy, which established the contractually required rates under the Montana Code Annotated. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2127. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

H. Target Allocations

The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the Plan about every five years. The long-term rate of return as of June 30, 2023 is based on analysis in the experience study report dated May 2, 2022, without consideration for the administrative expense analysis shown in the experience study. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, are summarized in the following table.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic Basis
Cash	3.0%	(0.33%)
Domestic Equity	30.0%	5.90%
International Equity	17.0%	7.14%
Private Investments	15.0%	9.13%
Real Assets	5.0%	4.03%
Real Estate	9.0%	5.41%
Core Fixed Income	15.0%	1.14%
Non-Core Fixed Income	6.0%	3.02%
Total	100%	

I. Sensitivity of the proportionate share of the net pension liability to changes in the discount rate

The following presents the employer's sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.30%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

As of measurement date	1.0% Decrease (6.30%)	Current Discount Rate	1.0% Increase (8.30%)
Net Pension Liability	\$ 22,276,932	\$ 13,713,241	\$ 6,744,439

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 12. Pension and Retirement Fund Commitments, continued

J. Pension plan fiduciary net position

The stand-alone financial statements (76d) of the Montana Public Employees Retirement Board (PERB) *Annual Comprehensive Financial Report* (ACFR) and the GASB 68 Report disclose the Plan's fiduciary net position. These reports, as well as the actuarial valuations and experience study, are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 or both are available on the MPERA website at <http://mpera.mt.gov/about/annualreports1/annualreports>.

Note 13. Contingent Liabilities and Commitments

Pending Litigation

There are a number of lawsuits pending. However, management estimates that the potential claims against the County from such litigation would not threaten the County's political existence or exceed the County's ability to pay. The accrued liability established in the Property and Liability Insurance Fund of \$500,000 is considered to be adequate for potential settlements and litigation costs. The County considers the other known legal actions, for which no reserve has been determined, to be of nominal financial impact.

Grants

The County has Federal and State grants for specific purposes that are subject to annual audits and other periodic reviews by grantor agencies. Such reviews could result in requests for reimbursement by grantor agencies for costs, which may be disallowed as appropriate expenses under the grant terms. The County believes disallowances, if any, will not be material.

Note 14. Conduit Debt Obligations

From time to time, the County has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are **not** reported as liabilities in the accompanying general purpose financial statements.

Between July 1, 1978 and June 30, 2024 there were twenty-one series of industrial revenue bonds issued. The aggregate principal amount outstanding for the five remaining series issued after July 1, 1997 was \$11,635,940 as of June 30, 2024.

Note 15. Related Organization

The County is responsible for appointing the members of the governing board of the Big Sky Economic Development (the Organization) however; the County is not able to impose its will on the Organization. Nor is there a potential for the Organization to provide specific financial benefits to, or impose specific financial burdens on, the County. As a result, the Big Sky Economic Development is considered a related organization, and not a component unit of the County.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 16. Leases

Lessee Disclosures

The County is the lessee in a material lease as of June 30, 2024. It covers 17,395 square feet of administrative office space on the third floor of the Stillwater Building located at 316 N 26th Street in downtown Billings, MT. In general, the County is subject to an approximate 3% escalation of rent and CAM charges each year. This lease began in May 2018 and has a primary term of seven years with a County option for an additional three years at the end of the term. The County may expand the space in use with notice to the owner. As of the end of FY24, the County and the City of Billings are currently communicating regarding a potential extension of this lease.

The below table summarizes the total amount of lease assets, related accumulated amortization and lease liabilities related to lessee leasing arrangements as of June 30, 2024:

	Beginning of Year	Additions	Modifications & Remeasurements	Subtractions	End of Year	Amounts Due Within One Year
Lease Assets						
Building	\$ 1,511,146	\$ 0	\$ 0	\$ 0	\$ 1,511,146	
Equipment	129,515	0	0	0	129,515	
	1,640,661	0	0	0	1,640,661	
Less: Accumulated Amortization						
Building	\$ (771,650)	\$ (385,823)	\$ 0	\$ 0	\$ (1,157,473)	
Equipment	(24,367)	(12,183)	0	0	(36,550)	
	(796,017)	(398,006)	0	0	(1,194,023)	
Total Lease Assets, net	<u>\$ 844,644</u>	<u>\$ (398,006)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 446,639</u>	
Lease Liabilities	<u>\$ 912,248</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (599,338)</u>	<u>\$ 312,910</u>	<u>\$ 211,836</u>

The below table details amortization by class, total interest on lease liabilities, and variable lease expense for the year ended June 30, 2024:

	Year Ending 6/30/2024
Lease expense	
Amortization expense by class of underlying asset	
Building	\$ 385,825
Equipment	12,183
Total amortization expense	<u>\$ 398,008</u>
Interest on lease liabilities	19,130
Variable lease expense	0
Total	<u><u>\$ 417,138</u></u>

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 16. Leases, continued

Principal and interest requirements to maturity are as follows:

	Principal	Interest	Total Payments
Year Ending 6/30/25	\$ 211,836	\$ 5,080	\$ 216,916
Year Ending 6/30/26	7,829	2,566	10,395
Year Ending 6/30/27	3,588	2,715	6,303
Year Ending 6/30/28	4,013	2,605	6,618
Year Ending 6/30/29	4,465	2,484	6,949
5 Years Ending 6/30/34	30,247	10,071	40,318
5 Years Ending 6/30/39	50,932	4,519	55,451
Total Future Payments	<u>\$ 312,910</u>	<u>\$ 30,040</u>	<u>\$ 342,950</u>

There are no subleases in place as of June 30, 2024.

Lessor Disclosures

The County purchased the Miller building at 301 N. 29th Street in downtown Billings, MT in FY22, and assumed four lease arrangements with the tenants currently occupying the building. The City of Billings has a lease agreement that expires July 31, 2024, with no option to extend. BMO Harris Bank has a lease agreement that will expire February 28, 2027, with an option to extend an additional five years. Felt, Martin, Frazier & Weldon PC (Felt Martin) has a lease agreement expiring on April 30, 2024, with an option to extend an additional two years. An Addendum to the Lease Agreement with Felt Martin was approved October 10, 2023 where Felt Martin would vacate early, no later than July 31, 2024. Effective August 1, 2024 the only lease in place is with BMO, which contains an annual 2% rent escalator.

The below table details the total amount of inflows of resources recognized during the year ended June 30, 2024 from lease expense:

	Year Ending 6/30/2024
Lease-related revenue	
Lease revenue	
Building	<u>\$ (433,438)</u>
Total lease revenue	<u>(433,438)</u>
Interest revenue	(20,238)
Variable & other revenue	0
Total	<u>\$ (453,676)</u>

Total future receipts related to leases with unrelated parties are as follows:

	Principal	Interest	Total Receipts
Year Ending 6/30/25	\$ (235,674)	\$ (11,581)	\$ (247,255)
Year Ending 6/30/26	(227,263)	(4,897)	(232,160)
Year Ending 6/30/27	(39,059)	(147)	(39,206)
Year Ending 6/30/28	0	0	0
Year Ending 6/30/29	0	0	0
Total Future Receipts	<u>\$ (501,996)</u>	<u>\$ (16,625)</u>	<u>\$ (518,621)</u>

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 17. SBITAs

SBITA Disclosures

The County has a total of six (6) subscription agreements which qualify under the guidelines of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). The first is a subscription agreement with NeoGov for an initial term of three (3) years, to be renewed automatically for successive twelve (12) month terms. This is paid on an annual basis. The second is a subscription agreement with LeadsOnline for an initial term of three (3) years and may be renewed for an additional one-year term. The third is a subscription agreement with Digicert Inc for a term of two (2) years, paid annually. The fourth is a subscription agreement with Everbridge, Inc. for a term of three (3) years, paid on an annual basis. The fifth subscription agreement is with Software House International for NetMotion Wireless Platform for a term of three (3) years. The final subscription agreement is with Emergency Services Marketing Corp, Inc, referred to as lamResponding, for a period of five (5) years.

The below table summarizes the total amount of subscription assets, related accumulated amortization and subscription liabilities related to subscription-based information technology arrangements as of June 30, 2024:

	Beginning of Year	Additions	Modifications & Remeasurements	Subtractions	End of Year	Amounts Due Within One Year
Right-to-use subscription assets						
SBITA - GASB 96 (General Gov't)	\$ 96,019	\$ 114,417	\$ 0	\$ 0	\$ 210,436	
SBITA - GASB 96 (Public Safety)	31,749	0	0	0	31,749	
SBITA - GASB 96 (Internal Services)	22,246	8,609	0	0	30,855	
	150,014	123,026	0	0	273,040	
Less: Accumulated Amortization						
SBITA - GASB 96 (General Gov't)	(24,005)	(53,370)		0	(77,375)	
SBITA - GASB 96 (Public Safety)	(3,347)	(10,583)	0	0	(13,930)	
SBITA - GASB 96 (Internal Services)	(1,236)	(8,133)	0	0	(9,369)	
	(28,588)	(72,086)	0	0	(100,674)	
Total Subscription Assets, net	\$ 121,426	\$ 50,940	\$ 0	\$ 0	\$ 172,366	
Subscription Liabilities (General Gov't)	\$ 68,716	\$ 85,155	\$ 0	\$ (33,545)	\$ 120,326	\$ 71,976
Subscription Liabilities (Public Safety)	6,240	0	0	(3,073)	3,167	3,167
Subscription Liabilities (Internal Services)	0	4,240	0	0	4,240	4,240
Total Subscription Liabilities	\$ 74,956	\$ 89,395	\$ 0	\$ (36,618)	\$ 127,733	\$ 79,383

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 17. SBITAs, continued

The below table details amortization by class, total interest on subscription liabilities, and variable subscription expenses related to subscription-based information technology arrangements for the year ended June 30, 2024:

Subscription expense	Year Ending 6/30/2024
Amortization expense by class of underlying asset	
SBITA - GASB 96 (General Gov't)	\$ 53,370
SBITA - GASB 96 (Public Safety)	10,583
SBITA - GASB 96 (Internal Services)	8,133
Total amortization expense	72,086
Interest on subscription liabilities (GG)	3,178
Interest on subscription liabilities (PS)	127
Interest on subscription liabilities (IS)	21
Variable subscription expense	0
Total	\$ 75,412

Principal and interest requirements to maturity are as follows:

	Principal	Interest	Total Payments
Year Ending 6/30/2025	\$ 79,383	\$ 3,885	\$ 83,268
Year Ending 6/30/2026	33,113	1,471	34,584
Year Ending 6/30/2027	4,928	463	5,391
Year Ending 6/30/2028	5,077	314	5,391
Year Ending 6/30/2029	5,232	159	5,391
Total Future Payments	<u>\$ 127,733</u>	<u>\$ 6,292</u>	<u>\$ 134,025</u>

Note 18. Protested Taxes

The protest tax receivable for the County's governmental and proprietary funds did not change from the balance in FY23.

Protest Tax Receivables										
Fiscal Year Ending	Governmental-type Funds			Business-type Funds			Total			
	Beginning Balance	Change	Ending Balance	Beginning Balance	Change	Ending Balance	Beginning Balance	Change	Ending Balance	
FY20	\$ 430,857	\$ 623,329	\$ 1,054,186	\$ 28,406	\$ 28,949	\$ 57,355	\$ 459,263	\$ 652,278	\$ 1,111,541	
FY21	\$ 1,054,186	\$ (1,029,908)	\$ 24,278	\$ 57,355	\$ (55,578)	\$ 1,777	\$ 1,111,541	\$ (1,085,486)	\$ 26,055	
FY22	\$ 24,278	\$ 20,937	\$ 45,215	\$ 1,777	\$ 1,647	\$ 3,424	\$ 26,055	\$ 22,584	\$ 48,639	
FY23	\$ 45,215	\$ 107,359	\$ 152,574	\$ 3,424	\$ 4,923	\$ 8,347	\$ 48,639	\$ 112,282	\$ 160,921	
FY24	\$ 152,574	\$ 0	\$ 152,574	\$ 8,347	\$ 0	\$ 8,347	\$ 160,921	\$ 0	\$ 160,921	

Yellowstone County, Montana

Notes to the Financial Statements

June 30, 2024

Note 19. Tax Abatement Activity

In accordance with GASB Statement 77, Tax Abatement Disclosures, state and local governments are to provide essential information about the nature and magnitude of the reduction of tax revenues through abatement programs. Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development.

The County has two tax abatement programs in place, both of which provide reductions in taxable value as it applies to the number of mills levied and assessed for local high school district and elementary school district purposes and to the number of mills levied and assessed by the governing body approving the benefit over which the governing body has sole discretion. The reduction may not apply to state mandated levies or assessments required under Title 15, chapter 10, 20-9-331, 20-9-333, or 20-9-360 MCA or otherwise required under state law.

Five-Year Program

Resolution #02-66, passed by the Board of Yellowstone County Commissioners on August 9, 2002 allows for a 5-year tax abatement program authorized by MCA 15-24-1501. As adopted under this resolution, entities that incur remodel, reconstruction or expansion construction costs that meet or exceed \$500,000 and increase the taxable value of the property involved by at least 2.5% as determined by the Montana Department of Revenue may qualify. If within the confines of the cities of Billings or Laurel, or town of Broadview, those local governing bodies also have to approve under their resolutions for it to apply for city or town imposed mills.

The applying party must also show that jobs will either be created or retained, and taxes on the property remain current. The abatement amounts to 100% for the first 4 years following completion of construction. In the fifth year, the full rate of taxation applies. If the entity fails in complying with terms stated in the abatement application, it may be subject to recapture of all previous abatements, along with penalties and interest. Recapture is not triggered by any involuntary conversion of the property, and the recapture may be canceled, in whole or in part, if the County determines that the failure was due to circumstances outside of the entity's control.

For the most recent fiscal year, abatements from this program totaled \$57,057.

Ten-Year Program

Resolution 94-92, passed by the Board of Yellowstone County Commissioners on October 4, 1994 allows for a 10 year tax abatement program authorized by Title 15, Chapter 24 MCA. As adopted under this resolution, existing businesses that expend at least \$50,000 on qualifying improvements or modernized processes or new businesses that expend at least \$125,000 on qualifying improvements or modernized processes may qualify. If within the confines of the cities of Billings or Laurel, or town of Broadview, those local governing bodies also have to approve under their resolutions for it to apply for city or town imposed mills.

Qualifying entities must also demonstrate and maintain job growth and keep taxes on the property current. The abatement amounts to a 50% taxable value reduction for each of the first five years of the improvement. The reduction is reduced by 10% each year, beginning in year six, until the full rate of taxation applies in the tenth year. If the entity fails in complying with terms stated in the abatement application, it may be subject to recapture of all previous abatements, along with penalties and interest. Recapture is not triggered by any involuntary conversion of the property, and the recapture may be canceled, in whole or in part, if the County determines that the failure was due to circumstances outside of the entity's control.

The 2017 Montana legislative session produced House Bill 226, signed by the Governor. Through this change to Montana statute, the local governing body may also choose to abate at a 75% level. This abatement stays in place for five years, then the abatement is reduced by 15% per year beginning in year six, until full taxation applies in the tenth year. At the end of FY24, one such abatement was granted, and due to its material nature, is listed in detail below.

For the most recent fiscal year, abatements from this set of 10 year programs totaled \$2,690,864.

For the purposes of this GASB, the County believes that a threshold for separately identifying an entity receiving abatements should meet or exceed \$500,000. For totals less than this, reporting will be in aggregate for the programs presented.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2024

Note 19. Tax Abatement Activity, continued

Tax Abatement Recap		
General Taxes Abated:	FYE 6/30/2024	FYE 6/30/2023
County	\$ 1,041,305	\$ 1,123,555
Cities and towns	20,467	14,415
School District 2	1,357,121	1,522,442
School District 7	303,898	237,760
School District 26	4,023	22,762
School District 37	906	0
Other School Districts	0	0
Other	20,202	21,835
	<u>\$ 2,747,922</u>	<u>\$ 2,942,770</u>

Abatements Exceeding \$500,000 threshold for individual reporting:

Resolution #17-114

Phillips 66 Company granted 10 year abatement classification, resulting in 75% reduction in general taxes in Yrs 1-5	
2023 tax year abatement per the Montana Department of Revenue (all jurisdictions):	\$2,156,379

Note 20. Accounting Changes and Error Corrections

Per the new GASB 100 pronouncement, any accounting changes and error corrections must be reported, including when a component unit has been added or removed or changed presentation between blended and discretely presented. Other changes which must be reported are if a fund is added or removed, and any fund reclassification between major and non-major. As of the end of FY24, one fund has been created (fund number 7165) for the purposes of a court ordered interest bearing account for a District Court civil matter. No other changes or error corrections have been made.

Note 21. Subsequent Events

No material subsequent event has been identified by Management.

REQUIRED SUPPLEMENTARY INFORMATION

**YELLOWSTONE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDING JUNE 30, 2024
EMPLOYEE GROUP BENEFITS PLAN - OTHER POST EMPLOYMENT BENEFITS (OPEB)**

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years*										
Total OPEB liability	2024	2023	2022	2021	2020	2019	2018			
Service cost	\$ 264,909	\$ 255,951	\$ 322,248	\$ 311,351	\$ 276,654	\$ 268,596	\$ 346,974			
Interest	104,225	83,540	78,726	129,346	119,109	146,971	138,708			
Plan changes	0	0	0	0	0	0	0			
Differences between expected and actual experience	0	(251,155)	0	(263,657)	0	(1,196,409)	0			
Assumption changes	0	(707,118)	0	(456,119)	0	(6,328)	0			
Benefit payments	(119,523)	(137,273)	(130,976)	(162,699)	(113,700)	(166,742)	(161,881)			
Net change in total OPEB liability	\$ 249,611	\$ (756,055)	\$ 269,998	\$ (441,778)	\$ 282,063	\$ (953,912)	\$ 323,801	\$ 0	\$ 0	\$ 0
Total OPEB liability - beginning	2,537,060	3,293,115	3,023,117	3,464,895	3,182,832	4,136,744	3,812,943			
Total OPEB liability - ending	\$ 2,786,671	\$ 2,537,060	\$ 3,293,115	\$ 3,023,117	\$ 3,464,895	\$ 3,182,832	\$ 4,136,744	\$ 0	\$ 0	\$ 0
Covered-employee payroll	\$ 24,886,776	\$ 24,045,194	\$ 23,161,321	\$ 22,378,088	\$21,694,604	\$21,062,722	\$20,377,371			
Total OPEB liability as a percentage of covered-employee payroll	11.20%	10.55%	14.22%	13.51%	15.97%	15.11%	20.30%	0.00%	0.00%	0.00%

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

Notes to Schedule:

Plan Changes: As of January 1, 2018 the County no longer offers health insurance to retirees who are eligible for Medicare. There were no other plan changes for fiscal year 2024.

Assumption Changes: The following assumption changes were made for the fiscal year 2024 reporting period:
The health care trend rates, mortality tables and salary increase rates were updated.

Method Changes: There were no method changes for fiscal year 2024.

YELLOWSTONE COUNTY
Public Employees Retirement Plan (PERS)
Notes to the Required Supplementary Information
For the Employer's Fiscal Year Ended June 30, 2024

Changes of Benefit Terms

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

2017:

Working Retiree Limitations – for PERS

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

Refunds

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

Lump-sum payouts

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

Disabled PERS Defined Contribution (DC) Members

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

YELLOWSTONE COUNTY
Public Employees Retirement Plan (PERS)
Notes to the Required Supplementary Information
For the Employer's Fiscal Year Ended June 30, 2024

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following actuarial assumptions and methods were used to determine contribution rates reported for fiscal year ending June 30, 2023, which were based on the results of the June 30, 2022 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.30%, net of pension plan investment and administrative expenses
*Includes inflation at	2.75%
Merit salary increases	0% to 4.80%
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age Normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Mortality	
• Active Participants	PUB-2010 General Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021.
• Disabled Retirees	PUB-2010 General Amount Weighted Disabled Retiree mortality table, projected to 2021, set forward one year for both males and females.
• Contingent Survivors	PUB-2010 General Amount Weighted Contingent Survivor Mortality projected to 2021 with ages set forward one year for males and females. Projected generationally using MP-2021.
• Healthy Retirees	PUB-2010 General Amount Weighted Healthy Retiree Mortality Table projected to 2021, with ages set forward one year and adjusted 104% for males and 103% for females. Projected generationally using MP-2021.

The actuarial assumptions and methods utilized in the June 30, 2022 valuation, were developed in the five-year experience study for the period ending 2021.

Public Employees Retirement Plan (PERS)
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
For the Last Ten Fiscal Years*

As of measurement date:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Reporting date:	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's Net Pension Liability (percentage)	0.9102%	0.8999%	0.8546%	0.9184%	0.9021%	0.8940%	1.1512%	1.1556%	1.1130%	1.1236%
Employer's Net Pension Liability (amount)	\$ 22,211,605	\$ 21,397,574	\$ 15,495,944	\$ 24,229,612	\$ 18,857,073	\$ 18,658,935	\$ 22,422,029	\$ 19,683,035	\$ 15,557,794	\$ 13,999,854
State's Net Pension Liability (amount)	\$ 6,141,430	\$ 6,392,110	\$ 4,567,121	\$ 7,632,276	\$ 6,136,187	\$ 6,245,182	\$ 298,536	\$ 240,504	\$ 191,101	\$ 170,960
Total	\$ 28,353,035	\$ 27,789,684	\$ 20,063,065	\$ 31,861,888	\$ 24,993,260	\$ 24,904,117	\$ 22,720,565	\$ 19,923,539	\$ 15,748,895	\$ 14,170,814

Employer's Covered Payroll ¹	\$ 16,921,288	\$ 15,806,945	\$ 15,078,524	\$ 15,409,416	\$ 14,884,817	\$ 14,713,099	\$ 14,281,064	\$ 13,841,480	\$ 12,988,499	\$ 12,820,399
Employer's proportionate share as a percentage of Covered Payroll	131.26%	135.37%	102.77%	157.24%	126.69%	126.82%	157.01%	142.20%	119.78%	111.22%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	73.93%	73.66%	79.91%	68.90%	73.85%	73.47%	73.75%	74.71%	78.40%	79.87%

*The amounts presented for each fiscal year were determined as of June 30, the measurement date.

¹ All employer adjustments made in fiscal year 2020 but are adjusting a payroll with a pay date in a prior fiscal year, are considered prior year adjustments and are removed from the covered payroll report before the actuary calculates the employers proportionate share.

Schedule of Contributions
For the Last Ten Fiscal Years*

As of reporting date:	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required DB Contributions	\$ 1,667,654	\$ 1,530,540	\$ 1,406,436	\$ 1,337,763	\$ 1,350,069	\$ 1,280,196	\$ 1,245,279	\$ 1,195,367	\$ 1,156,947	\$ 1,070,305
Plan Choice Rate Required Contributions	0	0	0	0	0	0	0	0	\$ 33,765	\$ 58,185
Contributions in Relation to the Contractually Required Contributions	\$ 1,667,654	\$ 1,530,540	\$ 1,406,436	\$ 1,337,763	\$ 1,350,069	\$ 1,280,196	\$ 1,245,279	\$ 1,195,367	\$ 1,190,712	\$ 1,128,490
Contribution Deficiency (Excess)	0	0	0	0	0	0	0	0	0	0
Employer's Covered Payroll ¹	\$ 18,386,474	\$ 16,921,288	\$ 15,806,945	\$ 15,078,524	\$ 15,409,416	\$ 14,884,817	\$ 14,713,099	\$ 14,281,064	\$ 13,841,480	\$ 12,988,499
Contributions as a percentage of Covered Payroll	9.07%	9.05%	8.90%	8.87%	8.76%	8.60%	8.46%	8.37%	8.60%	8.69%

*The amounts presented for each fiscal year were determined as of June 30, the measurement date.

¹ All employer adjustments made in fiscal year 2020 but are adjusting a payroll with a pay date in a prior fiscal year, are considered prior year adjustments and are removed from the covered payroll report before the actuary calculates the employers proportionate share.

YELLOWSTONE COUNTY
Sheriffs' Retirement System (SRS)
Notes to the Required Supplementary Information
For the Year ended June 30, 2024

Changes of Benefit Terms

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

2017:

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

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

Second Retirement Benefit – for SRS

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

YELLOWSTONE COUNTY
Sheriffs' Retirement System (SRS)
Notes to the Required Supplementary Information
For the Year ended June 30, 2024

Refund

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

Lump-sum payouts

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

2023:

Retirement eligibility

- Effective July 1, 2023, the retirement eligibility criteria in SRS for new hires first entering the system changes from 20 years of service at any age to age 50 and 20 years of service. This change had no impact on the TPL.

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following actuarial assumptions and methods were used to determine contribution rates reported for fiscal year ending June 30, 2023, which were based on the results of the June 30, 2022 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.30%, net of pension plan investment and administrative expenses
*Includes inflation at	2.75%
Merit salary increase	1% to 6.40%
Asset valuation method	Four-year smoothed market
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of pay, open
Mortality	
<ul style="list-style-type: none"> • Active Participants 	PUB-2010 Safety Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021.

YELLOWSTONE COUNTY
Sheriffs' Retirement System (SRS)
Notes to the Required Supplementary Information
For the Year ended June 30, 2024

<ul style="list-style-type: none"> • Healthy Retirees 	<p>PUB-2010 Safety Amount Weighted Healthy Retiree Mortality table projected to 2021, set forward one year and adjusted 105% for males and 100% for females. Projected generationally using MP-2021.</p>
<ul style="list-style-type: none"> • Disabled Retirees 	<p>PUB-2010 Safety Amount Weighted Disabled Retiree Mortality table, projected to 2021, set forward one year for males.</p>
<ul style="list-style-type: none"> • Contingent Survivor 	<p>PUB-2010 Safety Amount Weighted Contingent Survivor Mortality projected to 2021, set forward one year for males. Projected generationally using MP-2021.</p>

The actuarial assumptions and methods utilized in the June 30, 2022 valuation, were developed in the five-year experience study for the period ending 2021.

Sheriff's Retirement System (SRS)
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
For the Last Ten Fiscal Years*

As of measurement date:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Reporting date:	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's Net Pension Liability (percentage)	9.3292%	9.6373%	9.6375%	9.8856%	9.6310%	9.3066%	9.2678%	9.2763%	9.2021%	9.0219%
Employer's Net Pension Liability (amount)	\$ 13,713,241	\$ 13,195,768	\$ 7,019,944	\$ 12,049,206	\$ 8,032,017	\$ 6,995,916	\$ 7,052,513	\$ 16,296,484	\$8,870,691	\$3,754,635
Total	\$ 13,713,241	\$ 13,195,768	\$ 7,019,944	\$ 12,049,206	\$ 8,032,017	\$ 6,995,916	\$ 7,052,513	\$ 16,296,484	\$8,870,691	\$3,754,635

Employer's Covered Payroll ¹	\$ 9,557,891	\$ 9,288,469	\$ 8,758,757	\$ 8,393,682	\$ 7,731,711	\$ 7,220,726	\$ 6,934,156	\$ 6,548,480	\$6,261,595	\$5,834,683
Employer's proportionate share as a percentage of Covered Payroll	143.48%	142.07%	80.15%	143.55%	103.88%	96.89%	101.71%	248.86%	141.67%	64.35%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	77.09%	77.07%	86.94%	75.92%	81.89%	82.68%	81.30%	63.00%	75.40%	87.24%

*The amounts presented for each fiscal year were determined as of June 30, the measurement date.

¹ All employer adjustments made in fiscal year 2020 but are adjusting a payroll with a pay date in a prior fiscal year, are considered prior year adjustments and are removed from the covered payroll report before the actuary calculates the employers proportionate share.

Schedule of Contributions
For the Last Ten Fiscal Years*

As of reporting date:	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 1,375,270	\$ 1,257,806	\$ 1,224,268	\$ 1,146,568	\$ 1,104,738	\$ 1,018,240	\$ 964,733	\$ 701,390	\$ 678,720	\$ 635,168
Contributions in Relation to the Contractually Required Contributions	\$ 1,375,270	\$ 1,257,806	\$ 1,224,268	\$ 1,146,568	\$ 1,104,738	\$ 1,018,240	\$ 964,733	\$ 701,390	\$ 678,720	\$ 635,168
Contribution Deficiency (Excess)	0	0	0	0	0	0	0	0	0	0
Employer's Covered Payroll ¹	\$ 10,486,235	\$ 9,557,891	\$ 9,288,469	\$ 8,758,757	\$ 8,393,682	\$ 7,731,711	\$ 7,220,726	\$ 6,934,156	\$6,548,480	\$6,261,595
Contributions as a percentage of Covered Payroll	13.12%	13.16%	13.18%	13.09%	13.16%	13.17%	13.36%	10.11%	10.36%	10.14%

*The amounts presented for each fiscal year were determined as of June 30, the measurement date.

¹ All employer adjustments made in fiscal year 2020 but are adjusting a payroll with a pay date in a prior fiscal year, are considered prior year adjustments and are removed from the covered payroll report before the actuary calculates the employers proportionate share.

SUPPLEMENTARY INFORMATION

YELLOWSTONE COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MAJOR GOVERNMENTAL DEBT SERVICE AND CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	RSID Bond Fund				Capital Improvement Fund			
	BUDGET		Actual	Variance with Final Budget - Positive (Negative)	BUDGET		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final Revised			Original	Final Revised		
REVENUES:								
Special assessments	\$ 215,000	\$ 215,000	\$ 144,625	\$ (70,375)	\$ 0	\$ 0	\$ 0	\$ 0
Charges for services	0	0	0	0	30,000	30,000	28,523	(1,477)
Other	1,000	1,000	5,087	4,087	705,000	705,000	2,309,216	1,604,216
Total revenues	216,000	216,000	149,712	(66,288)	735,000	735,000	2,337,739	1,602,739
EXPENDITURES:								
Current:								
Capital outlay	0	0	0	0	9,646,025	11,146,025	3,973,514	7,172,511
Debt service:								
Principal	200,000	200,000	113,000	87,000	0	0	0	0
Interest	46,200	46,200	19,230	26,970	0	0	0	0
Total expenditures	246,200	246,200	132,230	113,970	9,646,025	11,146,025	3,973,514	7,172,511
Excess (deficiency) of revenues over (under) expenditures	(30,200)	(30,200)	17,482	47,682	(8,911,025)	(10,411,025)	(1,635,775)	8,775,250
OTHER FINANCING SOURCES (USES):								
Interfund transfers in	0	0	(39,746)	(39,746)	6,250,000	6,250,000	8,875,000	2,625,000
Total other financing sources (uses)	0	0	(39,746)	(39,746)	6,250,000	6,250,000	8,875,000	2,625,000
Net change in fund balances	\$ (30,200)	\$ (30,200)	(22,264)	\$ 7,936	\$ (2,661,025)	\$ (4,161,025)	7,239,225	\$ 11,400,250
Fund balance July 1, 2023			226,429				42,105,994	
Fund balance June 30, 2024			\$ 204,165				\$49,345,219	

**YELLOWSTONE COUNTY, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024**

				Total Nonmajor
	Special Revenue	Debt Service	Capital Projects	Governmental Funds
<u>ASSETS</u>				
Cash and demand investments, pooled	\$ 9,073,731	\$ 25,510	\$ 0	\$ 9,099,241
Cash investments, pooled	11,058,379	31,291	0	11,089,670
Receivables (net of allowance for uncollectibles):				
Property taxes	435,274	0	0	435,274
Accounts	470,440	0	0	470,440
Delinquent assessments	25,064	0	0	25,064
Accrued interest	40,044	0	0	40,044
Prepaid expenses	3,893	0	0	3,893
Inventories	85,640	0	0	85,640
Total assets	\$ 21,192,465	\$ 56,801	\$ 0	\$ 21,249,266
<u>LIABILITIES:</u>				
Accounts payable	\$ 1,130,289	\$ 0	\$ 0	\$ 1,130,289
Accrued liabilities	542,156	0	0	542,156
Due to other funds	58,360	0	0	58,360
Due to other taxing districts	406,611	0	0	406,611
Total liabilities	2,137,416	0	0	2,137,416
<u>DEFERRED INFLOW OF RESOURCES:</u>				
Uncollected tax revenue	460,338	0	0	460,338
Total deferred inflow of resources	460,338	0	0	460,338
<u>FUND BALANCES:</u>				
Nonspendable	89,533	0	0	89,533
Restricted	9,865,869	56,801	0	9,922,670
Committed	5,014,842	0	0	5,014,842
Assigned	3,624,467	0	0	3,624,467
Total fund balances	18,594,711	56,801	0	18,651,512
Total liabilities, deferred inflows and fund balances	\$ 21,192,465	\$ 56,801	\$ 0	\$ 21,249,266

YELLOWSTONE COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Special Revenue		Debt Service		Capital Projects		Total Nonmajor Governmental Funds	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES:								
Taxes	\$22,192,971	\$22,012,082	\$ 0	\$ 0	\$ 0	\$ 0	\$22,192,971	\$ 22,012,082
Special assessments	1,500,050	1,413,729	0	0	40,000	45,646	1,540,050	1,459,375
Licenses and permits	950,000	950,000	0	0	0	0	950,000	950,000
Intergovernmental	5,182,638	4,111,614	0	0	0	0	5,182,638	4,111,614
Fines and forfeitures	42,000	22,143	0	0	0	0	42,000	22,143
Charges for services	2,065,893	1,904,161	0	0	0	0	2,065,893	1,904,161
Other	477,876	522,038	0	0	0	0	477,876	522,038
Total revenues	32,411,428	30,935,767	0	0	40,000	45,646	32,451,428	30,981,413
EXPENDITURES:								
Current:								
General government	186,000	54,545	0	0	0	0	186,000	54,545
Public safety	10,708,511	9,258,704	0	0	0	3,708	10,708,511	9,262,412
Public works	1,976,579	2,029,153	0	0	0	0	1,976,579	2,029,153
Public health	6,055,551	5,751,932	0	0	0	0	6,055,551	5,751,932
Social and economic services	2,341,272	2,262,592	0	0	0	0	2,341,272	2,262,592
Culture and recreation	2,525,238	2,274,407	0	0	0	0	2,525,238	2,274,407
Conservation of natural resources	132,820	132,820	0	0	0	0	132,820	132,820
Community development	500,000	11,861	0	0	0	0	500,000	11,861
Debt service:								
Principal	61,073	62,983	500,000	500,000	0	0	561,073	562,983
Interest	19,656	20,999	176,426	176,425	0	0	196,082	197,424
Capital outlay:								
Public safety	312,900	83,296	0	0	0	0	312,900	83,296
Public works	5,488,551	2,210,640	0	0	145,000	108,912	5,633,551	2,319,552
Culture and recreation	215,525	28,764	0	0	0	0	215,525	28,764
Total expenditures	30,523,676	24,182,696	676,426	676,425	145,000	112,620	31,345,102	24,971,741
Excess (deficiency) of revenues over (under) expenditures	1,887,752	6,753,071	(676,426)	(676,425)	(105,000)	(66,974)	1,106,326	6,009,672
OTHER FINANCING SOURCES (USES):								
Interfund transfers in	895,790	855,814	676,426	676,426	30,000	27,228	1,602,216	1,559,468
Interfund transfers out	(5,683,654)	(5,703,124)	(305,000)	(302,716)	0	39,746	(5,988,654)	(5,966,094)
Long term debt proceeds	175,000	50,264	0	0	75,000	0	250,000	50,264
Total other financing sources (uses)	(4,612,864)	(4,797,046)	371,426	373,710	105,000	66,974	(4,136,438)	(4,356,362)
Net change in fund balances	\$ (2,725,112)	1,956,025	\$ (305,000)	(302,715)	\$ 0	0	\$ (3,030,112)	1,653,310
Fund balance July 1, 2023		16,638,686		359,516		0		16,998,202
Fund balance June 30, 2024		\$18,594,711		\$56,801		\$ 0		\$ 18,651,512

This Page Intentionally Left Blank

NONMAJOR GOVERNMENTAL AND INTERNAL SERVICE FUNDS

Nonmajor governmental funds include special revenue funds, debt service funds and capital projects funds that do not meet the financial requirements to be classified as a major fund.

Special revenue funds account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for particular purposes.

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 assessments bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

NONMAJOR SPECIAL REVENUE FUNDS

County Attorney Fund - Accounts for the prosecutorial and public administrator functions of the county attorney's office.

Bridge Fund - Accounts for the construction, maintenance, and improvements of all public County bridges.

Predatory Animal Control Fund - Accounts for a special tax on livestock in the County for the purpose of paying bounties on predatory animals killed in the county.

Weed Control Fund - Accounts for the control and management of noxious weeds.

Library Fund - Accounts for the collection of property taxes levied on rural residents. Proceeds are forwarded to the City of Billings for operation of the Billings Library.

Senior Citizens Fund - Accounts for the collection of property taxes used to promote, establish, and maintain recreational, educational, and other activities of the elderly.

County Extension Agent Fund - Accounts for extension work in agriculture and home economics within the County in cooperation with Montana State University and the U.S. Department of Agriculture.

Public Safety Mental Health Levy Fund - Accounts for the collection of voter approved property taxes used promote mental health services within the County.

Payment in Lieu of Taxes (PILT) Fund - Accounts for payments to the County in lieu of taxing federally owned lands.

Parks Fund - Accounts for the maintenance and operation of all County owned parks.

Museum Fund - Accounts for the County assisted maintenance and operation of four museums: the Yellowstone Art Museum, Western Heritage Center, Yellowstone County Museum, and the Huntley Project Museum.

Health Services Fund - Accounts for the collection of a levy designated for the operations of Riverstone Health Department, which operates programs designated for promoting public health. Funds collected by the levy are forwarded to the Riverstone Health Department.

Soil Conservation Fund - Accounts for a special assessment levied within the district for the conservation of soil resources and prevention of soil erosion.

Alcohol Rehabilitation Fund - Accounts for the distribution of alcohol taxes from the state to be used for the treatment, rehabilitation, and prevention of alcoholism.

Drug Forfeiture Fund - Accounts for the proceeds and disbursement of funds associated with property seized in connection with illegal activities involving controlled substances.

NONMAJOR SPECIAL REVENUE FUNDS, continued

Junk Vehicle Fund - Accounts for the state allocation of the motor vehicle disposal fee, which is used for the control, collection, recycling, and disposal of junk vehicles.

Youth Services Fund - Accounts for the secure detention of delinquent and troubled youths and a shelter care program for youths transitioning to other placement programs.

R.S.I.D. Maintenance Fund - Accounts for special assessments levied to finance improvements, repairs, or services which benefit the assessed properties.

Traffic Safety Fund - Accounts for state and federal grants and allocations that are required to benefit highway safety projects, such as DUI enforcement.

Permissive Medical Levy Fund - Accounts for taxes levied for funding costs related to the inflationary cost of the County's medical plan that are statutorily permitted.

Lockwood Pedestrian Safety Fund - Accounts for taxes levied for the purpose of enhancing pedestrian safety in Lockwood.

Lockwood TEDD Fund - Accounts for taxes levied for the purpose of infrastructure development in Lockwood.

NONMAJOR DEBT SERVICE FUNDS

R.S.I.D. Revolving Fund - Accounts for the accumulation of resources used to insure timely payment of R.S.I.D. debt and to provide short-term loans to the R.S.I.D. Maintenance Funds.

Limited Tax G.O. Bond Fund - Accounts for the debt service of two limited general obligation bond issues.

NONMAJOR CAPITAL PROJECTS FUNDS

RSID Construction Fund - Accounts for the financing proceeds and the construction expenditures on Rural Special Improvement Districts (RSID).

GO Construction Fund - Accounts for the financing proceeds and the construction expenditures on general governmental activities.

INTERNAL SERVICE FUNDS

Geographical Information System (GIS) Fund - Accounts for the monies used to develop and implement the County's property management data base system.

Health Insurance Fund - Accounts for the funding and costs associated with County employee health care. Charges to other County departments are made to cover these costs. Employees are required to pay the premiums for spouse or other dependent coverage. Claims are processed by a third-party administrator.

Technology Fund - Accounts for the operations of the technology system acquisitions and updates, which is charged back to County departments based on various user metrics.

YELLOWSTONE COUNTY, MONTANA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2024
(PAGE 1 OF 4)

Assets	County Attorney Fund	Bridge Fund	Predatory Animal Control Fund	Weed Control Fund	Library Fund	Senior Citizens Fund
Cash and demand investments, pooled	\$ 1,895,560	\$ 751,450	\$ 155	\$ 106,149	\$ 39,053	\$ 34,015
Cash investments, pooled	2,324,939	921,687	190	130,197	47,900	41,722
Receivables (net of allowance for uncollectibles):						
Property taxes	107,247	32,737	131	7,516	35,166	36,717
Accounts	82,655	77,695	0	9,422	0	0
Accrued interest	28	0	0	0	0	0
Prepaid expenses	3,893	0	0	0	0	0
Inventories	0	17,759	0	67,881	0	0
Total assets	\$ 4,414,322	\$ 1,801,328	\$ 476	\$ 321,165	\$ 122,119	\$ 112,454
 <u>Liabilities, Deferred Inflows and Fund Balances</u>						
LIABILITIES:						
Accounts payable	\$ 20,601	\$ 15,334	\$ 171	\$ 3,565	\$ 86,953	\$ 75,737
Accrued liabilities	334,206	0	0	29,084	0	0
Total liabilities	354,807	15,334	171	32,649	86,953	75,737
 <u>Deferred Inflow of Resources</u>						
Uncollected tax revenue	107,247	32,737	131	7,516	35,166	36,717
Total deferred inflow of resources	107,247	32,737	131	7,516	35,166	36,717
 FUND BALANCES:						
Nonspendable	3,893	17,759	0	67,881	0	0
Restricted	0	0	174	0	0	0
Committed	2,501,771	810,073	0	164,048	0	0
Assigned	1,446,604	925,425	0	49,071	0	0
Total fund balances	3,952,268	1,753,257	174	281,000	0	0
Total liabilities, deferred inflows and fund balances	\$ 4,414,322	\$ 1,801,328	\$ 476	\$ 321,165	\$ 122,119	\$ 112,454

**YELLOWSTONE COUNTY, MONTANA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2024
(PAGE 2 OF 4)**

	County Extension Agent Fund	Public Safety Mental Health Levy Fund	PILT Fund	Parks Fund	Museum Fund	Health Services Fund
<u>Assets</u>						
Cash and demand investments, pooled	\$ 99,588	\$ 332,323	\$ 381,587	\$ 214,380	\$ 222,180	\$ 193,842
Cash investments, pooled	122,149	407,610	468,034	262,946	272,514	236,037
Receivables (net of allowance for uncollectibles):						
Property taxes	6,856	28,666	0	0	16,997	63,669
Accounts	2,000	0	0	0	0	0
Accrued interest	0	0	0	0	0	970
Total assets	\$ 230,593	\$ 768,599	\$ 849,621	\$ 477,326	\$ 511,691	\$ 494,518
<u>Liabilities, Deferred Inflows and Fund Balances</u>						
LIABILITIES:						
Accounts payable	\$ 4,000	\$ 571,500	\$ 0	\$ 1,611	\$ 417	\$ 26,020
Accrued liabilities	8,147	0	0	0	0	0
Due to other taxing districts	0	0	0	0	0	406,611
Total liabilities	12,147	571,500	0	1,611	417	432,631
<u>Deferred Inflow of Resources</u>						
Uncollected tax revenue	6,856	28,666	0	0	16,997	63,669
Total deferred inflow of resources	6,856	28,666	0	0	16,997	63,669
FUND BALANCES:						
Restricted	0	168,433	0	475,715	0	0
Committed	142,022	0	0	0	355,622	(1,782)
Assigned	69,568	0	849,621	0	138,655	0
Total fund balances	211,590	168,433	849,621	475,715	494,277	(1,782)
Total liabilities, deferred inflows and fund balances	\$ 230,593	\$ 768,599	\$ 849,621	\$ 477,326	\$ 511,691	\$ 494,518

YELLOWSTONE COUNTY, MONTANA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2024
(PAGE 3 OF 4)

	Soil Conservation Fund	Alcohol Rehabilitation Fund	Drug Forfeiture Fund	Junk Vehicle Fund	Youth Services Fund	R.S.I.D. Maintenance Fund
<u>Assets</u>						
Cash and demand investments, pooled	\$ 1,838	\$ 50,334	\$ 135,233	\$ 38,836	\$ 564,627	\$ 3,540,366
Cash investments, pooled	2,254	61,738	163,584	47,634	692,540	4,282,181
Receivables (net of allowance for uncollectibles):						
Property taxes	1,268	0	0	0	0	0
Accounts	0	128,712	20,229	0	128,740	0
Delinquent assessments	0	0	0	0	0	25,064
Accrued interest	0	0	1,289	0	0	33,992
Total assets	\$ 5,360	\$ 240,784	\$ 320,335	\$ 86,470	\$ 1,385,907	\$ 7,881,603
<u>Liabilities, Deferred Inflows and Fund Balances</u>						
LIABILITIES:						
Accounts payable	\$ 4,092	\$ 240,784	\$ 0	\$ 665	\$ 38,225	\$ 24,935
Accrued liabilities	0	0	0	5,899	159,071	5,749
Due to other funds	0	0	0	0	0	58,360
Total liabilities	4,092	240,784	0	6,564	197,296	89,044
<u>Deferred Inflow of Resources</u>						
Uncollected tax revenue	1,268	0	0	0	0	25,064
Total deferred inflow of resources	1,268	0	0	0	0	25,064
FUND BALANCES:						
Restricted	0	0	320,335	79,906	0	7,767,495
Committed	0	0	0	0	1,043,088	0
Assigned	0	0	0	0	145,523	0
Total fund balances	0	0	320,335	79,906	1,188,611	7,767,495
Total liabilities, deferred inflows and fund balances	\$ 5,360	\$ 240,784	\$ 320,335	\$ 86,470	\$ 1,385,907	\$ 7,881,603

YELLOWSTONE COUNTY, MONTANA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2024
(PAGE 4 OF 4)

<u>Assets</u>	Traffic Safety Fund	Permissive Medical Levy Fund	Lockwood TEDD Fund	Lockwood Pedestrian Safety	Total
Cash and demand investments, pooled	\$ 15,667	\$ 0	\$ 300,905	\$ 155,643	\$ 9,073,731
Cash investments, pooled	18,938	0	365,516	188,069	11,058,379
Receivables (net of allowance for uncollectibles):					
Property taxes	0	91,971	563	5,770	435,274
Accounts	16,286	0	0	4,701	470,440
Delinquent assessments	0	0	0	0	25,064
Accrued interest	158	0	2,007	1,600	40,044
Prepaid expenses	0	0	0	0	3,893
Inventories	0	0	0	0	85,640
Total assets	\$ 51,049	\$ 91,971	\$ 668,991	\$ 355,783	\$ 21,192,465

Liabilities, Deferred Inflows and Fund Balances

LIABILITIES:

Accounts payable	\$ 12,353	\$ 0	\$ 0	\$ 3,326	\$ 1,130,289
Accrued liabilities	0	0	0	0	542,156
Due to other funds	0	0	0	0	58,360
Due to other taxing districts	0	0	0	0	406,611
Total liabilities	12,353	0	0	3,326	2,137,416

Deferred Inflow of Resources

Uncollected tax revenue	0	91,971	563	5,770	460,338
Total deferred inflow of resources	0	91,971	563	5,770	460,338

FUND BALANCES:

Nonspendable	0	0	0	0	89,533
Restricted	38,696	0	668,428	346,687	9,865,869
Committed	0	0	0	0	5,014,842
Assigned	0	0	0	0	3,624,467
Total fund balances	38,696	0	668,428	346,687	18,594,711

Total liabilities, deferred inflows and fund balances	\$ 51,049	\$ 91,971	\$ 668,991	\$ 355,783	\$ 21,192,465
--	------------------	------------------	-------------------	-------------------	----------------------

YELLOWSTONE COUNTY, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(PAGE 1 OF 5)

	<u>County Attorney</u>		<u>Bridge Fund</u>		<u>Predatory Animal Control Fund</u>		<u>Weed Control Fund</u>		<u>Library Fund</u>	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES:										
Taxes	\$ 5,478,579	\$ 5,495,662	\$ 1,711,473	\$ 1,708,669	\$ 216	\$ 408	\$ 383,485	\$ 384,361	\$ 1,232,508	\$ 1,239,140
Special assessments	0	0	0	0	50	32	0	0	0	0
Intergovernmental	391,903	519,184	1,618,315	1,623,749	0	0	219,975	198,394	166,890	170,793
Charges for services	65,400	77,125	0	0	0	0	48,000	62,615	0	0
Other	1,000	2,741	0	0	0	0	1,500	1,340	0	0
Total revenues	5,936,882	6,094,712	3,329,788	3,332,418	266	440	652,960	646,710	1,399,398	1,409,933
EXPENDITURES:										
Current:										
Public safety	7,077,855	5,906,265	0	0	0	0	0	0	0	0
Public works	0	0	867,625	520,825	0	0	705,158	655,656	0	0
Social and economic services	0	0	0	0	447	447	0	0	0	0
Culture and recreation	0	0	0	0	0	0	0	0	1,424,398	1,409,933
Capital outlay:										
Public safety	266,400	56,386	0	0	0	0	0	0	0	0
Public works	0	0	2,269,220	1,900,259	0	0	16,000	0	0	0
Total expenditures	7,344,255	5,962,651	3,136,845	2,421,084	447	447	721,158	655,656	1,424,398	1,409,933
Excess (deficiency) of revenues over (under) expenditures	(1,407,373)	132,061	192,943	911,334	(181)	(7)	(68,198)	(8,946)	(25,000)	0
OTHER FINANCING SOURCES (USES):										
Interfund transfers in	368,880	336,285	0	0	0	0	32,720	32,455	0	0
Interfund transfers out	(143,894)	(143,894)	(750,000)	(750,000)	0	0	0	0	0	0
Total other financing sources (uses)	224,986	192,391	(750,000)	(750,000)	0	0	32,720	32,455	0	0
Net change in fund balances	\$ (1,182,387)	324,452	\$ (557,057)	161,334	\$ (181)	(7)	\$ (35,478)	23,509	\$ (25,000)	0
Fund balance July 1, 2023		3,627,816		1,591,923		181		257,491		0
Fund balance June 30, 2024		\$ 3,952,268		\$ 1,753,257		\$ 174		\$ 281,000		\$ 0

YELLOWSTONE COUNTY, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(PAGE 2 OF 5)

	<u>Senior Citizens Fund</u>		<u>County Extension Agent Fund</u>		<u>Public Safety Mental Health Levy</u>		<u>PILT Fund</u>		<u>Parks Fund</u>	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES:										
Taxes	\$ 1,891,894	\$ 1,878,564	\$ 348,860	\$ 349,076	\$ 1,464,790	\$ 1,468,815	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	34,472	39,315	10,396	11,372	42,133	46,597	225,000	259,401	125,000	0
Other	0	0	0	0	0	0	0	0	17,000	66,453
Total revenues	1,926,366	1,917,879	359,256	360,448	1,506,923	1,515,412	225,000	259,401	142,000	66,453
EXPENDITURES:										
Current:										
General government	0	0	0	0	0	0	186,000	54,545	0	0
Public health	0	0	0	0	1,926,000	1,909,876	0	0	0	0
Social and economic services	1,926,366	1,917,879	414,459	344,266	0	0	0	0	0	0
Culture and recreation	0	0	0	0	0	0	0	0	187,695	48,691
Capital outlay:										
Culture and recreation	0	0	0	0	0	0	0	0	143,525	28,764
Total expenditures	1,926,366	1,917,879	414,459	344,266	1,926,000	1,909,876	186,000	54,545	331,220	77,455
Excess (deficiency) of revenues over (under) expenditures	0	0	(55,203)	16,182	(419,077)	(394,464)	39,000	204,856	(189,220)	(11,002)
OTHER FINANCING SOURCES (USES):										
Interfund transfers in	0	0	11,130	11,123	0	0	0	0	200,000	200,000
Interfund transfers out	0	0	0	0	0	0	(20,000)	(20,000)	0	0
Total other financing sources (uses)	0	0	11,130	11,123	0	0	(20,000)	(20,000)	200,000	200,000
Net change in fund balances	\$ 0	0	\$ (44,073)	27,305	\$ (419,077)	(394,464)	\$ 19,000	184,856	\$ 10,780	188,998
Fund balance July 1, 2023		0		184,285		562,897		664,765		286,717
Fund balance June 30, 2024		\$ 0		\$ 211,590		\$ 168,433		\$ 849,621		\$ 475,715

YELLOWSTONE COUNTY, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(PAGE 3 OF 5)

	<u>Museum Fund</u>		<u>Health Services Fund</u>		<u>Soil Conservation Fund</u>		<u>Alcohol Rehabilitation Fund</u>		<u>Drug Forfeiture Fund</u>	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES:										
Taxes	\$ 869,947	\$ 872,350	\$ 3,287,625	\$ 3,267,879	\$ 128,990	\$ 128,990	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	13,132	15,778	91,926	101,857	3,830	3,830	600,000	464,922	50,000	60,001
Fines and forfeitures	0	0	0	0	0	0	0	0	42,000	22,143
Other	0	0	11,000	17,553	0	0	0	0	4,000	14,078
Total revenues	883,079	888,128	3,390,551	3,387,289	132,820	132,820	600,000	464,922	96,000	96,222
EXPENDITURES:										
Current:										
Public safety	0	0	0	0	0	0	0	0	69,000	15,305
Public health	0	0	3,390,551	3,377,134	0	0	600,000	464,922	0	0
Culture and recreation	913,145	815,783	0	0	0	0	0	0	0	0
Conservation of natural resources	0	0	0	0	132,820	132,820	0	0	0	0
Capital outlay:										
Public safety	0	0	0	0	0	0	0	0	32,500	23,298
Culture and recreation	72,000	0	0	0	0	0	0	0	0	0
Total expenditures	985,145	815,783	3,390,551	3,377,134	132,820	132,820	600,000	464,922	101,500	38,603
Excess (deficiency) of revenues over (under) expenditures	(102,066)	72,345	0	10,155	0	0	0	0	(5,500)	57,619
OTHER FINANCING SOURCES (USES):										
Interfund transfers out	0	0	0	0	0	0	0	0	(9,000)	(9,000)
Total other financing sources (uses)	0	0	0	0	0	0	0	0	(9,000)	(9,000)
Net change in fund balances	\$ (102,066)	72,345	\$ 0	10,155	\$ 0	0	\$ 0	0	\$ (14,500)	48,619
Fund balance July 1, 2023		421,932		(11,937)		0		0		271,716
Fund balance June 30, 2024		\$ 494,277		\$ (1,782)		\$ 0		\$ 0		\$ 320,335

YELLOWSTONE COUNTY, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(PAGE 4 OF 5)

	<u>Junk Vehicle Fund</u>		<u>Youth Services Fund</u>		<u>R.S.I.D. Maintenance Fund</u>		<u>Traffic Safety Fund</u>	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES:								
Special assessments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,500,000	\$ 1,413,697	\$ 0	\$ 0
Licenses and permits	0	0	950,000	950,000	0	0	0	0
Intergovernmental	200,000	188,787	197,116	206,632	0	0	62,500	58,900
Charges for services	0	0	1,952,493	1,764,421	0	0	0	0
Other	0	0	1,000	620	110,000	375,515	162,688	2,406
Total revenues	200,000	188,787	3,100,609	2,921,673	1,610,000	1,789,212	225,188	61,306
EXPENDITURES:								
Current:								
Public safety	0	0	3,469,356	3,263,785	0	0	92,300	73,349
Public works	221,796	186,727	0	0	0	575,708	0	0
Debt service:								
Interest	0	0	0	0	0	2,772	0	0
Capital outlay:								
Public safety	0	0	14,000	3,612	0	0	0	0
Public works	38,500	30,541	0	0	1,500,000	(44,727)	0	0
Total expenditures	260,296	217,268	3,483,356	3,267,397	1,500,000	533,753	92,300	73,349
Excess (deficiency) of revenues over (under) expenditures	(60,296)	(28,481)	(382,747)	(345,724)	110,000	1,255,459	132,888	(12,043)
OTHER FINANCING SOURCES (USES):								
Interfund transfers in	0	0	283,060	256,427	0	19,524	0	0
Interfund transfers out	0	0	0	0	0	(19,524)	0	0
Total other financing sources (uses)	0	0	283,060	256,427	0	0	0	0
Net change in fund balances	\$ (60,296)	(28,481)	\$ (99,687)	(89,297)	\$ 110,000	1,255,459	\$ 132,888	(12,043)
Fund balance July 1, 2023		108,387		1,277,908		6,512,036		50,739
Fund balance June 30, 2024	\$ 79,906		\$ 1,188,611		\$ 7,767,495		\$ 38,696	

YELLOWSTONE COUNTY, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(PAGE 5 OF 5)

	Permissive Medical Levy Fund		Lockwood TEDD		Lockwood Pedestrian Safety		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES:								
Taxes	\$ 4,813,853	\$ 4,662,024	\$ 276,647	\$ 258,107	\$ 304,104	\$ 298,037	\$ 22,192,971	\$ 22,012,082
Special assessments	0	0	0	0	0	0	1,500,050	1,413,729
Licenses and permits	0	0	0	0	0	0	950,000	950,000
Intergovernmental	85,907	98,682	0	37,539	1,044,143	5,881	5,182,638	4,111,614
Fines and forfeitures	0	0	0	0	0	0	42,000	22,143
Charges for services	0	0	0	0	0	0	2,065,893	1,904,161
Other	0	0	0	19,688	169,688	21,644	477,876	522,038
Total revenues	4,899,760	4,760,706	276,647	315,334	1,517,935	325,562	32,411,428	30,935,767
EXPENDITURES:								
Current:								
General government	0	0	0	0	0	0	186,000	54,545
Public safety	0	0	0	0	0	0	10,708,511	9,258,704
Public works	0	0	0	0	182,000	90,237	1,976,579	2,029,153
Public health	139,000	0	0	0	0	0	6,055,551	5,751,932
Social and economic services	0	0	0	0	0	0	2,341,272	2,262,592
Culture and recreation	0	0	0	0	0	0	2,525,238	2,274,407
Conservation of natural resources	0	0	0	0	0	0	132,820	132,820
Community development	0	0	500,000	11,861			500,000	11,861
Debt service:			0					
Principal	0	0	0	0	61,073	62,983	61,073	62,983
Interest	0	0	0	0	19,656	18,227	19,656	20,999
Capital outlay:			0					
Public safety	0	0	0	0	0	0	312,900	83,296
Public works	0	0	0	0	1,664,831	324,567	5,488,551	2,210,640
Culture and recreation	0	0	0	0	0	0	215,525	28,764
Total expenditures	139,000	0	500,000	11,861	1,927,560	496,014	30,523,676	24,182,696
Excess (deficiency) of revenues over (under) expenditures	4,760,760	4,760,706	(223,353)	303,473	(409,625)	(170,452)	1,887,752	6,753,071
OTHER FINANCING SOURCES (USES):								
Interfund transfers in	0	0	0	0	0	0	895,790	855,814
Interfund transfers out	(4,760,760)	(4,760,706)	0	0	0	0	(5,683,654)	(5,703,124)
Interfund loan proceeds	0	0	0	0	175,000	50,264	175,000	50,264
Total other financing sources (uses)	(4,760,760)	(4,760,706)	0	0	175,000	50,264	(4,612,864)	(4,797,046)
Net change in fund balances	\$ 0	0	\$ (223,353)	303,473	\$ (234,625)	(120,188)	\$ (2,725,112)	1,956,025
Fund balance July 1, 2023		0		364,955		466,875		16,638,686
Fund balance June 30, 2024		\$ 0		\$ 668,428		\$ 346,687		\$ 18,594,711

**YELLOWSTONE COUNTY, MONTANA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2024**

	R.S.I.D. Revolving Fund	Limited Tax G.O. Bond Fund	Total
<u>Assets</u>			
Cash and demand investments, pooled	\$ 25,510	\$ 0	\$ 25,510
Cash investments, pooled	31,290	1	31,291
Receivables (net of allowance for uncollectibles):			
Due from other taxing districts	0	0	0
Total assets	\$ 56,800	\$ 1	\$ 56,801
 <u>Fund Balances</u>			
FUND BALANCES, Restricted	56,800	1	56,801
Total liabilities and fund balances	\$ 56,800	\$ 1	\$ 56,801

YELLOWSTONE COUNTY, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>R.S.I.D.</u> <u>Revolving Fund</u>		<u>Limited Tax G.O.</u> <u>Bond Fund</u>		<u>Total</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
REVENUES:						
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total revenues	0	0	0	0	0	0
EXPENDITURES:						
Debt service:						
Principal	0	0	500,000	500,000	500,000	500,000
Interest	0	0	176,426	176,425	176,426	176,425
Total expenditures	0	0	676,426	676,425	676,426	676,425
Excess (deficiency) of revenues						
over (under) expenditures	0	0	(676,426)	(676,425)	(676,426)	(676,425)
OTHER FINANCING SOURCES (USES):						
Interfund transfers in	0	0	676,426	676,426	676,426	676,426
Interfund transfers out	(305,000)	(302,716)	0	0	(305,000)	(302,716)
Total other financing sources (uses)	(305,000)	(302,716)	676,426	676,426	371,426	373,710
Net change in fund balances	\$ (305,000)	(302,716)	\$ 0	1	\$ (305,000)	(302,715)
Fund balance July 1, 2023		359,516		0		359,516
Fund balance June 30, 2024		\$ 56,800		\$ 1		\$ 56,801

**YELLOWSTONE COUNTY, MONTANA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2024**

	RSID		
	Construction	GO Construction	
<u>Assets</u>	Fund	Fund	Total
Cash and demand investments, pooled	\$ 0	\$ 0	\$ 0
Cash investments, pooled	0	0	0
Receivables (net of allowance for uncollectibles):			
Accounts	0	0	0
Accrued interest	0	0	0
Prepaid expenses	0	0	0
Advances to other funds	0	0	0
Total assets	\$ 0	\$ 0	\$ 0
<u>Liabilities and Fund Balances</u>			
LIABILITIES:			
Accounts payable	\$ 0	\$ 0	\$ 0
Accrued liabilities	0	0	0
Total liabilities	0	0	0
FUND BALANCES:			
Reserved for advances	0		0
Reserved for capital improvements	0	0	0
Total fund balances	0	0	0
Total liabilities and fund balances	\$ 0	\$ 0	\$ 0

YELLOWSTONE COUNTY, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>RSID Construction Fund</u>		<u>GO Construction Fund</u>		<u>Total</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
REVENUES:						
Special assessments	\$ 40,000	\$ 45,646	\$ 0	\$ 0	\$ 40,000	\$ 45,646
Total revenues	40,000	45,646	0	0	40,000	45,646
EXPENDITURES:						
Current:						
Public works	0	3,708	0	0	0	3,708
Capital outlay:						
Public works	145,000	108,912	0	0	145,000	108,912
Total expenditures	145,000	112,620	0	0	145,000	112,620
Excess (deficiency) of revenues over (under) expenditures	(105,000)	(66,974)	0	0	(105,000)	(66,974)
OTHER FINANCING SOURCES (USES):						
Interfund transfers in	30,000	27,228	0	0	30,000	27,228
Interfund transfers out	0	39,746	0	0	0	39,746
Special assessment loan proceeds	75,000	0	0	0	75,000	0
Total other financing sources (uses)	105,000	66,974	0	0	105,000	66,974
Net change in fund balances	\$ 0	0	\$ 0	0	\$ 0	0
Fund balance July 1, 2023		0		0		0
Fund balance June 30, 2024	\$ 0		\$ 0		\$ 0	

**YELLOWSTONE COUNTY, MONTANA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024**

	Health Insurance Fund	GIS Fund	Technology Fund	Total
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash and demand investments, pooled	\$ 7,078,753	\$ 132,610	\$ 334,229	\$ 7,545,592
Cash investments, pooled	8,552,410	162,652	409,946	9,125,008
Receivables (net of allowance for uncollectibles):				
Accounts	159,649	2,000	1,363	163,012
Accrued interest	73,360	0	0	73,360
Prepaid expense	26,115	63,659	21,066	110,840
Total current assets	15,890,287	360,921	766,604	17,017,812
NONCURRENT ASSETS:				
Capital Assets:				
Equipment and vehicles	0	0	1,019,216	1,019,216
Accumulated depreciation	0	0	(604,886)	(604,886)
Total property and equipment (net)	0	0	414,330	414,330
Total assets	\$ 15,890,287	\$ 360,921	\$ 1,180,934	\$ 17,432,142
<u>LIABILITIES</u>				
CURRENT LIABILITIES:				
Accounts payable	\$ 0	\$ 116	\$ 94,183	\$ 94,299
Accrued liabilities	900,000	14,580	3,545	918,125
Accrued compensated absences	0	4,822	1,246	6,068
Total current liabilities	900,000	19,518	98,974	1,018,492
NONCURRENT LIABILITIES:				
Accrued compensated absences	0	14,467	3,738	18,205
<u>NET POSITION</u>				
Investment in capital assets, net of related debt	0	0	414,330	414,330
Unrestricted	14,990,287	326,936	663,892	15,981,115
Total net position	14,990,287	326,936	1,078,222	16,395,445
Total liabilities and net position	\$ 15,890,287	\$ 360,921	\$ 1,180,934	\$ 17,432,142

YELLOWSTONE COUNTY, MONTANA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Health Insurance Fund	GIS Fund	Technology Fund	Total
OPERATING REVENUES:				
Charges for services	\$ 0	\$ 127,981	\$ 993,652	\$ 1,121,633
Health insurance premiums	7,924,434	0	0	7,924,434
Total operating revenues	7,924,434	127,981	993,652	9,046,067
OPERATING EXPENSES:				
Salaries and benefits	0	353,580	96,640	450,220
Supplies	0	7,094	75,399	82,493
Subscriptions	0	0	4,240	4,240
Contracted services	94,938	114,645	769,027	978,610
Health claims	10,319,638	0	0	10,319,638
Stop-loss insurance and administration	245,478	0	0	245,478
Depreciation	0	0	155,967	155,967
Total operating expenses	10,660,054	475,319	1,101,273	12,236,646
Operating income (loss)	(2,735,620)	(347,338)	(107,621)	(3,190,579)
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	835,246	0	0	835,246
Other income	0	0	33	33
Total nonoperating revenues (expenses)	835,246	0	33	835,279
Income (loss)	(1,900,374)	(347,338)	(107,588)	(2,355,300)
Interfund transfers in	2,176,393	200,858	0	2,377,251
Change in net position	276,019	(146,480)	(107,588)	21,951
Net position July 1, 2023	14,714,268	473,416	1,185,810	16,373,494
Net position June 30, 2024	\$ 14,990,287	\$ 326,936	\$ 1,078,222	\$ 16,395,445

**YELLOWSTONE COUNTY, MONTANA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Health Insurance Fund	GIS Fund	Technology Fund	Totals
Cash flows from operating activities:				
Cash received from users	\$ 0	\$ 125,981	\$ 992,289	\$ 1,118,270
Cash received from health insurance premiums	7,764,784	0	0	7,764,784
Cash paid to other suppliers for goods or services	(101,754)	(119,832)	(792,402)	(1,013,988)
Cash paid to employees for services	0	(351,502)	(94,416)	(445,918)
Cash paid for health claims	(10,023,748)	0	0	(10,023,748)
Cash paid for stop-loss insurance and administration	(245,478)	0	0	(245,478)
Net cash provided (used) by operating activities	(2,606,196)	(345,353)	105,471	(2,846,078)
Cash flows from noncapital financing activities:				
Cash received (paid) from (to) interfund transfer	2,176,393	200,858	0	2,377,251
Net cash provided (used) by noncapital financing activities	2,176,393	200,858	0	2,377,251
Cash flows from capital and related financing activities:				
Acquisition of capital assets	0	0	(186,847)	(186,847)
Net cash used for capital and related financing activities	0	0	(186,847)	(186,847)
Cash flows from investing activities:				
Deposits into cash investments	(1,855,231)	35,426	(38,115)	(1,857,920)
Interest received on investments	805,817	0	33	805,850
Net cash provided (used) by investing activities	(1,049,414)	35,426	(38,082)	(1,052,070)
Net increase (decrease) in cash and demand investments	(1,479,217)	(109,069)	(119,458)	(1,707,744)
Cash and demand investments, July 1, 2023	8,557,970	241,679	453,687	9,253,336
Cash and demand investments, June 30, 2024	\$ 7,078,753	\$ 132,610	\$ 334,229	\$ 7,545,592

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities

Operating income (loss)	\$ (2,735,620)	\$ (347,338)	\$ (107,621)	\$ (3,190,579)
Adjustments to reconcile net income (loss) to net cash from operating activities:				
Depreciation expense	0	0	155,967	155,967
(Increase) decrease in assets:				
Accounts receivable	(159,650)	(2,003)	(1,363)	(163,016)
Prepaid expenses	(6,816)	1,845	29,752	24,781
Increase (decrease) in liabilities:				
Accounts payable	0	62	41,891	41,953
Accrued liabilities	295,890	2,081	(13,155)	284,816
Total adjustments	129,424	1,985	213,092	344,501
Net cash provided (used) by operating activities	\$ (2,606,196)	\$ (345,353)	\$ 105,471	\$ (2,846,078)

III. STATISTICAL SECTION (Unaudited)

(UNAUDITED)
Schedule 1
Yellowstone County, Montana
Net Position by Component
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal year ended June 30,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Governmental activities					
Net investment in capital assets	\$ 110,047,259	\$ 97,142,050	\$ 89,109,370	\$ 78,886,611	\$ 76,643,959
Net restricted for debt service	15,720,648	14,710,793	14,158,671	14,776,851	13,098,422
Net unrestricted	67,915,656	57,673,503	48,699,599	43,671,563	32,845,680
Total governmental activities net position	\$ 193,683,563	\$ 169,526,346	\$ 151,967,640	\$ 137,335,025	\$ 122,588,061
Business-type activities					
Net investment in capital assets	\$ 33,952,206	\$ 34,821,868	\$ 35,657,191	\$ 36,320,180	\$ 35,059,319
Net unrestricted	8,962,955	7,045,995	4,922,903	2,940,182	4,862,717
Total business-type activities net position	\$ 42,915,161	\$ 41,867,863	\$ 40,580,094	\$ 39,260,362	\$ 39,922,036
Primary government					
Net investment in capital assets	\$ 143,999,465	\$ 131,900,765	\$ 124,766,561	\$ 115,206,791	\$ 111,703,278
Net restricted for debt service	15,720,648	14,710,793	14,158,671	14,776,851	13,098,422
Net unrestricted	76,878,611	64,782,651	53,622,502	46,611,745	37,708,397
Total primary government activities net position	\$ 236,598,724	\$ 211,394,209	\$ 192,547,734	\$ 176,595,387	\$ 162,510,097

(UNAUDITED)
Schedule 2
Yellowstone County, Montana
Changes in Net Position
Last Five Fiscal Years
Page 1 of 2
(accrual basis of accounting)

	Fiscal year ended June 30,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenses					
<u>Governmental activities:</u>					
General government	\$ 22,774,067	\$ 20,897,630	\$ 15,748,117	\$ 17,629,771	\$ 16,981,905
Public Safety	41,156,842	37,711,034	32,972,140	30,488,998	30,221,270
Public Works	12,627,028	12,239,269	10,456,047	11,437,434	10,228,428
Public Health	6,953,873	6,982,812	7,011,401	9,114,966	6,699,328
Social and Economic	3,281,656	3,264,265	3,219,821	3,380,496	2,718,196
Culture and Recreation	2,314,510	2,157,236	2,060,354	1,960,788	1,856,550
Community Development	709,855	646,789	645,558	660,431	586,444
Conservation of Natural Resources	159,840	153,415	152,333	117,935	134,755
Interest on Long-Term Debt	207,944	218,657	239,255	286,079	315,546
<u>Total governmental activities expenses</u>	<u>90,185,615</u>	<u>84,271,107</u>	<u>72,505,026</u>	<u>75,076,898</u>	<u>69,742,422</u>
<u>Business-type activities:</u>					
Solid Waste Disposal	362,670	323,814	300,808	276,167	234,650
METRA	10,601,391	9,227,111	9,250,213	7,022,223	8,462,829
<u>Total business-type activities expenses</u>	<u>10,964,061</u>	<u>9,550,925</u>	<u>9,551,021</u>	<u>7,298,390</u>	<u>8,697,479</u>
<u>Total primary government activities expenses</u>	<u>\$ 101,149,676</u>	<u>\$ 93,822,032</u>	<u>\$ 82,056,047</u>	<u>\$ 82,375,288</u>	<u>\$ 78,439,900</u>
Program Revenues					
<u>Governmental activities:</u>					
<u>Special Assessments</u>					
Public Works	\$ 1,528,034	\$ 1,338,666	\$ 1,277,245	\$ 1,411,084	\$ 1,297,245
<u>Licenses and permits</u>					
Public Safety	32,577	28,049	23,688	23,295	24,913
Public Works	53,592	30,008	49,290	38,027	18,234
<u>Intergovernmental</u>					
General government	80,680	77,528	77,467	72,367	72,311
Public Safety	540,402	465,089	421,760	372,458	403,712
Public Works	847,545	1,086,928	948,274	1,057,816	848,824
Social and Economic	464,922	652,245	316,431	959,113	271,918
<u>Fines and forfeitures</u>					
General government	553,122	519,461	504,641	567,221	589,900
Public Safety	26,683	50,589	23,283	36,441	32,111
<u>Charges for services</u>					
General government	5,149,971	5,212,672	5,825,674	6,919,873	5,536,262
Public Safety	7,298,190	6,730,849	6,292,414	7,793,490	6,499,943
Public Works	259,678	225,793	238,198	298,913	287,083
<u>Operating grants and contributions</u>					
General government	76,600	162,250	0	66,861	13,600
Public Safety	1,654,742	1,528,405	933,726	845,897	1,400,750
Public Works	1,771,695	92,451	37,485	67,251	96,458
Public Health	9,243,521	8,653,911	2,748,756	5,195,166	2,216,670
Culture and Recreation	0	0	0	0	8,038
Community Development	500,000	0	6,500	0	125,000

(UNAUDITED)
Schedule 2
Yellowstone County, Montana
Changes in Net Position
Last Five Fiscal Years
Page 2 of 2
(accrual basis of accounting)

	Fiscal year ended June 30,				
	2024	2023	2022	2021	2020
<u>Capital grants and contributions</u>					
General government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public Works	0	0	0	0	0
Total governmental activities program revenues	\$ 30,081,954	\$ 26,854,894	\$ 19,724,832	\$ 25,725,273	\$ 19,742,972
<u>Business-type activities:</u>					
<u>Special Assessments</u>					
Solid Waste Disposal	419,561	420,493	415,081	329,564	317,952
<u>Charges for services</u>					
METRA	7,322,312	6,670,287	6,765,787	2,066,596	4,704,475
Total governmental activities program revenues	7,741,873	7,090,780	7,180,868	2,396,160	5,022,427
<u>Total primary government program revenues</u>	<u>\$ 37,823,827</u>	<u>\$ 33,945,674</u>	<u>\$ 26,905,700</u>	<u>\$ 28,121,433</u>	<u>\$ 24,765,399</u>
Net (Expense)/Revenue					
Governmental activities	\$ (60,103,661)	\$ (57,416,214)	\$ (52,780,194)	\$ (49,351,625)	\$ (49,999,449)
Business-type activities	(3,222,188)	(2,460,145)	(2,370,153)	(4,902,230)	(3,675,052)
Total primary government net expense	<u>\$ (63,325,849)</u>	<u>\$ (59,876,359)</u>	<u>\$ (55,150,347)</u>	<u>\$ (54,253,855)</u>	<u>\$ (53,674,501)</u>
General Revenues and Other Changes in Net Position					
Governmental activities					
Property taxes	62,363,062	57,713,303	55,465,017	52,222,906	51,059,181
Licenses and permits	7,086,236	6,875,009	6,671,236	6,361,225	5,776,222
Intergovernmental	5,060,739	4,684,756	4,496,803	4,282,397	4,154,052
Other revenues	8,813,038	5,020,196	190,401	1,844,259	2,421,100
Leases	433,438	501,479	417,899	0	0
Gain on disposal of assets	345,507	24,543	33,921	0	0
Transfers	158,858	155,633	137,532	(612,198)	131,236
Total governmental activities	84,260,878	74,974,919	67,412,809	64,098,589	63,541,791
Business-type activities					
Property taxes	3,976,290	3,675,725	3,532,904	3,355,304	3,268,066
Licenses and permits					
Intergovernmental	195,125	191,728	260,914	244,064	150,684
Other revenues	266,572	124,756	33,599	28,990	219,493
Transfers	(158,858)	(155,633)	(137,532)	612,198	(131,236)
Gain/Loss on disposal of Fixed Assets	(9,643)	(88,662)			
Total business-type activities	4,269,486	3,747,914	3,689,885	4,240,556	3,507,007
Total primary government	<u>\$ 88,530,364</u>	<u>\$ 78,722,833</u>	<u>\$ 71,102,694</u>	<u>\$ 68,339,145</u>	<u>\$ 67,048,798</u>
Change in Net Position					
Governmental activities	\$ 24,157,217	\$ 17,558,706	\$ 14,632,615	\$ 14,746,964	\$ 13,542,342
Business-type activities	1,047,298	1,287,769	1,319,732	(661,674)	(168,045)
Total primary government net expense	<u>\$ 25,204,515</u>	<u>\$ 18,846,475</u>	<u>\$ 15,952,347</u>	<u>\$ 14,085,290</u>	<u>\$ 13,374,297</u>

(UNAUDITED)
Schedule 3
Yellowstone County, Montana
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal year ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Major Governmental Funds										
<u>General Fund</u>										
Reserved	\$ 361,219	\$ 498,839	\$ 577,280	\$ 635,115	\$ 647,257	\$ 421,445	\$ 516,292	\$ 454,560	\$ 475,792	\$ 478,719
Unreserved	12,839,703	10,439,946	8,319,783	6,778,893	6,902,398	6,241,495	5,796,057	6,012,419	6,391,890	5,984,757
<u>Total general fund</u>	13,200,922	10,938,785	8,897,063	7,414,008	7,549,655	6,662,940	6,312,349	6,466,979	6,867,682	6,463,476
<u>Road Fund</u>										
Reserved	253,536	237,463	231,293	191,664	162,885	120,922	137,880	143,546	146,326	194,302
Unreserved	5,079,230	5,025,950	5,051,479	6,042,692	4,970,192	4,651,167	3,753,439	3,988,610	4,179,225	4,026,350
<u>Total road fund</u>	5,332,766	5,263,413	5,282,772	6,234,356	5,133,077	4,772,089	3,891,319	4,132,156	4,325,551	4,220,652
<u>Property and Liability Insurance Fund</u>										
Unreserved	928,330	183,665	1,153,984	1,670,611	2,211,047	2,543,711	2,350,187	2,599,263	2,657,839	2,804,691
<u>Total property and liability insurance fund</u>	928,330	183,665	1,153,984	1,670,611	2,211,047	2,543,711	2,350,187	2,599,263	2,657,839	2,804,691
<u>Public Safety Fund</u>										
Unreserved	11,132,854	10,371,009	9,742,729	11,131,899	11,256,612	9,756,898	8,218,045	9,667,981	7,721,032	6,002,407
<u>Total public safety fund</u>	11,132,854	10,371,009	9,742,729	11,131,899	11,256,612	9,756,898	8,218,045	9,667,981	7,721,032	6,002,407
<u>R.S.I.D. Bond Fund</u>										
Reserved	204,165	226,429	213,779	155,538	159,404	134,157	145,527	171,239	226,461	216,984
<u>Total R.S.I.D. bond fund</u>	204,165	226,429	213,779	155,538	159,404	134,157	145,527	171,239	226,461	216,984
<u>Capital Improvement Fund</u>										
Reserved	49,345,219	42,105,994	34,948,498	34,779,538	24,810,231	20,143,890	18,083,023	14,232,099	16,171,000	16,337,229
<u>Total capital improvement fund</u>	49,345,219	42,105,994	34,948,498	34,779,538	24,810,231	20,143,890	18,083,023	14,232,099	16,171,000	16,337,229
Nonmajor Governmental Funds										
Special Revenue Funds										
Reserved	89,533	76,135	98,059	59,849	83,405	93,764	80,134	72,274	66,225	49,901
Unreserved	18,505,178	16,562,551	14,889,420	13,680,885	11,924,771	11,706,672	10,189,916	9,630,852	10,144,699	9,109,775
<u>Total nonmajor special revenue funds</u>	18,594,711	16,638,686	14,987,479	13,740,734	12,008,176	11,800,436	10,270,050	9,703,126	10,210,924	9,159,676
Debt Service Funds										
Reserved	56,801	359,516	359,516	359,866	339,561	338,024	338,024	334,675	327,451	327,309
<u>Total nonmajor debt service funds</u>	56,801	359,516	359,516	359,866	339,561	338,024	338,024	334,675	327,451	327,309
Capital Projects Funds										
Reserved	0	0	0	0	6,986	0	0	381,097	306,957	290,912
<u>Total nonmajor capital projects funds</u>	0	0	0	0	6,986	0	0	381,097	306,957	290,912
Total nonmajor governmental funds										
Reserved	146,334	435,651	457,575	419,715	429,952	431,788	418,158	788,046	700,633	668,122
Unreserved	18,505,178	16,562,551	14,889,420	13,680,885	11,924,771	11,706,672	10,189,916	9,630,852	10,144,699	9,109,775
<u>Total nonmajor governmental funds</u>	18,651,512	16,998,202	15,346,995	14,100,600	12,354,723	12,138,460	10,608,074	10,418,898	10,845,332	9,777,897
Total Governmental Funds										
Reserved	50,310,473	43,504,376	36,428,425	36,181,570	26,209,729	21,252,202	19,300,880	15,789,490	17,720,212	17,895,356
Unreserved	48,485,295	42,583,121	39,157,395	39,304,980	37,265,020	34,899,943	30,307,644	31,899,125	31,094,685	27,927,980
<u>Total governmental funds</u>	\$ 98,795,768	\$ 86,087,497	\$ 75,585,820	\$ 75,486,550	\$ 63,474,749	\$ 56,152,145	\$ 49,608,524	\$ 47,688,615	\$ 48,814,897	\$ 45,823,336

(UNAUDITED)
Schedule 4
Yellowstone County, Montana
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
REVENUES:										
Taxes	\$ 62,115,484	\$ 57,425,108	\$ 55,389,174	\$ 53,296,388	\$ 50,300,966	\$ 55,655,051	\$ 42,095,952	\$ 39,839,876	\$ 38,915,079	\$ 40,667,431
Special assessments	1,604,000	1,497,622	1,404,014	1,489,887	1,389,935	1,326,337	1,288,282	1,118,129	1,158,487	1,099,418
Licenses and permits	7,172,405	6,933,069	6,744,214	6,422,547	5,819,369	5,868,428	5,588,606	5,306,434	4,908,912	4,591,461
Intergovernmental	20,240,846	17,403,563	9,987,210	12,919,324	9,611,332	7,030,887	5,767,507	6,534,328	5,762,123	5,847,762
Fines and forfeitures	579,805	570,049	527,924	603,662	622,011	670,020	686,840	792,872	776,330	761,279
Charges for services	9,128,560	8,652,556	8,833,410	10,669,147	9,015,090	8,200,144	8,036,913	9,265,884	8,610,037	7,683,941
Leases	433,438	501,479	417,899	0	0	0	0	0	0	0
Other	7,471,419	4,055,800	(725,914)	1,831,388	2,247,227	2,329,761	1,177,337	423,042	857,347	1,075,705
Total revenues	108,745,957	97,039,246	82,577,931	87,232,343	79,005,930	81,080,628	64,641,437	63,280,565	60,988,315	61,726,997
EXPENDITURES:										
General government	14,498,667	14,223,081	12,760,643	12,839,251	11,699,905	11,354,587	10,513,593	10,461,732	10,457,316	9,908,406
Public safety	37,323,839	34,700,135	32,330,175	26,968,460	28,287,808	28,162,269	26,484,481	25,454,309	24,273,508	24,524,796
Public works	11,600,617	11,586,613	11,916,593	11,610,541	10,865,739	10,335,320	8,845,062	9,553,061	8,425,321	8,623,241
Public health	6,952,219	6,975,719	6,706,072	9,110,776	6,718,624	4,908,414	4,110,830	4,365,660	4,410,847	3,416,547
Social and economic services	3,268,175	3,235,177	3,235,552	3,359,882	2,711,655	3,438,683	2,434,888	2,245,994	1,852,708	1,864,485
Culture and recreation	2,274,407	2,067,060	2,011,093	1,913,519	1,792,531	2,078,589	1,529,675	1,474,841	1,434,568	1,425,375
Conservation of natural resources	159,840	153,415	152,333	117,935	134,755	142,232	136,376	119,858	129,915	130,976
Community development	709,855	646,789	645,558	660,431	586,444	614,919	480,521	506,747	455,297	530,260
Capital outlay	16,189,301	9,872,864	9,377,924	3,606,100	5,780,691	9,902,299	14,270,330	8,228,098	4,657,579	4,009,150
Debt service:										
Principal	675,983	676,668	833,209	1,066,842	750,616	1,154,339	1,277,038	723,000	681,000	699,000
Interest	216,654	224,584	249,385	295,015	205,172	345,126	408,075	150,667	151,054	172,147
Total expenditures	93,869,557	84,362,105	80,218,537	71,548,752	69,533,940	72,436,777	70,490,869	63,283,967	56,929,113	55,304,383
Excess (deficiency) of revenues over (under) expenditures	14,876,400	12,677,141	2,359,394	15,683,591	9,471,990	8,643,851	(5,849,432)	(3,402)	4,059,202	6,422,614
OTHER FINANCING SOURCES (USES):										
Interfund transfers in	15,704,441	12,971,449	11,052,795	15,820,445	11,241,588	14,257,793	12,991,237	10,294,725	7,795,897	9,871,484
Interfund transfers out	(17,922,834)	(15,180,190)	(13,346,833)	(19,492,235)	(13,390,974)	(16,708,023)	(14,915,250)	(11,417,604)	(9,208,300)	(11,571,747)
Gain on disposal of fixed assets	0	33,277	33,914	0	0	0	0	0	0	0
Assessment Refunds	0	0	0	0	0	0	0	0	0	(69,630)
Long term debt proceeds	50,264	0	0	0	0	350,000	9,693,354	0	344,762	0
Total other financing sources (uses)	(2,168,129)	(2,175,464)	(2,260,124)	(3,671,790)	(2,149,386)	(2,100,230)	7,769,341	(1,122,879)	(1,067,641)	(1,769,893)
Net change in fund balances	\$ 12,708,271	\$ 10,501,677	\$ 99,270	\$ 12,011,801	\$ 7,322,604	\$ 6,543,621	\$ 1,919,909	\$ (1,126,281)	\$ 2,991,561	\$ 4,652,721
Debt service as a percentage of noncapital expenditures	1.1%	1.2%	1.5%	2.0%	1.5%	2.4%	3.0%	1.6%	1.6%	1.7%

(UNAUDITED)
Schedule 5
YELLOWSTONE COUNTY, MONTANA
TAXABLE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
(Last Ten Fiscal Years)

Fiscal Year	Real Property		Personal Property		Total		Tax Increment Taxable Value	Countywide Taxable Value Excluding Tax Increment	Total Direct Tax Rate (9)	Percent of Taxable Value to Estimated Actual Value
	Adjusted Market Value	Taxable Value	Adjusted Market Value	Taxable Value	Adjusted Market Value	Taxable Value				
14-15	10,733,266,590	300,764,182	361,823,387	6,899,890	11,095,089,977	307,664,072	6,713,800	300,950,272	\$ 115.79	2.77%
15-16	18,208,693,949	337,897,228	438,513,399	7,381,376	18,647,207,348	345,278,604	10,980,560	334,298,044	\$ 108.26	1.85%
16-17	18,426,159,122	346,795,713	472,772,063	7,897,936	18,898,931,185	354,693,649	10,551,996	344,141,653	\$ 112.40	1.88%
17-18	19,543,879,242	363,235,917	478,078,794	7,691,564	20,021,958,036	370,927,481	11,043,628	359,883,853	\$ 110.80	1.85%
18-19	19,752,127,179	358,473,270	495,778,756	7,988,877	20,247,905,935	366,462,147	9,987,671	356,474,476	\$ 123.43	1.81%
19-20	21,093,271,064	382,539,732	523,547,089	8,807,958	21,616,818,153	391,347,690	11,792,223	379,555,467	\$ 121.72	1.81%
20-21	21,327,188,592	388,336,637	505,198,941	8,291,569	21,832,387,533	396,628,206	11,182,963	385,445,243	\$ 122.83	1.82%
21-22	22,372,527,773	402,398,045	498,581,880	8,179,113	22,871,109,653	410,577,158	12,225,750	398,351,408	\$ 122.99	1.80%
22-23	22,686,005,424	408,843,390	504,869,432	8,902,353	23,190,874,856	417,745,743	11,898,298	405,847,445	\$ 125.03	1.80%
23-24	28,258,776,866	491,807,673	727,558,962	13,964,483	28,986,335,828	505,772,156	15,406,348	490,365,808	\$ 111.04	1.74%

NOTE: Adjusted Market Value reflects market value after statutory exemptions.

Source: State of Montana Department of Revenue, Property Assessment Division.

(UNAUDITED)
Schedule 6
YELLOWSTONE COUNTY, MONTANA
DIRECT AND OVERLAPPING GOVERNMENTS PROPERTY TAX RATES
Last Ten Fiscal Years
(PER \$1,000 OF TAXABLE VALUE)

	Fiscal Year Taxes Are Payable									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
COUNTY-WIDE DIRECT RATES										
County-Wide Levies	111.04	125.03	122.99	122.83	121.72	123.43	110.80	112.40	108.26	115.79
General Obligation Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total county-wide direct rate	111.04	125.03	122.99	122.83	121.72	123.43	110.80	112.40	108.26	115.79
OTHER COUNTY LEVIES FOR SPECIAL DISTRICTS										
Library	5.83	6.18	6.01	5.91	5.82	5.90	5.54	5.60	5.47	5.55
Road	37.59	41.14	40.47	39.79	39.17	39.71	37.29	37.67	36.79	38.63
Billings- County Planning	1.21	1.36	1.33	1.33	1.31	1.33	1.29	1.31	1.32	1.31
Laurel Planning	1.88	1.90	1.88	1.81	1.78	1.83	1.59	1.61	1.59	1.63
Soil Conservation	0.37	0.42	0.43	0.42	0.40	0.44	0.44	0.38	0.45	0.51
Lockwood Pedestrian Safety	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Big Sky Economic Development Authority	3.01	3.37	3.29	3.28	3.24	3.29	3.17	2.95	2.87	3.09
School retirement and transportation	38.53	40.56	40.36	49.98	42.94	47.87	51.64	50.61	42.95	46.10
Huntley Cemetery	6.00	4.00	2.00	8.92	8.79	8.94	8.65	8.49	8.42	8.95
Custer Cemetery	5.51	5.51	5.51	5.51	5.42	5.01	5.01	4.94	4.94	4.51
Shepherd Cemetery	1.94	2.22	2.17	2.22	2.18	2.21	2.13	2.06	2.03	2.22
Broadview Cemetery	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CITY RATES										
City of Billings	206.57	211.00	177.30	179.48	160.02	163.12	159.00	160.40	158.84	168.12
City of Laurel	164.08	182.31	186.44	183.42	175.12	181.51	184.29	188.94	188.35	208.23
Town of Broadview	239.57	239.57	234.97	223.30	227.14	166.67	151.57	151.57	151.57	151.57
Billings Fire Hydrant/Park District	-	15.970	13.875	14.10	9.66	10.02	10.99	11.24	12.07	12.07
SCHOOL DISTRICTS										
School District #2 - Billings	215.51	251.54	251.61	272.91	269.06	272.73	263.96	255.52	253.28	249.75
School District #3 - Blue Creek	151.78	165.43	172.73	181.54	190.67	173.32	173.87	158.46	148.94	161.17
School District #4 - Canyon Creek	154.50	194.54	221.12	231.06	229.53	242.75	243.63	238.52	230.99	256.42
School District #7 - Laurel	186.17	156.51	160.67	162.47	149.72	221.05	180.53	171.73	175.79	167.87
School District #8 - Elder Grove	212.52	278.49	281.80	334.59	328.05	320.55	199.73	187.40	200.11	208.22
School District #12 - Molt	41.54	44.90	47.25	73.24	73.00	81.22	80.15	68.36	110.36	78.44
School District #15 - Custer	394.55	331.02	329.37	325.43	325.58	339.09	311.86	217.05	219.96	224.52
School District #17 - Morin	98.22	107.82	116.40	121.05	136.26	130.45	141.55	131.07	132.60	142.65
School District #21 - Broadview	102.35	112.22	111.63	97.44	105.31	106.06	103.11	99.25	103.36	118.24
School District #23 - Elysian	147.90	163.96	142.23	151.06	149.77	159.62	140.79	131.16	128.86	130.51
School District #24 - Huntley	206.51	228.08	241.90	236.11	229.50	258.83	260.59	205.19	260.80	263.94
School District #26 - Lockwood	268.25	333.72	331.08	329.33	353.14	341.54	255.64	231.41	236.38	251.30
School District #37 - Shepherd	335.35	376.04	377.45	394.39	274.79	304.77	304.36	277.83	285.21	289.80
School District #41 - Pioneer	251.80	272.62	271.03	302.14	265.13	263.52	267.82	240.04	242.49	290.98
School District #52 - Independent	181.44	213.71	218.12	233.76	245.95	287.26	301.70	258.39	236.12	258.22
School District #58 - Yellowstone Education Center	86.68	96.52	92.91	108.63	117.21	114.60	124.81	109.62	130.04	107.82
STATE RATE FOR EDUCATION	85.20	102.50	102.50	102.50	102.50	102.50	102.50	102.50	102.50	102.50
FIRE DISTRICTS										
Broadview Fire #3	0.63	0.57	0.52	0.52	0.52	0.54	0.53	0.50	0.57	0.62
Worden Fire #4	25.17	25.17	19.17	19.17	19.17	19.17	19.17	19.17	19.17	19.17
Laurel Fire #5	27.00	30.00	30.00	30.00	30.00	30.00	27.00	27.00	27.00	27.00
Laurel Fire #7	15.79	15.79	13.13	13.57	15.23	13.77	14.32	14.35	15.03	17.14
Lockwood Fire #8	163.00	163.00	158.00	158.00	158.00	158.00	158.00	158.00	153.00	163.00

Source: Yellowstone County Finance

(UNAUDITED)
SCHEDULE 7
YELLOWSTONE COUNTY, MONTANA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

FISCAL YEAR 2024				
Taxpayer	Type of Business	Taxable Value	Rank	Percentage of Total Taxable Value*
Northwestern Energy- T & D	Utility	\$ 28,522,596	1	5.64%
CHS, Inc./Cenex	Oil refinery	27,495,111	2	5.44%
Phillips 66 Company	Oil refinery	20,284,110	3	4.01%
Par Montana LLC (Previously Exxon)	Oil refinery	8,839,780	4	1.75%
Montana Dakota Utilities- Gas Distributor	Utility	6,411,565	5	1.27%
BNSF Railway Co	Railroad	5,393,454	6	0.92%
Signal Peak Energy LLC	Coal Mining	4,668,828	7	0.63%
Charter Communication INC	Communications	3,162,682	8	1.07%
Phillips 66 Carrier LLC	Oil refinery	3,150,745	9	0.62%
MTSun LLC	Renewable Energy	2,995,730	10	0.59%
		\$ 110,924,601		21.93%

FISCAL YEAR 2015				
Taxpayer	Type of Business	Taxable Value	Rank	Percentage of Total Taxable Value*
CHS, Inc./Cenex	Oil refinery	\$ 23,915,144	1	7.77%
Phillips 66 Company	Oil refinery	17,394,994	2	5.65%
Northwestern Energy Corp	Utility	11,052,828	3	3.59%
Exxon Mobil Corporation	Oil refinery	9,181,084	4	2.98%
BNSF Railway Co	Railroad	5,134,394	5	1.67%
Bresnan	Communications	4,088,614	6	1.33%
Montana Dakota Utility	Utility	3,279,270	7	1.07%
Centurylink, Inc.	Communications	3,036,202	8	0.99%
Phillips 66 Pipeline, LLC	Oil refinery	2,704,926	9	0.88%
AT&T Mobility, LLC	Communications	1,851,688	10	0.60%
		\$ 81,639,144		26.54%

NOTE: Many of the principal taxpayers have undergone corporate name changes.
Total Countywide taxable value for tax year 2023 (fiscal year 2023-2024), including tax increment:
Total Countywide taxable value for tax year 2014 (fiscal year 2014-2015), including tax increment:

\$505,772,156
\$307,664,072

(UNAUDITED)
Schedule 8
Yellowstone County, Montana
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of the Levy		Total Collections To Date		Protest Tax Receivables at Yearend
	(Original Levy)	Adjustments	Total Adjusted Levy	Amount	Percentage of Original Levy	Amount	Percentage of Adjusted Levy	
2013	\$ 40,548,431	\$ (32,387)	\$ 40,516,044	\$ 37,385,634	92.27%	\$ 37,573,348	92.74%	\$ 10,447,698
2014	\$ 41,517,683	\$ (1,177,909)	\$ 40,339,774	\$ 39,189,682	97.15%	\$ 43,067,531	106.76% (a)	\$ 6,707,672
2015	\$ 41,549,863	\$ (432,128)	\$ 41,117,735	\$ 38,370,040	93.32%	\$ 43,334,908	105.39% (a)	\$ 2,862,655
2016	\$ 43,092,064	\$ (345,452)	\$ 42,746,612	\$ 40,417,737	94.55%	\$ 41,692,469	97.53%	\$ 4,149,547
2017	\$ 45,682,163	\$ (107,472)	\$ 45,574,691	\$ 41,921,010	91.98%	\$ 42,750,744	93.80%	\$ 7,343,138
2018	\$ 47,688,780	\$ (635,233)	\$ 47,053,547	\$ 44,309,255	94.17%	\$ 45,056,454	95.76%	\$ 8,637,270
2019	\$ 56,699,785	\$ (4,507,723)	\$ 52,192,062	\$ 51,144,000	97.99%	\$ 59,432,964	113.87% (a)	\$ 459,263
2020	\$ 55,141,953	\$ (122,422)	\$ 55,019,532	\$ 53,011,956	96.35%	\$ 53,569,032	97.36%	\$ 1,111,471
2021	\$ 56,488,257	\$ (549,820)	\$ 55,938,437	\$ 55,408,064	99.05%	\$ 56,651,692	101.28% (a)	\$ 26,055
2022	\$ 59,006,456	\$ (186,883)	\$ 58,819,573	\$ 58,344,581	99.19%	\$ 58,922,078	100.17% (a)	\$ 48,639
2023	\$ 62,959,387	\$ (563,282)	\$ 62,396,105	\$ 61,443,777	98.47%	\$ 61,100,833	97.92%	\$ 0
2024	\$ 68,209,357	\$ (704,896)	\$ 67,504,461	\$ 65,693,981	97.32%	\$ 66,091,774	97.91%	\$ 0

(a) Total collections in FY14, FY15, FY19, FY21 exceed 100% due to the settlement of several large tax protests.

Source: County Finance Department

(UNAUDITED)
SCHEDULE 9
YELLOWSTONE COUNTY, MONTANA
RATIO OF GENERAL BONDED DEBT OUTSTANDING
TO TAXABLE VALUE AND NET BONDED DEBT PER CAPITA
(Last Ten Fiscal Years)

Fiscal Year	GENERAL BONDED DEBT OUTSTANDING			Personal Income	Percentage of Personal Income (a)	Net Taxable Value (b)	Ratio of Net Bonded Debt to Net Taxable Value		Ratio of Net Bonded Debt to Adjusted Market Value (d)	Population	Net Bonded Debt per Capita (d)
	Gross General Obligation Bonded Debt	Debt Service Monies Available (c)	Net General Obligation Bonded Debt								
14-15	3,525,000	0	3,525,000	7,003,800,000 (e)	0.05%	300,950,272	1.17%		0.03%	155,634	22.65
15-16	3,000,000	0	3,000,000	7,257,700,000 (e)	0.04%	334,298,044	0.90%		0.02%	157,048	19.10
16-17	2,455,000	0	2,455,000	7,321,849,081 (e)	0.03%	344,141,653	0.71%		0.01%	158,437	15.50
17-18	10,800,000	0	10,800,000	7,546,303,660 (e)	0.14%	359,883,853	3.00%		0.05%	158,980	67.93
18-19	9,770,000	0	9,770,000	8,012,454,795 (e)	0.12%	356,474,476	2.74%		0.05%	160,137	61.01
19-20	9,165,000	0	9,165,000	8,442,442,000 (e)	0.11%	379,555,467	2.41%		0.04%	161,300	56.82
20-21	8,250,000	350	8,249,650	8,812,706,310 (e)	0.09%	385,445,243	2.14%		0.04%	162,990	50.61
21-22	7,530,000	0	7,530,000	9,458,457,848 (e)	0.08%	398,351,408	1.89%		0.03%	167,146	45.05
22-23	7,045,000	0	7,045,000	10,091,756,580 (e)	0.07%	405,847,445	1.74%		0.03%	169,852	41.48
23-24	6,545,000	0	6,545,000	10,851,605,674 (e)	0.06%	490,365,808	1.33%		0.02%	170,843	38.31

NOTES: (a) Population and personal income data can be found in Schedule 12
(b) Total taxable value less downtown tax increment district.
(c) Excludes R.S.I.D. Revolving Fund and R.S.I.D. Bond Fund monies.
(d) Adjusted market value includes tax increment districts.
(e) Source--US Bureau of Labor Statistics via University of Montana Bureau of Business & Economic Research
Source: Yellowstone County Annual Comprehensive Financial Report

(UNAUDITED)
SCHEDULE 10
YELLOWSTONE COUNTY, MONTANA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2024

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable*</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<u>Cities:</u>			
Billings	\$ 9,145,000	55.0%	\$ 5,030,975
Broadview	773,000	0.1%	438 **
Laurel	179,067	2.1%	3,732
Total cities	10,097,067		5,035,146
<u>School Districts:</u>			
Billings SD #2	110,262,502	59.7%	65,810,150
Canyon Creek SD #4	0	1.4%	0
Laurel SD #7	58,175,000	12.4%	7,222,133
Elder Grove SD #8	14,485,000	3.2%	457,378
Custer SD #15	2,155,000	0.5%	10,399
Elysian SD #23	10,130,000	6.9%	696,756
Huntley SD #24	893,565	2.6%	23,461
Lockwood SD#26	45,380,000	6.2%	2,814,275
Shepherd SD #37	10,250,000	1.7%	175,559
Independent SD #52	1,200,000	1.5%	18,450
Total school districts	252,931,067		77,228,562
Subtotal, overlapping debt			82,263,708
Total Direct Debt of Yellowstone County	\$ 7,004,733	100.0%	7,004,733
Total Direct and Overlapping Debt			\$ 89,268,441

Sources: Yellowstone County Superintendent of Schools; Cities of Billings, Laurel, and Broadview;
State Certified Taxable Valuation As of August 1, 2023

*Note: Percentage of overlapping debt based on taxable value of district to countywide taxable value
excluding tax increment district taxable valuation

**Note: In FY22, Town of Broadview reported they would receive a Rural development loan of \$588k.
As of FY23, that project has been pushed back and no loan has been received.

(UNAUDITED)

**SCHEDULE 11
YELLOWSTONE COUNTY, MONTANA
COMPUTATION OF LEGAL DEBT MARGIN
(Last Ten Fiscal Years)**

	Fiscal year ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total assessed market value less tax increment district	\$ 28,986,335,828	\$ 23,190,874,856	\$ 22,871,109,653	\$ 21,832,387,533	\$ 20,965,452,764	\$ 19,696,063,338	\$ 19,425,844,058	\$ 18,898,931,185	\$ 18,647,207,348	\$ 11,095,089,977
Debt limit percentage	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Debt Limit	\$ 724,658,396	\$ 579,771,871	\$ 571,777,741	\$ 545,809,688	\$ 524,136,319	\$ 492,401,583	\$ 485,646,101	\$ 472,473,280	\$ 466,180,184	\$ 277,377,249
Amount of debt applicable to debt limit:										
Total general obligation bonded indebtedness	\$ 6,545,000	\$ 7,045,000	\$ 7,530,000	\$ 8,250,000	\$ 9,165,000	\$ 9,770,000	\$ 10,800,000	\$ 2,455,000	\$ 3,000,000	\$ 3,525,000
Total special assessment bonded indebtedness	165,000	278,000	410,000	465,000	560,000	665,500	759,000	972,000	1,150,000	1,306,000
Total matured bonds payable	0	0	0	0	0	0	0	0	7,225	7,225
Total notes payable	294,733	307,452	372,578	432,106	482,171	0	0	0	0	0
Total amount of debt applicable to debt limit	7,004,733	7,630,452	8,312,578	9,147,106	10,207,171	10,435,500	11,559,000	3,427,000	4,157,225	4,838,225
Legal debt margin	\$ 717,653,663	\$ 572,141,419	\$ 563,465,163	\$ 536,662,582	\$ 513,929,148	\$ 481,966,083	\$ 474,087,101	\$ 469,046,280	\$ 462,022,959	\$ 272,539,024
Total net debt applicable to the limit as a percentage of debt limit	1.0%	1.3%	1.5%	1.7%	1.9%	2.1%	2.4%	0.7%	0.9%	1.7%

NOTES: 1) The legal debt limit was changed to 1.4% of assessed market value for new debt issued after July 1, 2001. Revised to 2.5% for 2007.

2) Total assessed market value less tax increment district is estimated, since tax increment market value amount is not available

3) 2018 updated in FY19 Stats from FY18 Stats.

Source: Taxable Value - State Property Assessment Division

Debt Limit - Montana Code Annotated 7-7-2203 & 7-7-2101

Bonded Debt Information - Yellowstone County Annual Comprehensive Financial Report

(UNAUDITED)

**SCHEDULE 12
YELLOWSTONE COUNTY, MONTANA
DEMOGRAPHIC AND ECONOMIC
(Last Ten Fiscal Years)**

Year	Population	Personal Income	Per Capita Personal Income	Public Elementary School Enrollment	Public High School Enrollment	Active Registered Voters	Inactive Registered Voters	UNEMPLOYMENT RATES		
								Yellowstone County	State of Montana	United States
2015	155,634	\$ 6,552,035,766	\$ 42,099 (c)	16,665 (b)	6,170 (b)	62,741	24,101	3.2%	4.1%	5.1%
2016	157,048	\$ 7,232,374,496	\$ 46,052 (c)	16,766 (b)	6,277 (b)	81,698	14,705	3.2%	4.3%	5.0%
2017	158,437	\$ 7,321,849,081	\$ 46,213 (c)	16,869 (b)	6,292 (b)	80,027	12,573	3.6%	3.8%	4.5%
2018	158,980	\$ 7,546,303,660	\$ 47,467 (c)	16,962 (b)	6,399 (b)	81,986	14,359	3.4%	3.5%	4.2%
2019	160,137	\$ 8,012,454,795	\$ 50,035 (c)	17,028 (b)	6,472 (b)	84,151	10,005	3.2%	3.2%	3.8%
2020	161,300	\$ 8,442,442,000	\$ 52,340 (c)	17,262 (b)	6,544 (b)	87,080	10,965	6.7%	7.1%	11.2%
2021	162,990	\$ 8,812,706,310	\$ 54,069 (c)	16,420 (b)	6,773 (b)	93,281	8,229	3.9%	4.0%	5.9%
2022	167,146	\$ 9,458,457,848	\$ 56,588 (c)	16,728 (b)	7,045 (b)	94,444	10,959	2.8%	2.9%	3.8%
2023	169,852	\$ 10,091,756,580	\$ 59,415 (c)	16,730 (b)	7,057 (b)	77,887	26,409	2.7%	2.7%	3.8%
2024	170,843	\$ 10,851,605,674	\$ 63,518 (c)	16,537 (b)	6,963 (b)	87,860	19,807	3.5%	3.4%	4.3%

NOTES (a) Fiscal year ended is calculated using 2023 (FY23) personal income data, which is the most recent available

(b) Spring enrollment

(c) Per Capita Personal Income was computed using Census Bureau midyear population estimates. Estimates for 2010-2019 are tied to the Census Bureau decennial counts for 2010 and 2020.

2020 county population reflects Vintage 2019 estimates. 2021-2024 county population reflects Vintage 2020 estimates.

(d) 2024 Unemployment rates reflect the June 2024 rate reported by the homefacts.com website.

Sources: State of Montana Census and Economic Information Center, Yellowstone County Superintendent of Schools, Yellowstone County Election office, Bureau of Labor Statistics, suburbanstats.org, lmi.mt.gov

(UNAUDITED)

**SCHEDULE 13
YELLOWSTONE COUNTY, MONTANA
PRINCIPAL EMPLOYERS**

**Top 20 Private Employers in Yellowstone
County based on 2024 Q1 Data:**
(in alphabetical order)

Albertsons Food & Drug
Billings Clinic
Billings Family YMCA
Cenex Harvest States
Costco
First Interstate Bank
Intermountain Health
Langlas & Associates Inc.
Par Petroleum
Phillips 66 Company
Rocky Mountain College
Scheels Sports
SCL Health Medical Group
Shiptons Big R
St. John's Lutheran Home
Sysco Food Services
UPS
Wal-Mart
Wells Fargo
Yellowstone Boys and Girls Ranch

Source: Montana Department of Labor and Industry

NOTE: List does not include governmental or railroad employers. Number of employees for each firm is not available.

(UNAUDITED)
Schedule 14
Yellowstone County, Montana
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

	Fiscal year ended June 30,									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Function / Program</u>										
General government	135.01	132.01	131.01	127.05	127.85	127.25	121.25	120.25	120.75	115.35
Public safety	294.25	280.65	279.65	277.65	270.65	263.95	252.95	245.45	239.45	233.95
Public works	40.50	40.50	40.50	40.50	40.00	40.00	40.00	40.00	40.00	40.00
Public health	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
Social and economic services	1.75	1.75	2.35	2.35	2.35	2.35	2.35	2.35	2.23	2.23
Culture and recreation	41.00	42.00	39.00	39.50	39.00	39.50	39.50*	39.25*	35.25	34.25
	513.51	497.91	493.51	488.05	480.85	474.05	457.05	448.30	438.68	427.78

* Formula error in Metra FTEs corrected in FY19 stats

Source: Yellowstone County Budgets

(UNAUDITED)
Schedule 15
YELLOWSTONE COUNTY, MONTANA
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

	Fiscal Year									
COUNTY ROADS	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Miles of roads - overlay	16.43	13.79	21.35	24.50	20.29	15.00	15.10	17.69	10.70	16.80
Miles of roads - millings	3.60	2.40	8.00	8.00	10.50	8.50	7.72	9.00	3.10	9.77
Miles of gravel/dirt roads improved	100.33	86.84	124.85	139.01	179.00	106.90	72.72	60.98	79.27	54.71
Miles of gravel/dirt roads maintained	5,440.00	4,818.50	5,464.00	5,943.00	6,230.00	5,196.00	4,734.00	4,575.00	5,597.00	5,411.40
Miles of dust control	15.75	19.00	15.00	17.30	27.48	27.48	17.40	21.52	11.25	16.31
Miles of striping	55.00	99.00	54.30	101.80	70.00	58.00	58.00	73.25	35.00	52.20
Miles of chip seal	14.50	35.61	22.90	33.47	17.40	14.26	20.49	23.10	24.86	25.30
Miles of crack fill	23.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
Miles of blade patching	16.23	18.10	10.00	7.00	5.00	7.00	4.50	0.00	4.00	0.00
Culvert installs	43.00	37.00	21.00	35.00	44.00	22.00	23.00	25.00	34.00	32.00
Cattle guard installs	5.00	2.00	5.00	3.00	1.00	3.00	1.00	2.00	4.00	1.00
Miles of fencing	0.00	0.00	0.00	0.00	0.00	2.00	6.50	0.00	3.00	4.00
Miles of seeding	0.00	0.00	0.00	0.00	0.00	1.00	1.00	0.00	0.00	2.00
Bridge Replacements	1.00	2.00	6.00	5.00	2.00	5.00	7.00	5.00	3.00	3.00
JUNK VEHICLES										
Hauled	46	36	43	65	40	48	66	97	87	49
Crushed	260	221	304	286	369	375	184	230	170	186
WEED SPRAYING (acres sprayed)										
County	2,019.04	1,535.55	1,255.09	662.31	725.23	1,068.56	600.56	781.62	846.48	953.25
Montana Dept of Transportation	312.80	615.97	103.92	597.30	645.00	455.85	435.55	284.96	384.46	236.60
Fish, Wildlife, and Parks	47.40	67.10	67.10	35.55	57.55	36.05	8.80	14.00	7.64	19.70
Bureau of Land Management	50.00	0.00	0.00	30.00	61.40	81.80	2.00	8.50	13.35	48.00
Department of Natural Resources	28.10	32.10	23.10	12.00	95.70	16.50	0.00	0.62	36.15	6.15
Private (charged out)	86.00	117.99	55.79	169.98	140.46	133.50	23.15	56.07	19.60	33.40
Private/Public Grant	41.00	259.00	259.00	0.00	283.00	846.00	210.00	585.00	0.00	485.00
Bureau of Reclamation	10.50	10.50	10.50	8.50	47.00	19.75	1.25	6.25	15.00	0.00
Total	2,594.84	2,638.21	1,774.50	1,515.64	2,055.34	2,658.01	1,281.31	1,737.02	1,322.68	1,782.10
County Attorney cases										
Civil	36	27	38	52	48	48	50	46	37	7
Bankruptcies (Proofs of Claim)	2	2	0	0	0	0	0	0	0	0
Fatality	22	21	9	16	14	9	7	6	9	7
Felony	2,318	2,283	2,269	2,255	2,080	2,065	2,062	1,825	1,694	1,587
Forfeiture	0	0	0	0	0	0	0	1	4	58
Fugitive - Uniform Extradition Act	59	80	80	38	61	65	83	96	89	86
Justice Court Appeal	4	1	0	0	0	3	0	1	7	8
Misdemeanor*	1,768	1,636	1,426	1,519	1,450	1,199	1,333	1,256	1,274	1,304
Post-Conviction Relief	5	7	4	5	8	4	5	6	11	3
Revocation Proceeding Felony	359	353	327	367	444	363	357	380	380	370
Unknown/Sanities	165	113	110	173	175	152	193	248	209	151
Youth in Need of Care	352	338	379	462	436	507	470	550	496	0
Inquests	3	5	1	4	0	2	0	0	0	0
Juvenile Petitions	240	221	182	122	83	91	0	0	0	0
License Petition	48	49	47	49	51	46	0	0	0	0
Out of State Subpoena	3	3	1	1	1	4	0	0	0	0
Investigative Subpoena	27	33	0	0	0	0	0	0	0	0
Petition for Relief from Registration	2	9	8	8	10	10	0	0	0	0
Petition to Expunge	4	9	9	9	4	3	0	0	0	0
Search Warrants	503	303	237	193	457	384	0	0	0	0
Writ of Habeas Corpus	3	6	12	17	2	7	0	0	0	0
HB640	298	343	330	468	574	0	0	0	0	0
Total	6,221	5,842	5,469	5,758	5,898	4,962	4,560	4,415	4,210	3,581

*Includes: Misdemeanor, Misdemeanor Restitution Only, and Misdemeanor Revocation

Note: 2015-2024 County Attorney data is based on fiscal year. Youth in Need of Care data starting FY16.

Source: Yellowstone County Departments

(UNAUDITED)
Schedule 16
Yellowstone County, Montana
County Mill Levies and Tax Revenues
Actual Levies and Revenues Compared to Statutory Limitations
Last Five Fiscal Years

Fiscal Year	Actual County Mill Levies and Tax Revenues		Statutory Limitation for Mill Levy and Tax Revenue		Actual Mill Levies/Tax Revenues Versus Statutory Limitation	
	Countywide Mills*	Tax Revenue Generated by Levy	Maximum Mills	Maximum Tax Revenue	Available	Available
					Non-levied Mills	Non-levied Tax Revenues
23-24	88.40	\$ 43,348,337	88.40	\$ 43,348,337	0.00	\$ 0
22-23	99.04	\$ 40,195,131	99.04	\$ 40,195,131	0.00	\$ 0
21-22	96.72	\$ 38,528,549	96.72	\$ 38,528,549	0.00	\$ 0
20-21	96.45	\$ 37,176,194	96.45	\$ 37,176,194	0.00	\$ 0
19-20	95.18	\$ 36,126,089	95.18	\$ 36,126,089	0.00	\$ 0

* Includes mills subject to the statutory limitation. Excludes permissive medical levy and general obligation debt

Source: Yellowstone County

(UNAUDITED)
Schedule 17
Yellowstone County, Montana
Rural Special Improvement Districts Continuing Disclosure

Balances as of June 30:				
Fiscal Year	Revolving Fund Cash Balance	Outstanding Principal		Percentage
		Amount of Bonds		
23-24	\$ 56,800	\$ 165,000		34.4%
22-23	\$ 359,516	\$ 278,000		129.3%
21-22	\$ 359,516	\$ 410,000		87.7%
20-21	\$ 359,516	\$ 465,000		77.3%
19-20	\$ 339,561	\$ 560,000		60.6%
18-19	\$ 310,698	\$ 659,000		47.1%
17-18	\$ 338,024	\$ 759,000		44.5%
16-17	\$ 334,675	\$ 972,000		34.4%

Summary of Outstanding Rural Special Improvement Districts (Bond) as of June 30, 2024 :						
Bond Issue	Original Amount	Maturity Date	Bonds Outstanding	Total Cash Balance in District Fund	Assessments Outstanding	Cash Balance in the Bond Reserve Acct
RSID 758	373,000	07/01/27	0	944	34,872	6,803
RSID 783	126,777	08/01/25	0	6,651	3,951	2,895
RSID 785	126,945	08/01/26	20,000	7,546	18,327	805
RSID 803	1,015,434	08/01/27	145,000	34,216	164,073	29,863
Total	<u>\$ 1,642,156</u>		<u>\$ 165,000</u>	<u>\$ 49,357</u>	<u>\$ 221,224</u>	<u>\$ 40,366</u>

Rural Special Improvement Districts (Bond) Assessment Billings and Collections as of June 30:				
Fiscal Year	Assessment Billing	Total Current Annual Collections		Percent
		Amount Received		
23-24	\$ 133,100	\$ 130,767		98.2%
22-23	\$ 136,646	\$ 133,624		97.8%
21-22	\$ 138,091	\$ 138,707		100.4%
20-21	\$ 142,939	\$ 137,700		96.3%
19-20	\$ 117,011	\$ 113,285		96.8%

IV. SINGLE AUDIT SECTION

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**To the Board of County Commissioners
Yellowstone County, State of Montana
Billings, Montana**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Yellowstone County as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Yellowstone County's basic financial statements and have issued our report thereon dated November 14, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Yellowstone County's internal control over financial reporting (internal control) as a basis for designing 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 Yellowstone County's internal control. Accordingly, we do not express an opinion on the effectiveness of Yellowstone County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Yellowstone 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Junkermier, Clark, Campanella, Stevens, P.C.

Helena, Montana
November 14, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**To the Board of County Commissioners
Yellowstone County, State of Montana
Billings, Montana**

**Report on Compliance for Each Major Federal Program
*Opinion on Each Major Federal Program***

We have audited Yellowstone County's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Yellowstone County's major federal programs for the year ended June 30, 2024. Yellowstone County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Yellowstone 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Yellowstone County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Yellowstone County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreement applicable to Yellowstone County's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Yellowstone County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Yellowstone County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Yellowstone County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Yellowstone County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Yellowstone County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Junkermier, Clark, Campanella, Stevens, P.C.

Helena, Montana
November 14, 2024

YELLOWSTONE COUNTY, MONTANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Page 1 of 2)

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass Through/ Grantor's Number</u>	<u>Program or Award Amount</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>	<u>Passed Through To Subrecipients</u>
U.S. Department of Transportation						
<u>Passed through State Department of Transportation/Highway Traffic Safety:</u>						
Montana Department of Transportation - Project #10433-113 Lockwood Sidewalks for Old Hardin Road	20.205	TA56(113)-UPN 10433 (FAIN)693JJ2223000	1,043,143	4,701	4,701	0
Total U.S. Department of Transportation			\$ 1,043,143	\$ 4,701	\$ 4,701	\$ 0
U.S. Department of Treasury						
<u>Direct Programs:</u>						
Equitable Sharing Program	21.016	N/A	N/A	60,001	23,298	0
COVID Local Assistance and Tribal Consistency Fund (LATCF)	21.032	N/A	125,782	116,750	116,750	0
			\$ 125,782	\$ 176,751	\$ 140,048	\$ 0
<u>Direct Programs:</u>						
COVID Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	31,330,634	8,842,264	8,842,264	0
<u>Passed through State Department of Natural Resources & Conservation</u>						
ARPA Water & Sewer Infrastructure - BBWA Main Canal Repair	21.027	AC-22-0194 FAIN# SLFRP1747	500,000	500,000	500,000	500,000
			\$ 31,830,634	\$ 9,342,264	\$ 9,342,264	\$ 500,000
Total U.S. Department of Treasury			\$ 31,956,416	\$ 9,519,015	\$ 9,482,312	\$ 500,000
U.S. Department of Justice						
<u>Direct Programs:</u>						
Byrne Justice Assistance Grant (JAG)	16.738	O-BJA-2022-171368	19,076	17,832	17,832	0
Byrne Justice Assistance Grant (JAG)	16.738	O-BJA-2023-171790	20,611	9,700	9,700	0
			\$ 39,687	\$ 27,532	\$ 27,532	\$ 0
<u>Passed through State Board of Crime Control:</u>						
Residential Substance Abuse Treatment (RSAT)	16.593	23-R01-1472	233,992	41,540	41,540	0
Yellowstone County Victim Witness Program	16.575	23-V01-1381	207,260	48,297	48,297	0
			\$ 441,252	\$ 89,837	\$ 89,837	\$ 0
Total U.S. Department of Justice			\$ 480,939	\$ 117,369	\$ 117,369	\$ 0
U.S. Department of Housing & Urban Development						
<u>Passed through State Department of Commerce</u>						
Community Development Block Grant	14.228	MT-CDBG-PL-22-02	37,500	21,948	21,948	0
Total U.S. Department of Housing & Urban Development			\$ 37,500	\$ 21,948	\$ 21,948	\$ 0
U.S. Election Assistance Commission						
<u>Passed through Secretary of State</u>						
2022 HAVA	90.404	EAC-ELSEC18MT	76,600	76,600	76,600	0
Total U.S. Election Assistance Commission			\$ 76,600	\$ 76,600	\$ 76,600	\$ 0

The accompanying notes are an integral part of this schedule.

YELLOWSTONE COUNTY, MONTANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Page 2 of 2)

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass Through/ Grantor's Number</u>	<u>Program or Award Amount</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>	<u>Passed Through To Subrecipients</u>
U.S. Department of Health and Human Services						
<u>Passed through State Department of Health and Human Services</u>						
American Rescue Plan Act of 2021 Mental Health Block Grant	93.958	23-102-74018-0	75,000	18,100	18,100	0
Substance Use, Prevention, Treatment and Recovery Services Block Grant	93.959	23-102-74018-0	124,720	3,865	3,865	0
Foster Care Title IV-E	93.658		N/A	311,863	311,863	0
Total U.S. Department of Health and Human Services			\$ 199,720	\$ 333,828	\$ 333,828	\$ 0
U.S Department of Homeland Security						
<u>Passed through State Department of Military Affairs, DES Division</u>						
Emergency Mgt Performance Grant (EMPG) Yellowstone	97.042	EMD-2023-EP-00005	130,000	130,000	130,000	0
FEMA Project #679313 (PW 0-160) June 2022 Flooding, Presidential Declaration	97.036	FEMA-4655-DR-MT	83,333	59,220	59,220	0
Total U.S. Department of Homeland Security			\$ 213,333	\$ 189,220	\$ 189,220	\$ 0
U.S. Department of Interior						
<u>Passed through State Department of Natural Resources & Conservation</u>						
Volunteer Fire Assistance Program Sub Award (Cooperative Forestry Asst)	10.664	#23-DG-11010000-040	16,000	16,000	16,000	16,000
			16,000	16,000	16,000	16,000
<u>Direct Programs</u>						
BLM Invasive and Noxious Plant Management	15.230	L22AC00416	20,000	4,987	4,987	0
Taylor Grazing	15.226	N/A	N/A	210	210	0
Bankhead Jones	10.410	N/A	N/A	2,246	2,246	0
			20,000	7,443	7,443	0
Total U.S Department of Interior			\$ 36,000	\$ 23,443	\$ 23,443	\$ 16,000
U.S. Department of Agriculture						
<u>Passed through Natural Resources Conservation Service</u>						
Emergency Watershed Protection Program Project 5044 - Flood Recovery Measures	10.923	NR230325XXXXC003	738,733	731,983	731,983	731,983
Total U.S. Department of Agriculture			\$ 738,733	\$ 731,983	\$ 731,983	\$ 731,983
TOTAL FEDERAL AWARDS						
			\$ 34,822,071	\$ 11,018,107	\$ 10,981,403	\$ 1,247,983

The accompanying notes are an integral part of this schedule.

YELLOWSTONE COUNTY, MONTANA
Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024
Page 1 of 2

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Yellowstone County, Montana (County) under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate

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

(4) Relationship to General Purpose Financial Statements

Federal awards revenues are reported in the County's general purpose financial statements as follows:

	Federal Awards <u>Revenues</u>	State & Local Intergovernmental <u>Revenues</u>	Total Intergovernmental <u>Revenues</u>
General fund	\$ 1,476,741	\$ 1,423,498	\$ 2,900,239
Road fund	2,246	2,988,574	2,990,820
Emergency levy- COVID	8,959,014	0	8,959,014
Property and liability insurance fund	0	452,238	452,238
Public safety fund	91,037	735,884	826,921
Nonmajor governmental funds	489,069	3,622,545	4,111,614
	<u>\$ 11,018,107</u>	<u>\$ 9,222,739</u>	<u>\$ 20,240,846</u>

YELLOWSTONE COUNTY, MONTANA
Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024
Page 2 of 2

(5) Matching Funds

In accordance with the terms of the grants, the County has expended cash and in-kind matching contributions during the year ended June 30, 2024 for the following programs:

	<u>Grant Number</u>	<u>Amount</u>
<u>U.S. Department of Transportation</u>		
MT Department of Transportation - Project #10433-113 Lockwood Sidewalks for Old Hardin Road	TA56(113)-UPN 10433 (FAIN)693JJ2223000	\$ 729
		<u>\$ 729</u>
<u>U.S. Department of Interior</u>		
ARPA Water & Sewer Infrastructure - BBWA Main Canal Repair	AC-22-0194 FAIN# SLFRP1747	\$ 123,535
		<u>\$ 123,535</u>
<u>U.S. Department of Justice</u>		
Residential Substance Abuse Treatment (RSAT)	23-R01-1472	\$ 24,483
		<u>\$ 24,483</u>
<u>U.S. Department of Housing & Urban Development</u>		
Community Development Block Grant	MT-CDBG-PL-20-12	\$ 12,500
		<u>\$ 12,500</u>
<u>U.S. Election Assistance Commission</u>		
2022 HAVA	EAC-ELSEC18MT	\$ 59,550
		<u>\$ 59,550</u>
<u>U.S. Department of Homeland Security</u>		
Emergency Mgt Performance Grant (EMPG) Yellowstone	EMD-2023-EP-00005	\$ 130,000
		<u>\$ 130,000</u>
<u>U.S. Department of Interior</u>		
Volunteer Fire Assistance Program Sub Award	#23-DG-11010000-040	\$ 1,870
		<u>\$ 1,870</u>
<u>U.S. Department of Agriculture</u>		
Emergency Watershed Protection Program Project 5044 - Flood Recovery Measures	NR230325XXXXC003	\$ 218,738
		<u>\$ 218,738</u>
<u>Total Matching on Federal Expenditures</u>		<u>\$ 571,405</u>

**YELLOWSTONE COUNTY, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024**

Financial Statements

Type of auditors' report issued	Unmodified
---------------------------------	------------

Internal control over financial reporting:

Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weakness?	No

Non-compliance material to financial statements noted?	No
--	----

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weakness?	No

Type of auditor's report issued on compliance for major programs	Unmodified
--	------------

Audit findings that are required to be reported in accordance with the Uniform Guidance Section 200.516 are reported in this schedule.	No
--	----

Identification of major program(s):

Coronavirus State and Local Fiscal Recovery Funds - AL 21.027

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

Auditee qualified as low-risk auditee?	Yes
--	-----

YELLOWSTONE COUNTY, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

FINANCIAL STATEMENT FINDINGS - NONE

PRIOR-YEAR FINANCIAL STATEMENT FINDINGS - NONE

This Page Intentionally Left Blank