

Yellowstone County, Montana

ANNUAL

COMPREHENSIVE

FINANCIAL

REPORT



FISCAL YEAR 2025

JULY 1, 2024 - JUNE 30, 2025

YELLOWSTONE COUNTY, MONTANA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025

Prepared by: Finance Department -

Jennifer Jones, Director

I. INTRODUCTORY SECTION (Unaudited)

**YELLOWSTONE COUNTY, MONTANA
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FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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June 30, 2025

Yellowstone County

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

November 25, 2025

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, 2025 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, 2025.

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.

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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, 2025 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, 2025 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 FY25, 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.

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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 172,789), 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 123,290); and also includes the incorporated City of Laurel (population 7,177) and Town of Broadview (population 136). 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.

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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, Clerk of District Court, and Human Resources.

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.

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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 FY25, that rate equaled 2.80%, and for FY26 the rate will be 2.11%.

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

Recent Events and Economic Conditions

The County finished the 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. Significant progress was made completing the new administration building named the John V. Ostlund Building. Plans have also been completed for remodeling the courthouse in order to make space for new judges and also improve space for Justice Court and District Court.

The Billings area continues to benefit as the regional hub for healthcare and also healthcare education. The healthcare industry is one of Yellowstone County's largest employers at approximately 15,000 employees currently, with the expectation that number will increase. Billings currently has two accredited hospitals and an osteopathic education university. Both St. Vincent Regional Hospital/Intermountain Health and Billings Clinic are now Level One Trauma Centers in Montana and Wyoming. Intermountain Health also announced a new one-billion-dollar state-of-the-art hospital expected to be open by 2029. Rocky 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 recently completed their new 175-megawatt natural gas plant in Laurel bringing above-median jobs to the region.

Billings Logan International Airport continues to be the number one hub for cargo in Montana. They also announced new direct flights from Billings to Chicago during the high tourism season each year.

Yellowstone County continues to see strength in our housing industry. We continue to be a sought-after place to live with development occurring in both the Heights and West End. Our current owner-occupied housing sits at 69.5%, about 1.4% higher than the State average. Completion of the Billings Bypass Project has allowed expansion outside City limits by limiting the commuting time into the City.

The unemployment rate for Yellowstone County held steady at 3% as of June 30, 2025, as compared to 3.5% as of June 30, 2024. Generally, the diversity provided by local energy, retail, medical, education and agriculture businesses help stabilize employment swings in our region

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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 \$350 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.

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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>
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%
FY24-25	12,245,627	307,741,050	3.98%

The rate of return for FY25 showed a consistent yield throughout the year. Yellowstone County continues to watch how the Federal Reserve reacts to economic data and thus adjusts their monetary policy. See footnote 4 for additional information on cash and cash investments.

Debt

At June 30, 2025 Yellowstone County has a number of debt issues outstanding. These issues include \$6,030,000 in limited tax general obligation bonds; and \$100,000 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 \$228,263 as of June 30, 2025.

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

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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 13.115% 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.

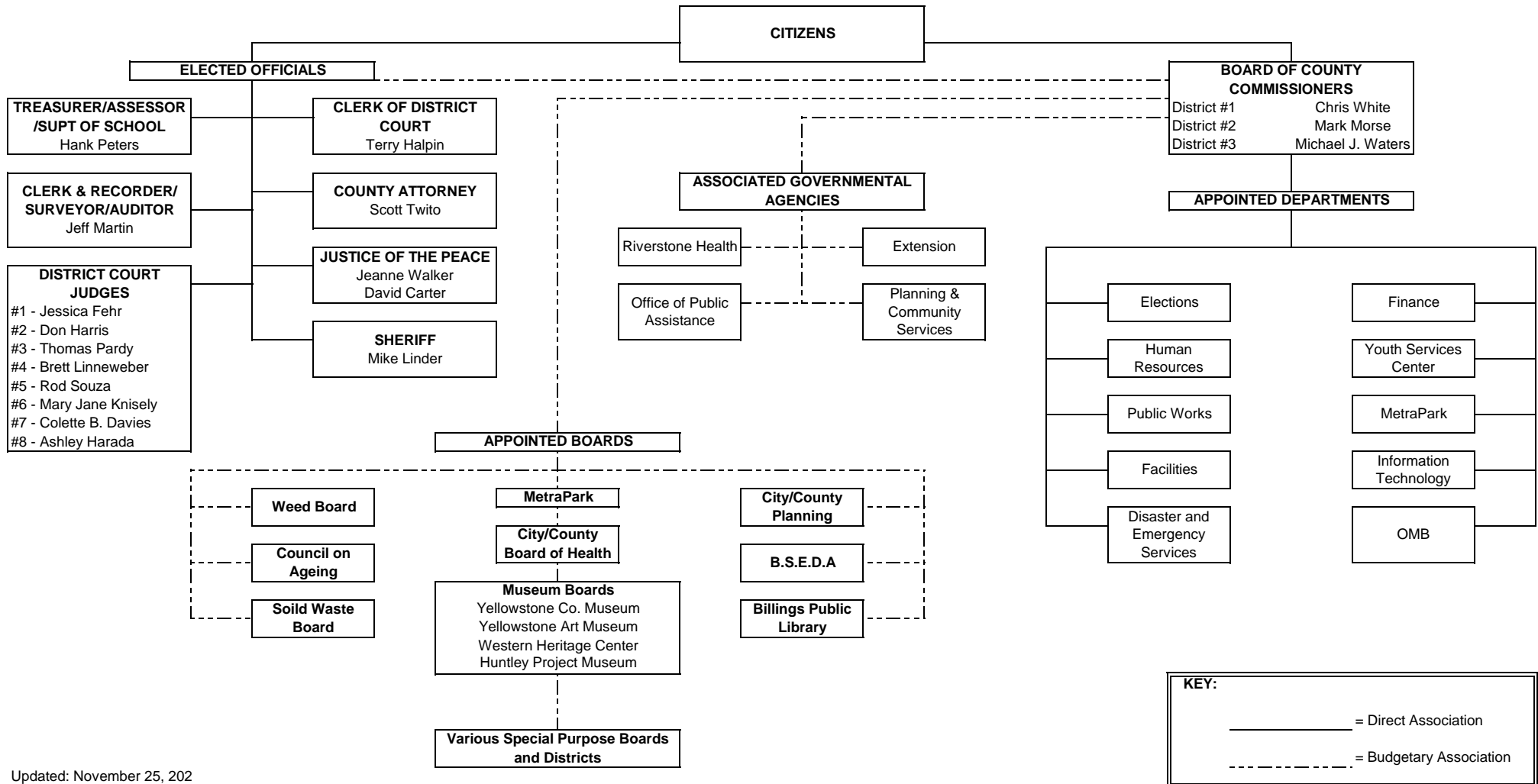
I would like to express my appreciation to the finance department staff and the staffs of all the County offices for providing excellent work and cooperation during the year. Although the finance department takes on the task of preparing the financial report, all County departments contribute to the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

A special "thank you" is extended to Russell Burton, 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, Finance Director

YELLOWSTONE COUNTY, MONTANA ORGANIZATIONAL CHART



Updated: November 25, 202

YELLOWSTONE COUNTY, MONTANA
ELECTED OFFICIALS
As of June 30, 2025

<u>Office</u>	<u>Name</u>	<u>Term Ends December 31,</u>
Commissioner (Chair)	Mark Morse	2028
Commissioner	Michael J. Waters	2030
Commissioner	Chris White	2026
Attorney & Public Administrator	Scott Twito	2026
Auditor, Clerk and Recorder & Surveyor	Jeff Martin	2026
Clerk of District Court	Terry Halpin	2028
Justice of Peace	David Carter	2026
Justice of Peace	Jeanne Walker	2028
Sheriff & Coroner	Mike Linder	2026
Treasurer, Assessor & Superintendent of Schools	Hank Peters	2026

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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, 2025, 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, 2025, 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2025, the County adopted new accounting guidance, GASB Statement No. 101, Compensated Absences. Our opinions are not modified with respect to this matter.

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 25, 2025, 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 25, 2025

YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2025

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, 2025, and the financial position as of June 30, 2025. 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 \$953,000. This is a result of increased property tax revenue in the amount of \$953,326 over the prior year largely due to significant gross proceeds received from a local mine.
- The road fund balance increased by \$2,544,391. Approximately \$800,000 is attributable to an increase in property tax revenues; however, a vast majority is due to a decrease of approximately \$1,600,000 in expenditures. Project activity decreased, but is ramping up in fiscal year 2026.
- The liability insurance fund balance increased by \$397,933. This is due to an increase in tax revenues of \$99,000 and a reduction in interfund transfers compared to the prior year.
- The COVID-19 fund is predicted to be completely spent by December 2025.
- The Public Safety fund balance increased by \$1,388,644. Tax revenues, charges for services, and grant revenues included in Other Revenues increased \$704,000, \$599,000, and \$173,000, respectively. This was in-part offset by a \$1,887,000 increase in expenditures primarily consisting of capital outlay increases of \$664,000 and payroll increases. Additionally, the Public Safety fund received an additional \$1,052,000 in interfund transfers over the prior year.
- The County Attorney's fund experienced an increase in its fund balance of \$205,883 as a result of approximately \$200,000 in unspent capital expenditure funds.
- The R.S.I.D Maintenance fund balance decreased \$51,741 due to a large number of RSID maintenance projects.
- Metra experienced another favorable increase in its net position of \$19,827,628, due to ARPA projects transferred into Metra's capital asset balance. The year was successful enough that Metra was able to transfer \$2,750,000 from its operations to Metra's CIP to assist in funding capital expenditure needs on campus.

YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 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 the METRA civic center.

The government-wide financial statements can be found on pages 21-23 of this report.

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.

YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2025

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 24-30 of this report.

YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2025

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 the 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 31-35 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 36-37 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 38-94 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, the Schedule of Proportionate Share of the Net Pension Liability, and the Budgetary Comparison schedules.

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, 2025

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 No. 34 and required local governments to present net position information. Yellowstone County's net position (assets less liabilities) was \$259,492,800 as of June 30, 2025. The net position for governmental activities was \$196,785,712, while business-type activities' net position stood at \$62,707,088. The net position increase of \$25,767,223 from FY24 to FY25 was due in a large part to the inclusion in net investment in capital assets of \$15.6 million in construction in progress projects.

The County manages and budgets its resources in such a way as to provide for an overall increase in the County's net financial position as part of its financial structure. This aligns with the conservatism principle within Generally Accepted Accounting Principles (GAAP). We work toward the goal of achieving revenue slightly above projections where possible and also controlling expenditures which may come in less than estimates.

The net financial position growth provides the County the opportunity to accomplish several things. Reserves can be increased where needed to strengthen some funds, and resources can be accumulated to cover periodic, larger capital asset maintenance. Finally, monies can be transferred to the County CIP fund in order to provide for property acquisitions and major asset replacement or refurbishment.

Of the County's net financial position of \$259,492,800 at June 30, 2025, net investment in capital assets totaled \$160,619,224 or 61.90% of total net financial position. Capital asset investments in facilities and equipment 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 \$19,110,061 was approximately 7.36% of net position compared to 6.64% in FY24. Unrestricted net position of \$79,763,515 was 30.74% of the total net position which was a decrease from 32.49% in FY24. Unrestricted net position is primarily used for cash reserves between periods of real estate property tax collections, which are due in 50% installments on November 30 and May 31 of each year, and as reserves for any large unanticipated costs that may arise.

YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2025

A comparison of the County's net position follows:

Yellowstone County Net Position

	Governmental Activities		Business Activities		Total	
	2025	2024	2025	2024	2025	2024
Current assets	\$ 140,654,934	\$ 139,079,178	\$ 14,282,141	\$ 15,043,891	\$ 154,937,075	\$ 154,123,069
Noncurrent assets	179,637	288,139	-	-	179,637	288,139
Capital assets	112,690,327	117,327,634	54,402,376	33,952,206	167,092,703	151,279,840
Deferred outflows	6,948,904	7,613,518	417,406	388,928	7,366,310	8,002,446
Total assets and deferred outflows	260,473,802	264,308,469	69,101,923	49,385,025	329,575,725	313,693,494
Current liabilities	17,890,543	23,627,500	3,085,893	3,213,236	20,976,436	26,840,736
Noncurrent liabilities	43,405,058	44,522,720	3,156,973	3,089,774	46,562,031	47,612,494
Deferred inflows	2,392,488	2,474,686	151,969	166,854	2,544,457	2,641,540
Total liabilities and deferred inflows	63,688,089	70,624,906	6,394,835	6,469,864	70,082,924	77,094,770
Net position:						
Net investment in capital assets	106,216,848	110,047,259	54,402,376	33,952,206	160,619,224	143,999,465
Restricted	19,110,061	15,720,648	-	-	19,110,061	15,720,648
Unrestricted	71,458,804	67,915,656	8,304,712	8,962,955	79,763,516	76,878,611
Total net position	196,785,713	193,683,563	62,707,088	42,915,161	259,492,801	236,598,724
Restatement for GASB 101 implementation	(2,746,405)	-	(126,740)	-	(2,873,145)	-
Change in net position	\$ 5,848,555	\$ 24,157,217	\$ 19,918,667	\$ 1,047,298	\$ 25,767,222	\$ 25,204,515

Governmental activities.

The increase in net financial position for governmental activities of \$5,848,555 is due primarily to vacancies and reduced spending.

Business activities.

The net financial position in business activities increased in FY25 \$19,918,667 largely because of the transfer of completed capital assets funded by the American Rescue Plan Act of 2021 (ARPA) from Governmental assets to Business assets which were primarily related to the MetraPark campus.

YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2025

Yellowstone County's Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<u>Revenues:</u>						
<u>Program revenues:</u>						
Special assessments	\$ 1,516,481	\$ 1,528,034	\$ 430,299	\$ 419,561	\$ 1,946,780	\$ 1,947,595
Licenses and permits	77,457	86,169	-	-	77,457	86,169
Intergovernmental	1,993,831	1,933,549	-	-	1,993,831	1,933,549
Fines and forfeitures	652,337	579,805	-	-	652,337	579,805
Charges for services	13,167,810	12,707,839	6,510,939	7,322,312	19,678,749	20,030,151
Operating grants and contributions	14,270,741	13,246,558	-	-	14,270,741	13,246,558
Capital grants and contributions	3,223	-	-	-	3,223	-
Total program revenues	31,681,880	30,081,954	6,941,238	7,741,873	38,623,118	37,823,827
General revenues:						
Property taxes	67,331,150	62,363,062	4,254,683	3,976,290	71,585,833	66,339,352
Licenses and permits	7,114,069	7,086,236	-	-	7,114,069	7,086,236
Intergovernmental	5,292,914	5,060,739	170,729	195,125	5,463,643	5,255,864
Other revenues	12,025,261	9,246,476	430,587	266,572	12,455,848	9,513,048
Gain/(Loss) on disposal of assets	(13,528)	345,507	-	(9,643)	(13,528)	335,864
Total general revenues	91,749,866	84,102,020	4,855,999	4,428,344	96,605,865	88,530,364
Total revenues	123,431,746	114,183,974	11,797,237	12,170,217	135,228,983	126,354,191
<u>Expenses:</u>						
General government	15,896,151	22,774,067	-	-	15,896,151	22,774,067
Public Safety	43,991,808	41,156,842	-	-	43,991,808	41,156,842
Public Works	15,177,657	12,627,028	-	-	15,177,657	12,627,028
Public Health	16,514,723	6,953,873	-	-	16,514,723	6,953,873
Social and Economic	3,123,030	3,281,656	-	-	3,123,030	3,281,656
Culture and Recreation	2,228,582	2,314,510	-	-	2,228,582	2,314,510
Community Development	564,738	709,855	-	-	564,738	709,855
Conservation of Natural Resources	170,454	159,840	-	-	170,454	159,840
Interest on Long-Term Debt	183,422	207,944	-	-	183,422	207,944
Sanitation, solid waste disposal	-	-	391,000	362,670	391,000	362,670
Civic center, METRA	-	-	11,205,602	10,601,391	11,205,602	10,601,391
Total expenses	97,850,565	90,185,615	11,596,602	10,964,061	109,447,167	101,149,676
Increase (decr.) in net position before transfers	25,581,181	23,998,359	200,635	1,206,156	25,781,816	25,204,515
Transfers	(19,732,626)	158,858	19,718,032	(158,858)	(14,594)	-
Increase (decrease) in net position	5,848,555	24,157,217	19,918,667	1,047,298	25,767,222	25,204,515
Beginning net position	193,683,563	169,526,346	42,915,161	41,867,863	236,598,724	211,394,209
Restatement for GASB 101 implementation	(2,746,405)	-	(126,740)	-	(2,873,145)	-
Ending net position	\$ 196,785,713	\$ 193,683,563	\$ 62,707,088	\$ 42,915,161	\$ 259,492,801	\$ 236,598,724

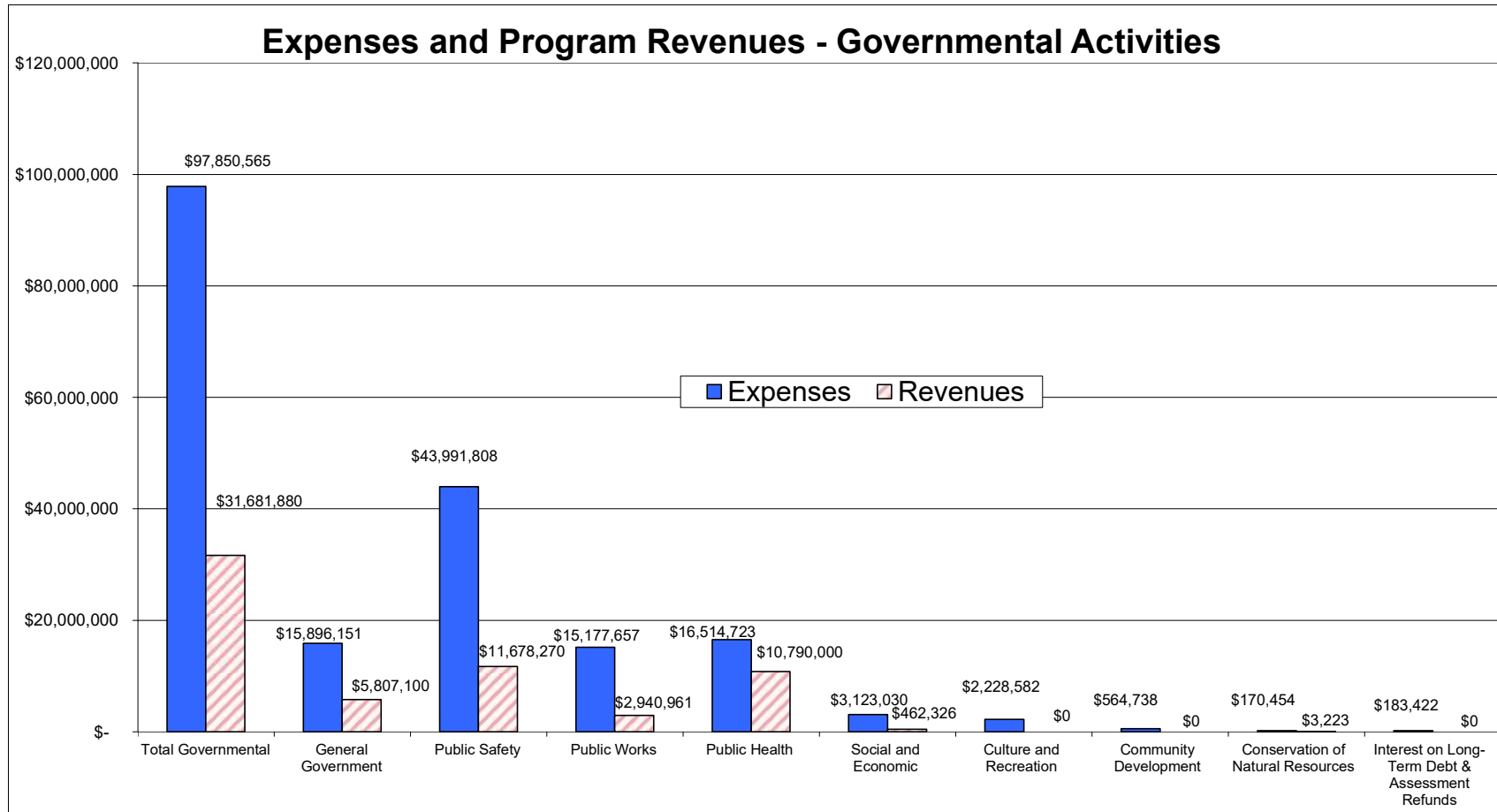
YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2025

Of the County's \$97.85 million in expenses for governmental activities, \$31.68 million (32.4%) was funded with program revenues. The balance of funding came from general revenues, which is primarily property tax revenue (64.9% 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): \$944,214 / (+\$117,923)
- Adult detention boarding fees: \$4,816,451 / (+\$607,486)
- Youth detention and secure shelter boarding and program fees: \$1,926,942 / (+\$162,521)
- RSID assessments: \$1,472,644 / (-\$269,027)
- Operating grants (including the American Rescue Plan Act \$10,551,884): \$14,270,741 / (+\$1,024,183)

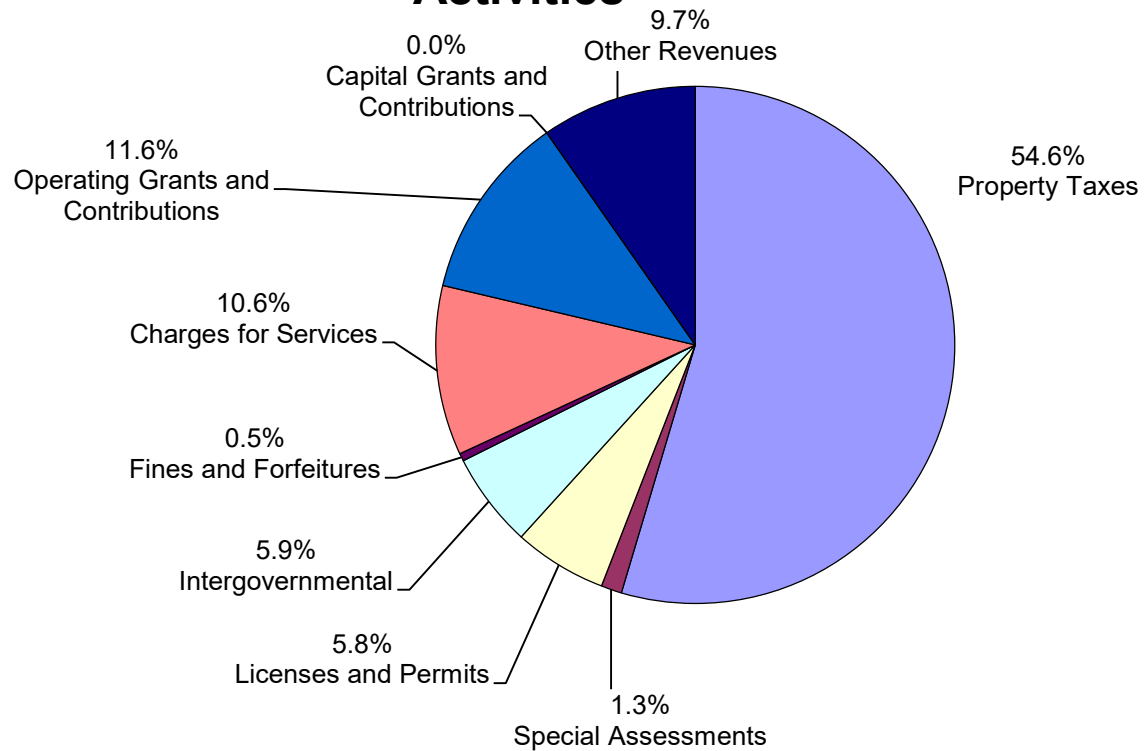
See the Statement of Activities on page 23 for additional detailed information regarding revenues and expenditures.

**YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2025**



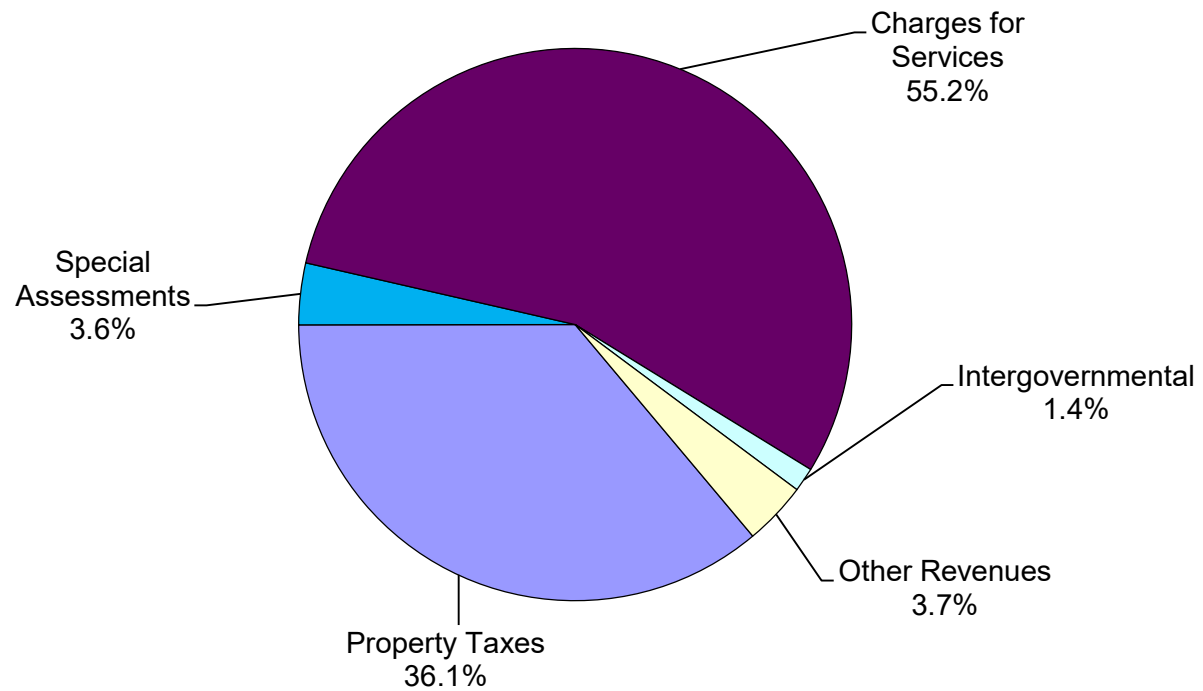
**YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2025**

**Total Revenues by Source - Governmental
Activities**



YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2025

Total Revenues by Source - Business Type Activities



YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2025

Fund Financial Statement Analysis

Governmental funds.

Yellowstone County's change in governmental fund balance for FY25 was an increase of \$7,172,760 resulting in a total governmental fund balance of \$105,968,528.

The general fund balance increased by \$953,000 during fiscal year 2025, which was mostly due to increased property tax revenue.

The road fund increased by \$2,544,391 in FY25. The road fund continues to be stable while the fund has transferred over \$2 million to the road CIP fund for future projects.

The public safety fund balance increased by \$1,388,644 and is sustained by continuing support from the general fund via interfund transfers.

The property and liability insurance fund increased by \$397,933. Insurance claims are largely unpredictable by nature. In FY25 there were no large payouts on insurance claims.

The fund balance in the capital improvement fund increased \$1,038,156 primarily due to interfund transfers for capital improvement projects and acquisitions. The capital improvement fund maintains 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, 2025

Proprietary funds.

The refuse disposal fund decreased \$35,701 to a fund balance of \$491,344 on June 30, 2025. The fund remains capable of providing for the contract with the City of Billings, however assessments will need to be analyzed in the coming years in order to keep pace with the contract.

The health insurance fund experienced a slight fund balance increase of \$19,568, resulting in an ending balance of \$15,009,855 on June 30, 2025. The fund balance was maintained in FY25 even as larger health insurance claims were processed. Health insurance premiums will increase in fiscal year 2026.

The County carries specific stop-loss insurance for health claims at \$350,000 per claim. The County analyzes the health insurance 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 substantial savings over traditional plan designs. Health insurance is not available to retirees over 65, with the exception of coverage offered to an employee's spouse under the age of 65 or any qualifying dependents of the employee.

YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2025

Capital Assets

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

	Governmental Activities		Business Activities		Total	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Land	\$ 5,854,721	\$ 5,552,186	\$ 357,388	\$ 357,388	\$ 6,212,109	\$ 5,909,574
Buildings	31,819,083	35,230,060	31,463,155	27,392,772	63,282,238	62,622,832
Improvements other than buildings	1,873,953	2,843,594	18,375,018	4,337,094	20,248,971	7,180,688
Equipment and vehicles	9,503,181	10,185,459	1,785,746	1,485,321	11,288,927	11,670,780
Infrastructure	45,645,638	46,980,737	-	-	45,645,638	46,980,737
Construction in progress	17,749,260	15,916,594	2,421,069	379,631	20,170,329	16,296,225
Intangible lease assets	159,606	446,638	-	-	159,606	446,638
Intangible subscription assets	84,885	172,366	-	-	84,885	172,366
Total Capital Assets	\$ 112,690,327	\$ 117,327,634	\$ 54,402,376	\$ 33,952,206	\$ 167,092,703	\$ 151,279,840

Governmental capital assets decreased by \$4,637,307 during the year because of the movement of \$19.9 million in completed ARPA project assets associated with the MetraPark campus from Governmental to Business capital assets, offset by the work done on the John V. Ostlund Yellowstone County Administrative Building and the Short-Term Detention Facility.

Some of the larger capital acquisitions in the governmental activities were:

- \$4.1 million in infrastructure improvements for County roads
- \$10,388,645 in construction work on the John V. Ostlund Yellowstone County Administrative Building
- The completion of \$5,167,495 of work on the Short-Term Detention Facility
- Sheriff patrol vehicle replacements totaling \$872,949

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

- The completion of the Northwest Concessions Beer Garden and Floor Beer Garden for a total of \$385,055
- Floor sweeper/scrubber at a cost of \$82,583

Intangible lease assets continue to decrease as annual lease payments are made and received.

See footnote 7 (pages 55-57) for additional information on capital assets.

YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2025

Long-term Liabilities

As of June 30, 2025, total long-term liabilities at the County were \$9,735,070, excluding OPEB and net pension liability on the government-wide statement of net position. Of the total, the governmental and enterprise funds long-term liability balances were \$9,477,978 and \$257,092, respectively.

The largest component of long-term debt is the balance of \$6,030,000 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+, which was re-affirmed in FY25. Additionally, the County's bond rating is verified to credible external sources by the County in March and September each year.

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 at any time or ratably over the life of the bond. 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, 2025, the County had \$100,000 of outstanding RSID bonds and the RSID Revolving Fund had a fund balance of \$56,800. The County issued no new RSID bonds during FY25.

Notes payable are occasionally used to finance capital needs 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 \$228,263 as of June 30, 2025.

The claims and judgments liability is an estimate of amounts needed to pay for known liability cases pending against the County. The liability at June 30, 2025 was \$500,000 for all known liability cases pending. The claims and judgments liability is included in the accrued payables in the liability fund. Fund balance in the liability fund increased by \$397,933 in FY25.

Compensated absence liability represents accrued vacation and sick leave earned but not yet used by employees. Implementation of GASB 101 required restating beginning balances by \$2,746,407 for governmental activities, \$126,740 for business-type activities, and \$17,375 for internal service funds. During the year, the liability decreased \$72,445 in governmental activities and increased \$26,305 in business-type activities. The total compensated absences liability at June 30, 2025 was \$5,886,318

See footnote #8 (pages 57-61) for additional information on long-term debt.

**YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2025**

Economic Factors and Next Year's Budget

The inflation allowance by Montana Code Annotated was 2.80% for fiscal year 2025. This resulted along with new growth led to a slight increase mills levied over the previous fiscal year.

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

The County continues to be benefitted by Metra's improved operations due to cost controls and the increased number of hosted events. We saw another year of higher-than-expected investment yields, which benefitted many funds. Anticipated rate cuts led by the FOMC are being estimated for next fiscal year.

Unemployment has fluctuated throughout the last year but is reporting at 3.0% as of August 2025 in Yellowstone County. This is similar to the unemployment rates reported by other Montana counties and to the state of Montana that reported an unemployment rate of 2.9% as of August 2025.

Some of the more significant financial items for fiscal year 2026 include:

- Tax protests are budgeted at 3.25%-3.75% of property tax revenues, increased over fiscal year 2025 due to implementation of new property tax bills.
- In FY26, the larger construction of buildings and other projects will continue. Work on the John V. Ostlund Building is nearing completion with anticipated occupancy in December of 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 completed an expansion of the detention facility to house short-term inmates.
- A ballot measure will be presented to taxpayers in 2026 for additional expansion of the Detention Facility.

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

**YELLOWSTONE COUNTY, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2025**

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, 2025

Page 1 of 2

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS AND DEFERRED OUTFLOWS			
Current Assets			
Cash and demand investments, pooled	\$ 50,289,095	\$ 4,609,783	\$ 54,898,878
Cash investments, pooled	81,366,768	7,457,421	88,824,189
Restricted cash and demand investments held in trust, nonpooled	-	1,726,546	1,726,546
Receivables (net of allowance for uncollectibles):			
Property taxes	2,471,892	149,718	2,621,610
Accounts	4,287,494	94,398	4,381,892
Leases	266,322	-	266,322
Delinquent assessments	51,582	62,641	114,223
Assessments	113,454	-	113,454
Accrued interest	860,510	36,920	897,430
Lease interest	666	-	666
Prepaid expenses	341,047	97,409	438,456
Inventories	606,104	47,305	653,409
Total current assets	140,654,934	14,282,141	154,937,075
Noncurrent Assets			
Assessments receivable, net of allowance	179,637	-	179,637
Total noncurrent assets	179,637	-	179,637
Capital assets, leases, and subscription assets (net of accumulated depreciation)			
Land	5,854,721	357,388	6,212,109
Buildings	31,819,083	31,463,155	63,282,238
Improvements other than buildings	1,873,953	18,375,018	20,248,971
Equipment and vehicles	9,503,181	1,785,746	11,288,927
Infrastructure	45,645,638	-	45,645,638
Construction in progress	17,749,260	2,421,069	20,170,329
Intangible lease assets	159,606	-	159,606
Intangible subscription assets	84,885	-	84,885
Total capital assets, leases, and subscription assets (net of accumulated depreciation)	112,690,327	54,402,376	167,092,703
DEFERRED OUTFLOWS	6,948,904	417,406	7,366,310
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 260,473,802	\$ 69,101,923	\$ 329,575,725

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

YELLOWSTONE COUNTY, MONTANA

STATEMENT OF NET POSITION

JUNE 30, 2025

Page 2 of 2

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES AND DEFERRED INFLOWS			
Current Liabilities			
Accounts payable	\$ 7,741,413	\$ 659,280	\$ 8,400,693
Accrued liabilities	4,576,602	500,026	5,076,628
Lease liabilities	6,928	-	6,928
Subscription liabilities	33,113	-	33,113
Accrued compensated absences	2,013,825	114,695	2,128,520
Unearned premiums	41,200	-	41,200
Notes payable	68,189	-	68,189
General obligation bonds	530,000	-	530,000
Liabilities payable from restricted assets:			
Unearned advertising and event revenue	-	560,860	560,860
Deferred revenue	2,179,716	-	2,179,716
Deposits	-	1,251,032	1,251,032
Due to other taxing districts	699,557	-	699,557
Total current liabilities	17,890,543	3,085,893	20,976,436
Noncurrent Liabilities			
Notes payable	160,074	-	160,074
Long-term liability for accrued compensated absences	3,542,731	215,067	3,757,798
Lease liabilities	159,936	-	159,936
Subscription liabilities	15,237	-	15,237
Unearned advertising revenue	-	42,025	42,025
General obligation bonds	5,500,000	-	5,500,000
Special assessment debt with governmental commitment	100,000	-	100,000
OPEB liability	2,095,421	181,673	2,277,094
Net pension liability	31,831,659	2,718,208	34,549,867
Total noncurrent liabilities	43,405,058	3,156,973	46,562,031
TOTAL LIABILITIES	61,295,601	6,242,866	67,538,467
DEFERRED INFLOWS	2,392,488	151,969	2,544,457
NET POSITION			
Net investment in capital assets	106,216,848	54,402,376	160,619,224
Restricted net position	19,110,061	-	19,110,061
Unrestricted	71,458,804	8,304,712	79,763,516
TOTAL NET POSITION	\$ 196,785,713	\$ 62,707,088	\$ 259,492,801

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

**YELLOWSTONE COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

	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	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions / Programs											
Primary government:											
<u>Governmental activities:</u>											
General government	\$ 15,889,352	\$ -	\$ -	\$ 80,680	\$ 626,887	\$ 4,809,863	\$ 289,670	\$ -	(10,082,252)	\$ -	\$ (10,082,252)
Public Safety	43,991,808	-	29,735	520,202	25,450	8,060,946	3,041,937	-	(32,313,538)	-	(32,313,538)
Public Works	15,177,657	1,516,481	47,722	930,623	-	297,001	149,134	-	(12,236,696)	-	(12,236,696)
Public Health	16,514,723	-	-	-	-	-	10,790,000	-	(5,724,723)	-	(5,724,723)
Social and Economic	3,123,030	-	-	462,326	-	-	-	-	(2,660,704)	-	(2,660,704)
Culture and Recreation	2,228,582	-	-	-	-	-	-	-	(2,228,582)	-	(2,228,582)
Community Development	564,738	-	-	-	-	-	-	-	(564,738)	-	(564,738)
Conservation of Natural Resources	170,454	-	-	-	-	-	-	3,223	(167,231)	-	(167,231)
Interest on Long-Term Debt	190,219	-	-	-	-	-	-	-	(190,219)	-	(190,219)
Total governmental activities	97,850,563	1,516,481	77,457	1,993,831	652,337	13,167,810	14,270,741	3,223	(66,168,683)	-	(66,168,683)
<u>Business-type activities:</u>											
Solid Waste Disposal	391,000	430,299	-	-	-	-	-	-	-	39,299	39,299
METRA	11,205,602	-	-	-	-	6,510,939	-	-	-	(4,694,663)	(4,694,663)
Total business-type activities:	11,596,602	430,299	-	-	-	6,510,939	-	-	-	(4,655,364)	(4,655,364)
Total primary government	\$ 109,447,165	\$ 1,946,780	\$ 77,457	\$ 1,993,831	\$ 652,337	\$ 19,678,749	\$ 14,270,741	\$ 3,223	\$ (66,168,683)	\$ (4,655,364)	\$ (70,824,047)
General revenues:											
Property taxes									67,331,150	4,254,683	71,585,833
Licenses and permits									7,114,069	-	7,114,069
Intergovernmental									5,292,914	170,729	5,463,643
Other revenues									11,817,698	430,587	12,248,285
Leases									207,563	-	207,563
Gain/Loss on disposal of assets									(13,528)	-	(13,528)
Transfers In/(Out)									(19,732,626)	19,718,032	(14,594)
Total general revenues and transfers									72,017,240	24,574,031	96,591,271
Change in net position									5,848,557	19,918,667	25,767,224
Net position, beginning									193,683,563	42,915,161	236,598,724
Restatement for GASB 101 implementation									(2,746,405)	(126,740)	(2,873,145)
Net position, ending									\$ 196,785,715	\$ 62,707,088	\$ 259,492,803

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

YELLOWSTONE COUNTY, MONTANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	MAJOR FUNDS									
			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	General	Road	Fund	Fund	Fund	Fund	Fund	Funds	Funds	
Cash and demand investments, pooled	\$ 5,279,037	\$ 3,594,142	\$ 717,811	\$ 1,352,363	\$ 5,113,087	\$ 42,518	\$ 20,020,842	\$ 7,695,022	\$ 43,814,822	
Cash investments, pooled	8,547,804	5,813,581	1,161,240	2,187,469	8,272,194	68,787	32,392,582	12,448,345	70,892,002	
Receivables (net of allowance for uncollectibles):										
Property taxes	655,277	444,842	39,910	-	487,090	-	-	844,773	2,471,892	
Accounts	686,592	8,205	-	750,000	990,990	-	87,473	1,738,471	4,261,731	
Leases	266,322	-	-	-	-	-	-	-	266,322	
Delinquent assessments	-	-	-	-	-	5,353	-	46,229	51,582	
Assessments	-	-	-	-	-	293,091	-	-	293,091	
Accrued interest	335,987	-	6,101	-	61,156	493	308,574	57,093	769,404	
Lease interest	666	-	-	-	-	-	-	-	666	
Due from other funds	200,009	-	-	-	-	-	-	-	200,009	
Prepaid expenses	176,120	-	2,549	-	1,450	-	-	2,899	183,018	
Inventories	42,896	379,080	-	-	-	-	-	184,128	606,104	
Total assets	16,190,710	10,239,850	1,927,611	4,289,832	14,925,967	410,242	52,809,471	23,016,960	123,810,643	
LIABILITIES:										
Accounts payable	367,020	1,667,342	1,679	1,810,746	511,906	-	1,940,382	1,370,067	7,669,142	
Accrued liabilities	699,340	250,509	559,759	299,370	1,405,473	-	485,714	578,031	4,278,196	
Due to other funds	-	-	-	-	-	171,869	-	28,140	200,009	
Deferred revenue	-	-	-	2,179,716	-	-	-	-	2,179,716	
Due to other taxing districts	-	-	-	-	-	-	-	699,557	699,557	
Total liabilities	1,066,360	1,917,851	561,438	4,289,832	1,917,379	171,869	2,426,096	2,675,795	15,026,620	
DEFERRED INFLOW OF RESOURCES:										
Uncollected tax revenue	655,277	444,842	39,910	-	487,090	(17,777)	-	891,002	2,500,344	
Uncollected lease revenue	315,151	-	-	-	-	-	-	-	315,151	
Total deferred inflow of resources	970,428	444,842	39,910	-	487,090	(17,777)	-	891,002	2,815,495	
FUND BALANCE:										
Nonspendable	219,016	379,080	2,549	-	1,450	-	-	187,027	789,122	
Restricted	-	7,498,077	-	-	-	256,150	-	10,565,530	18,319,757	
Committed	122,922	-	596,551	-	9,207,353	-	-	5,209,450	15,136,276	
Assigned	3,702,900	-	727,163	-	3,312,695	-	50,383,375	3,488,156	61,614,289	
Unassigned	10,109,084	-	-	-	-	-	-	-	10,109,084	
Total fund balance	14,153,922	7,877,157	1,326,263	-	12,521,498	256,150	50,383,375	19,450,163	105,968,528	
Total liabilities, deferred inflows and fund balance	\$ 16,190,710	\$ 10,239,850	\$ 1,927,611	\$ 4,289,832	\$ 14,925,967	\$ 410,242	\$ 52,809,471	\$ 23,016,960	\$ 123,810,643	

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, 2025**

Total fund balances, governmental funds	\$	105,968,528
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, the underlying resources are not recognized currently in the funds.		112,431,964
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Revenues recognized in the statement of activities were not available and are recognized as deferred inflows of resources:		
Tax/assessment revenues		2,500,344

Some liabilities, (such as compensated absences, notes payable, bonds payable, leases and the net pension liability), are not due and payable in the current period and, therefore, are not included in the funds.		(11,468,199)
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Some liabilities, deferred inflows of resources, and deferred outflows of resources related to pensions are not current financial resources and, therefore, are not reported in the funds.		(25,986,733)
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Some liabilities, deferred inflows of resources, and deferred outflows of resources related to other postemployment benefits are not current financial resources and, therefore, are not reported in the funds.		(3,068,780)
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The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.		16,408,589
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Net Position of governmental activities, June 30, 2025	\$	196,785,713
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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, 2025

	MAJOR FUNDS								
	<u>General</u>	<u>Road</u>	<u>Property and Liability Insurance Fund</u>	<u>COVID-19 Fund</u>	<u>Public Safety Fund</u>	<u>RSID Bond Fund</u>	<u>Capital Improvement Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:									
Taxes	\$ 19,130,839	\$ 8,840,728	\$ 1,127,804	\$ -	\$ 13,607,934	\$ -	\$ -	\$ 23,427,460	\$ 66,134,765
Special assessments	-	-	-	-	-	127,552	-	1,472,689	1,600,241
Licenses and permits	83,291	47,722	-	-	6,110,513	-	-	950,000	7,191,526
Intergovernmental	1,935,476	2,993,867	610,469	10,560,916	809,553	-	-	4,650,428	21,560,709
Fines and forfeitures	626,887	-	-	-	1,011	-	-	24,439	652,337
Charges for services	1,267,338	240,229	497,293	-	6,056,048	-	28,825	2,061,670	10,151,403
Leases	207,563	-	-	-	-	-	-	-	207,563
Other	3,187,717	8,334	51,290	-	758,282	4,283	2,729,217	774,867	7,513,990
Total revenues	26,439,111	12,130,880	2,286,856	10,560,916	27,343,341	131,835	2,758,042	33,361,553	115,012,534
EXPENDITURES:									
Current:									
General government	14,619,074	-	1,919,735	-	-	-	-	101,079	16,639,888
Public safety	1,600,040	-	-	-	27,969,357	-	-	9,848,782	39,418,179
Public works	9,965	7,447,844	-	-	-	-	-	3,125,914	10,583,723
Public health	716,413	-	-	177,805	119,475	-	-	5,118,151	6,131,844
Social and economic services	714,616	-	-	-	-	-	-	2,386,403	3,101,019
Culture and recreation	-	-	-	-	-	-	-	2,448,755	2,448,755
Conservation of natural resources	30,243	-	-	-	-	-	-	140,211	170,454
Community development	8,639	-	-	-	-	-	-	-	8,639
Capital outlay	375,855	23,961	9,057	10,383,111	1,174,899	-	10,119,886	3,073,837	25,160,606
Debt and lease service:									
Principal	301,503	-	-	-	-	65,000	-	581,470	947,973
Interest	6,797	-	-	-	-	14,850	-	179,025	200,672
Total expenditures	18,383,145	7,471,805	1,928,792	10,560,916	29,263,731	79,850	10,119,886	27,003,627	104,811,752
Excess (deficiency) of revenues over (under) expenditures	8,055,966	4,659,075	358,064	-	(1,920,390)	51,985	(7,361,844)	6,357,926	10,200,782
OTHER FINANCING SOURCES (USES):									
Interfund transfers in	1,190,923	201,751	39,869	-	4,147,808	-	8,400,000	1,831,813	15,812,164
Interfund transfers out	(8,293,889)	(2,316,435)	-	-	(838,774)	-	-	(7,391,088)	(18,840,186)
Long term debt proceeds	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(7,102,966)	(2,114,684)	39,869	-	3,309,034	-	8,400,000	(5,559,275)	(3,028,022)
Net change in fund balances	953,000	2,544,391	397,933	-	1,388,644	51,985	1,038,156	798,651	7,172,760
Fund balance July 1, 2024	13,200,922	5,332,766	928,330	-	11,132,854	204,165	49,345,219	18,651,512	98,795,768
Fund balance June 30, 2025	\$ 14,153,922	\$ 7,877,157	\$ 1,326,263	\$ -	\$ 12,521,498	\$ 256,150	\$ 50,383,375	\$ 19,450,163	\$ 105,968,528

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, 2025**

Net change in fund balances - total governmental funds	\$	7,172,760
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays and lease additions (24,766,939) exceeded depreciation/amortization (9,336,274) in the current period.		15,430,665
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In the statement of activities, only the gain/loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale are reported as other financing sources. Additionally, the County transferred assets to other entities in the current year. Thus, the change in net position differs from the change in fund balance by the net book value of the assets sold and transferred.		(13,528)
Value of capital assets transferred to proprietary funds		(19,894,334)

Revenues in the statement of activities that are not due to convert to cash during the period of availability are not reported as revenues in the governmental funds. This is the amount by which deferred inflows of resources changed.		1,112,625
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Bond proceeds provide an other financing source to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of leases and bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which repayments exceeded proceeds		867,754
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as an expenditure in governmental funds. This is the amount each of these expenses exceeded payments related to the liabilities during the year:		
Compensated absences		70,794
Accrued interest expense		10,453
Pension		908,397
Other postemployment benefits related		169,825

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		13,144
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Change in net position in governmental activities	\$	5,848,555
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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, 2025
(Page 1 of 2)

	BUDGET			Variance with Final Budget - Positive (Negative)
	Original	Final Revised	Actual	
<u>REVENUES:</u>				
Taxes:				
Real estate property taxes	\$17,866,314	\$ 17,866,314	\$17,244,596	\$ (621,718)
Personal property taxes	238,000	238,000	269,301	31,301
Mobile homes, penalty and interest, other	898,500	903,500	1,616,942	713,442
Licenses and permits	55,700	55,700	83,291	27,591
Intergovernmental:				
Grants	130,000	3,293,414	452,532	(2,840,882)
State entitlement and other	1,181,471	1,883,051	1,482,944	(400,107)
Fines and forfeitures, justice court	500,000	500,000	626,887	126,887
Charges for services:				
Clerk & recorder	838,500	838,500	944,214	105,714
Miscellaneous	315,500	315,500	323,124	7,624
Leases	227,901	227,901	207,563	(20,338)
Other:				
Interest on investments	2,029,000	2,029,000	2,727,513	698,513
On-behalf revenue	-	-	366,123	366,123
Miscellaneous	30,000	30,000	94,081	64,081
Total revenues	\$24,310,886	\$ 28,180,880	\$26,439,111	\$ (1,741,769)

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, 2025
(Page 2 of 2)

EXPENDITURES:	BUDGET			Variance with Final Budget - Positive (Negative)
Current:				
General government:	<u>Original</u>	<u>Final Revised</u>	<u>Actual</u>	
County commissioners	\$ 639,843	\$ 639,843	\$ 601,410	\$ 38,433
Elections	964,587	1,004,257	906,096	98,161
Clerk & recorder	821,617	821,617	764,806	56,811
Treasurer, auditor, finance	3,128,231	3,128,231	3,047,806	80,425
Information technology	1,397,764	1,397,764	1,267,548	130,216
Building maintenance	1,283,621	1,283,621	1,076,625	206,996
Other	8,554,377	8,544,377	6,954,783	1,589,594
Public safety:				
Disaster and emergency, rural fire	772,352	843,352	750,565	92,787
Juvenile detention	704,475	704,475	704,475	-
Jail alternative programs	145,000	145,000	145,000	-
Public works	37,500	37,500	9,965	27,535
Public health	592,632	1,264,212	716,413	547,799
Social and economic services:				
Youth shelter	352,266	352,266	352,266	-
Rent assistance program	137,500	137,500	137,500	-
Medical assistance program	-	-	-	-
Other	265,000	265,000	224,850	40,150
Culture and recreation	-	-	-	-
Conservation of natural resources	27,020	2,894,211	30,243	2,863,968
Community development	-	15,553	8,639	6,914
Capital outlay	245,525	535,525	375,855	159,670
Debt and lease service:				
Principal	419,832	419,832	301,503	118,329
Interest	-	-	6,797	(6,797)
Total expenditures	20,489,142	24,434,136	18,383,145	6,050,991
Excess (deficiency) of revenues over (under) expenditures	3,821,744	3,746,744	8,055,966	4,309,222
OTHER FINANCING SOURCES (USES):				
Interfund transfers in	1,323,927	1,323,927	1,190,923	(133,004)
Interfund transfers out	(8,294,406)	(8,294,406)	(8,293,889)	517
Total other financing sources (uses)	(6,970,479)	(6,970,479)	(7,102,966)	(132,487)
Net change in fund balances	\$ (3,148,735)	\$ (3,223,735)	953,000	\$ 4,176,735
Fund balance July 1, 2024			13,200,922	
Fund balance June 30, 2025			\$14,153,922	
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, 2025

	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	\$ 8,662,808	\$ 8,662,808	\$ 8,840,728	\$ 177,920	\$ 1,130,621	\$ 1,130,621	\$ 1,127,804	\$ (2,817)	\$ -	\$ -	\$ -	\$ -	\$13,656,824	\$13,656,824	\$13,607,934	\$ (48,890)
Licenses and permits	30,400	30,400	47,722	17,322	-	-	-	-	-	-	-	-	6,027,000	6,027,000	6,110,513	83,513
Intergovernmental	3,020,040	3,020,040	2,993,867	(26,173)	610,470	610,470	610,469	(1)	-	-	10,560,916	10,560,916	579,021	965,264	809,553	(155,711)
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	5,000	5,000	1,011	(3,989)
Charges for services	215,000	215,000	240,229	25,229	481,842	481,842	497,293	15,451	-	-	-	-	4,775,500	4,775,500	6,056,048	1,280,548
Other	5,000	5,000	8,334	3,334	20,000	20,000	51,290	31,290	-	-	-	-	402,000	402,000	758,282	356,282
Total revenues	11,933,248	11,933,248	12,130,880	197,632	2,242,933	2,242,933	2,286,856	43,923	-	-	10,560,916	10,560,916	25,445,345	25,831,588	27,343,341	1,511,753
EXPENDITURES:																
Current:																
General government	-	-	-	-	2,612,154	2,612,154	1,919,735	692,419	-	-	-	-	-	-	-	-
Public works	12,084,994	11,070,494	7,447,844	3,622,650	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	61,900	76,400	23,961	52,439	9,600	9,600	9,057	543	6,678,400	11,678,400	10,383,111	1,295,289	994,375	1,452,428	1,174,899	277,529
Total expenditures	12,146,894	11,146,894	7,471,805	3,675,089	2,621,754	2,621,754	1,928,792	692,962	7,228,400	12,228,400	10,560,916	1,667,484	31,342,138	31,728,381	29,263,731	2,464,650
Excess (deficiency) of revenues over (under) expenditures	(213,646)	786,354	4,659,075	3,872,721	(378,821)	(378,821)	358,064	736,885	(7,228,400)	(12,228,400)	-	12,228,400	(5,896,793)	(5,896,793)	(1,920,390)	3,976,403
OTHER FINANCING SOURCES (USES):																
Interfund transfers in	241,536	241,536	201,751	(39,785)	45,696	45,696	39,869	(5,827)	-	-	-	-	4,362,720	4,362,720	4,147,808	(214,912)
Interfund transfers out	(1,516,435)	(2,516,435)	(2,316,435)	200,000	-	-	-	-	-	-	-	-	(838,775)	(838,775)	(838,774)	1
Total other financing sources (uses)	(1,274,899)	(2,274,899)	(2,114,684)	160,215	45,696	45,696	39,869	(5,827)	-	-	-	-	3,523,945	3,523,945	3,309,034	(214,911)
Net change in fund balances	\$ (1,488,545)	\$ (1,488,545)	2,544,391	\$ 4,032,936	\$ (333,125)	\$ (333,125)	397,933	\$ 731,058	\$ (7,228,400)	\$ (12,228,400)	-	\$ 12,228,400	\$ (2,372,848)	\$ (2,372,848)	1,388,644	\$ 3,761,492
Fund balance July 1, 2024			5,332,766				928,330				-				11,132,854	
Fund balance June 30, 2025		\$ 7,877,157					\$ 1,326,263				\$ -				\$ 12,521,498	

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

YELLOWSTONE COUNTY, MONTANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025
(Page 1 of 2)

	Business-Type Activities Enterprise Funds			Governmental Activities -
	Refuse Disposal Fund	METRA Fund	Total	Internal Service Funds
ASSETS AND DEFERRED OUTFLOWS				
CURRENT ASSETS:				
Cash and demand investments, pooled	\$ 163,782	\$ 4,446,001	\$ 4,609,783	\$ 6,474,273
Cash investments, pooled	264,921	7,192,500	7,457,421	10,474,766
Restricted cash and demand investments held in trust, nonpooled	-	1,726,546	1,726,546	-
Receivables (net of allowance for uncollectibles):				
Property taxes	-	149,718	149,718	-
Accounts	-	94,398	94,398	25,763
Assessments	62,641	-	62,641	-
Accrued interest	-	36,920	36,920	91,106
Prepaid expenses	-	97,409	97,409	158,029
Inventories	-	47,305	47,305	-
Total current assets	491,344	13,790,797	14,282,141	17,223,937
NONCURRENT ASSETS:				
Capital assets:				
Land	-	357,388	357,388	-
Buildings	-	62,716,191	62,716,191	-
Improvements other than buildings	-	22,539,234	22,539,234	-
Equipment and vehicles	-	4,762,388	4,762,388	1,019,216
Construction in progress	-	2,421,069	2,421,069	-
Accumulated depreciation	-	(38,393,894)	(38,393,894)	(760,853)
Total capital assets (net of accumulated depreciation)	-	54,402,376	54,402,376	258,363
DEFERRED OUTFLOWS	-	417,406	417,406	-
Total assets and deferred outflows	\$ 491,344	\$ 68,610,579	\$ 69,101,923	\$ 17,482,300

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

YELLOWSTONE COUNTY, MONTANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025
(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	\$ -	\$ 659,280	\$ 659,280	\$ 72,271
Accrued liabilities	-	500,026	500,026	920,243
Accrued compensated absences	-	114,695	114,695	21,868
Advance from other funds	-	-	-	-
Unearned revenue - advertising and event	-	-	-	-
Unearned premiums	-	-	-	-
Due to general fund	-	-	-	-
Notes payable	-	-	-	-
Deposits	-	-	-	-
Total current liabilities	-	1,274,001	1,274,001	1,014,382
CURRENT LIABILITIES PAYABLE FROM RESTRICTED CASH:				
Unearned event revenue	-	560,860	560,860	41,200
Deposits	-	1,251,032	1,251,032	-
Total current liabilities payable from restricted cash	-	1,811,892	1,811,892	41,200
NONCURRENT LIABILITIES:				
Accrued compensated absences	-	215,067	215,067	18,129
Unearned advertising revenue	-	42,025	42,025	-
OPEB implicit rate subsidy	-	181,673	181,673	-
Net pension liability	-	2,718,208	2,718,208	-
Total noncurrent liabilities	-	3,156,973	3,156,973	18,129
Total liabilities	-	6,242,866	6,242,866	1,073,711
DEFERRED INFLOWS	-	151,969	151,969	-
<u>NET POSITION</u>				
Net investment in capital assets	-	54,402,376	54,402,376	258,363
Unrestricted	491,344	7,813,368	8,304,712	16,150,226
Total net position	491,344	62,215,744	62,707,088	16,408,589
Total liabilities, deferred inflows and net position	\$ 491,344	\$ 68,610,579	\$ 69,101,923	\$ 17,482,300

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, 2025

	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	\$ 430,299	\$ 6,510,939	\$ 6,941,238	\$ 1,243,303
Health insurance premiums	0	0	0	8,156,471
Total operating revenues	430,299	6,510,939	6,941,238	9,399,774
OPERATING EXPENSES:				
Salaries and benefits	0	3,875,367	3,875,367	489,427
Supplies	0	997,302	997,302	122,137
Subscriptions	0	-	0	0
Contracted services	391,000	3,213,369	3,604,369	1,210,717
Health claims	0	0	0	11,027,979
Stop-loss insurance and administration	0	0	0	323,474
Awards	0	116,308	116,308	0
Depreciation	0	3,003,256	3,003,256	155,967
Total operating expenses	391,000	11,205,602	11,596,602	13,329,701
Operating income (loss)	39,299	(4,694,663)	(4,655,364)	(3,929,927)
NONOPERATING REVENUES (EXPENSES):				
Taxes	0	4,254,683	4,254,683	0
Intergovernmental revenue	0	170,729	170,729	0
Interest revenue (expense)	0	300,508	300,508	753,417
Other revenue	0	125,079	125,079	329
Grant revenue	0	5,000	5,000	0
Total nonoperating revenues (expenses)	0	4,855,999	4,855,999	753,746
Income (loss)	39,299	161,336	200,635	(3,176,181)
Transfers in from other funds	0	19,890,058	19,890,058	3,189,730
Transfers out to other funds	(75,000)	(97,026)	(172,026)	0
Change in net position	(35,701)	19,954,368	19,918,667	13,549
Net position July 1, 2024	527,045	42,388,116	42,915,161	16,395,445
Restatement for GASB 101 implementation	-	(126,740)	(126,740)	(405)
Net position June 30, 2025	\$ 491,344	\$ 62,215,744	\$ 62,707,088	\$ 16,408,589

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, 2025
(Page 1 of 2)

	Business-type Activities - Enterprise Funds			Governmental Activities
	Solid Waste Disposal	METRA		Internal
	Fund	Fund	Total	Service Funds
<u>Cash flows from operating activities:</u>				
Cash received from users	\$ 415,264	\$ 5,974,082	\$ 6,389,346	\$ 1,287,566
Cash received from health insurance premiums	-	-	-	8,290,658
Cash paid to other suppliers for goods or services	(391,000)	(4,339,929)	(4,730,929)	(1,402,071)
Cash paid to employees for services	-	(4,099,955)	(4,099,955)	(472,768)
Cash paid for health claims	-	-	-	(11,027,200)
Cash paid for stop-loss insurance and administration	-	-	-	(323,475)
Net cash provided (used) by operating activities	24,264	(2,465,802)	(2,441,538)	(3,647,290)
<u>Cash flows from noncapital financing activities:</u>				
Cash received from taxes, licenses, permits, and intergovernmental revenue	-	4,320,235	4,320,235	-
Cash received from interfund transfer	-	-	-	3,189,730
Cash transferred to other funds for services	-	(86,709)	(86,709)	-
Cash transferred to Blight Abatement	(75,000)	-	(75,000)	-
Cash received from other revenues	-	126,307	126,307	-
Net cash provided (used) by noncapital financing activities	(75,000)	4,359,833	4,284,833	3,189,730
<u>Cash flows from capital and related financing activities:</u>				
Acquisition of capital assets	-	(3,064,081)	(3,064,081)	-
Net cash used for capital and related financing activities	-	(3,064,081)	(3,064,081)	-
<u>Cash flows from investing activities:</u>				
Deposits into cash investments	(810)	(520,002)	(520,812)	(1,349,758)
Interest received on investments	-	286,992	286,992	736,000
Net cash provided (used) by investing activities	(810)	(233,010)	(233,820)	(613,758)
Net increase (decrease) in cash and demand investments	(51,546)	(1,403,060)	(1,454,606)	(1,071,318)
Cash and demand investments, and restricted cash, July 1, 2024	215,329	7,575,608	7,790,937	7,545,592
Cash and demand investments, and restricted cash, June 30, 2025	\$ 163,783	\$ 6,172,548	\$ 6,336,331	\$ 6,474,274
<u>Presented in Statement of Net Position as follows:</u>				
Cash and demand investments, pooled	163,782	4,446,001	4,609,783	
Restricted cash held in trust, nonpooled	-	1,726,546	1,726,546	
Cash and demand investments, and restricted cash, June 30, 2025	\$ 163,782	\$ 6,172,547	\$ 6,336,329	

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, 2025
(Page 2 of 2)

	Business-type Activities - Enterprise Funds			Governmental Activities
	Solid Waste Disposal Fund	METRA Fund	Total	Internal Service Funds
Noncash transactions:				
Net pension liability	\$ -	\$ 26,655	\$ 26,655	\$ -
OPEB liability	\$ -	\$ (43,010)	\$ (43,010)	\$ -
 <u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</u>				
Operating income (loss)	\$ 39,298	\$ (4,829,108)	\$ (4,789,810)	\$ (3,930,330)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation expense	-	3,003,256	3,003,256	155,967
(Increase) decrease in assets:				
Accounts receivable	-	(30,155)	(30,155)	137,247
Delinquent assessments receivable	(15,035)	-	(15,035)	-
Prepaid expenses	-	(34,167)	(34,167)	(47,190)
Inventories	-	(6,901)	(6,901)	-
Increase (decrease) in liabilities:				
Accounts payable	-	28,117	28,117	(22,028)
Accrued liabilities	-	(76,037)	(76,037)	17,843
Unearned event revenue	-	(73,156)	(73,156)	-
Deposits	-	(433,546)	(433,546)	-
NPL/ OPEB liability	-	(14,105)	(14,105)	-
Total adjustments	(15,035)	2,363,306	2,348,271	283,039
Net cash provided (used) by operating activities	\$ 24,263	\$ (2,465,802)	\$ (2,441,539)	\$ (3,647,291)

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, 2025

	CUSTODIAL FUNDS		Total
	Investment Trust Fund	Other Custodial Funds	Fiduciary Funds
<u>ASSETS</u>			
Cash and demand investments, pooled	\$ 55,155,163	\$ 4,210,326	\$ 59,365,489
Cash investments, pooled	89,239,080	6,810,267	96,049,347
Restricted cash and demand investments held in trust, nonpooled	-	51,971	51,971
Restricted cash investments for debt service, nonpooled	-	28,037,327	28,037,327
Receivables:			
Property taxes	-	9,516,280	9,516,280
Delinquent assessments	-	1,028,374	1,028,374
Accrued interest	874,178	64,131	938,309
Total assets	145,268,421	49,718,676	194,987,097
<u>LIABILITIES</u>			
Accounts payable and Bond payable	-	151,924	151,924
Total liabilities	-	151,924	151,924
<u>NET POSITION</u>			
Restricted for:			
Pool participants	145,268,423	-	145,268,423
Individuals, organizations, and other governments	-	49,566,752	49,566,752
Total net position	\$ 145,268,421	\$ 49,566,752	\$ 194,835,173

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, 2025**

	CUSTODIAL FUNDS	
	Investment Trust Fund	Other Custodial Funds
<u>ADDITIONS:</u>		
Contributions to pooled investments	\$ 904,092,763	\$ -
Property taxes/assessments	-	63,331,923
Miscellaneous	-	355,229,755
Interest and investment income	7,362,801	13,582
Total additions	911,455,564	418,575,260
<u>DEDUCTIONS:</u>		
Distributions from pooled investments	(911,464,982)	-
Investment administrative expenses	(62,000)	-
Payments to outside sources	-	(470,402,268)
Total deductions	(911,526,982)	(470,402,268)
Change in net position	(71,418)	(51,827,008)
Net position held in trust for pool participants, July 1, 2024	145,339,841	101,393,760
Net position held in trust for pool participants, June 30, 2025	\$ 145,268,423	\$ 49,566,752

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

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

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, 2025

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, 2025. 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.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

Note 1. Summary of Significant Accounting Policies, continued

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

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

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, and 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 in other event facilities and grounds.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

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 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, 2025

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, 2025 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" reads as follows:

- (1) A municipal group self-insurance program that may include consolidated governments established pursuant to an interlocal agreement may follow the investment standards provided in Title 33, chapter 12, parts 1 through 3, to invest public money that is not required for immediate use by the municipal group self-insurance program.
- (2) 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 (3):
 - (i) federal home loan bank;
 - (ii) federal national mortgage association;
 - (iii) federal home mortgage corporation; and
 - (iv) federal farm credit bank.
- (3) 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.
- (4) 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;

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

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, continued

- (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;
- (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.
- (5) Except as provided in subsection (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.
- (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 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 uncollectible accounts. As of June 30, 2025, the allowances were as follows:

	<u>Allowance Amount</u>
Accounts receivable	\$ 826
Property taxes	549,700
Delinquent special assessments	20,300
Special assessments	15,400
Total uncollectible allowance	<u>\$ 586,226</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, 2025

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., roads, 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 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 an asset's life are not capitalized. Improvements are capitalized and depreciated over the remaining useful life of the related fixed asset.

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 funds' 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, 2025, 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, 2025

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

Employees of the County earn vacation and sick leave benefits that are recognized as compensated absences in accordance with GASB Statement No. 101, Compensated Absences. A liability is reported in the government-wide, proprietary, and fiduciary fund financial statements for leave that is attributable to services already rendered and for which it is more likely than not that the County will compensate employees, either through paid time off or other means such as payment upon termination or retirement. The liability is measured based on the amount of leave expected to be used or paid, using current pay rates in effect at fiscal year-end.

Governmental funds do not report a liability for compensated absences, as such amounts are recognized as expenditures when paid. The full liability, including both current and long-term portions, is reported in the government-wide 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 reports a separate section for deferred inflows of resources. Deferred inflows of resources is a separate financial statement element which represents an acquisition of net position that applies to a future period(s) and thus 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 qualify for reporting in this category. One type of item is unavailable revenue and is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes and special assessments. The other types of items relate to net pension liability, other post-employment benefits (OPEB) and leasing arrangements. These are found only on the government-wide financial statements. Both of these types of items are deferred and recognized as an inflow of resources (revenue) in the period the amounts become available.

11. Fund Equity

In the fund financial statements, governmental funds report fund balances 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 was effective for the County beginning

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

Note 1. Summary of Significant Accounting Policies, continued

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

11. Fund Equity, continued

in fiscal year 2011. The objective of this statement is to enhance the usefulness of fund balance information by providing clearly-defined fund balance classifications that can be more consistently applied. The five fund balance classifications, in order of constraint level, are nonspendable, restricted, committed, assigned, and unassigned. Nonspendable 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 balances may only become uncommitted by the same formal action authorized by the County Commission in a public meeting by resolution or policy. Assigned fund balances may be assigned informally by the finance director based on future budget expenditures after a current fund balance review has been completed. Assigned fund balances 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. 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.

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.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

Note 1. Summary of Significant Accounting Policies, continued

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

13. New Accounting Pronouncements, continued

Accounting Standards effective in a future period:

GASB Statement No. 103, *Financial Reporting Model Improvements*, 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.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, is effective for reporting periods beginning after June 15, 2025; however, the County elected to early implement this Statement for the fiscal year ended June 30, 2025. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets, which are disclosed separately in the capital assets note disclosures required by GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This includes lease assets recognized in accordance with GASB Statement No. 87, *Leases*; intangible right-to-use assets recognized in accordance with GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; and subscription assets recognized in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class and provides for additional disclosures related to capital assets held for sale.

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.

Yellowstone County, Montana

Notes to the Financial Statements

June 30, 2025

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 2025.

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, such as debt service or capital projects. The County's investments are categorized below to give an indication of the level of risk assumed by the County at June 30, 2025. 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	\$ 184,873,534	\$ -	\$ -	\$ 184,873,534
Cash in overnight sweep agreements	(250,000)	-	(8,355,287)	(8,605,287)
Cash on hand and demand deposits	163,280	-	752,003	915,283
Subtotal	184,786,814	-	(7,603,284)	177,183,530
Investments Not Subject to Categories:				
Short-Term Investment Pool (STIP)				121,954,373
Total pooled investments				\$ 299,137,903

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	\$ 28,037,327	\$ -	\$ -	\$ 28,037,327
Cash on hand and demand deposits	250,000	1,528,517	-	1,778,517
Subtotal	28,287,327	1,528,517	-	29,815,844
Investments Not Subject to Categories:				
Short-Term Investment Pool (STIP)				-
Total non-pooled investments				29,815,844
Total Investments				328,953,747

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

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, 2025 is detailed as follows:

	<u>Total</u>	<u>Statement of Net Position</u>	<u>Fiduciary Net Position</u>
Cash and demand investments, pooled	\$ 114,264,367	\$ 54,898,878	\$ 59,365,489
Restricted cash and demand investments held in trust, non-pooled	1,778,517	1,726,546	51,971
Total cash and demand investments	116,042,884	56,625,424	59,417,460
Cash investments, pooled	184,873,536	88,824,189	96,049,347
Restricted cash investments for capital, non-pooled	-	0	-
Restricted cash investments for debt service, non-pooled	28,037,327	0	28,037,327
Total	<u>\$ 328,953,747</u>	<u>\$ 145,449,613</u>	<u>\$ 183,504,134</u>
Cash on hand, pooled	\$ 825,306		
Cash in bank deposits and other bank deposits, pooled	89,977		
Cash in bank deposits and other bank deposits, non-pooled	1,778,517		
Cash in overnight repurchase agreements, pooled	13,934,403		
Cash in overnight repurchase agreements, non-pooled	0		
Cash in overnight repurchase agreements, non-pooled	0		
Cash in Short-Term Investment Pool (STIP)	121,954,372		
Outstanding warrants, pooled	(22,539,690)		
Total cash and demand investments	116,042,885		
Cash investments, pooled	184,873,535		
Cash investments, non-pooled	28,037,327		
Total	<u>\$ 328,953,747</u>		
Cash and demand investments, and cash investments - pooled	\$ 299,137,903		
Cash and demand investments, and cash investments - non-pooled	29,815,844		
	<u>\$ 328,953,747</u>		

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

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 - \$60,570; Cash received after last bank deposit - \$764,736.

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 - \$89,977; other bank deposits represent cash held in trust for other individuals in which any interest earnings are not distributed to the investment pool - \$1,778,517. 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 daily 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, 2025

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

At June 30, 2025 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%	9/25-05/30	AAA - AA+	\$ 69,495,222 *
Federal Home Loan Mortgage Corporation	0.55%-5.05%	1/26-8/29	AAA - AA+	28,838,764 *
Federal Home Loan Bank	0.75%-5.375%	1/26-9/29	AAA - AA+	73,049,648 *
Federal National Mortgage Association	0.65%-4.56%	10/24-12/27	AAA - AA+	13,489,900
Total U.S. government agency securities				<u>\$ 184,873,534</u>
Certificate of Deposit Account Registry Service	N/A	N/A	100% FDIC Insured	\$ 0
Short-Term Investment Pool (STIP)	4.36% (Varies)	Daily		\$ 121,954,372 *
Total cash investments, pooled				<u><u>\$ 306,827,906</u></u>

At June 30, 2025, 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	3.00%	06/11/2026	100% FDIC Insured	\$ 28,037,327 *
Short-Term Investment Pool (STIP)	4.36% (Varies)	Daily		-
Restricted cash investments for capital improvements, non-pooled				<u><u>\$ 28,037,327</u></u>

* - represents 5% or more of total cash investments

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

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, 2025:

<u>Condensed Statement of Net Cash and Investment Assets</u>	
Cash and demand investments, pooled	\$ 114,264,367
Cash investments, pooled	184,873,536
Restricted cash and demand investments held in trust, nonpooled	1,778,517
Restricted cash investments for capital improvements, nonpooled	-
Restricted cash investments for debt service, nonpooled	28,037,327
Accrued interest receivable	1,835,739
Net position held in trust for all pool participants	<u><u>\$ 330,789,486</u></u>
Equity of internal pool participants	\$ 186,395,242
Equity of external pool participants	144,394,244
Total equity	<u><u>\$ 330,789,486</u></u>
<u>Condensed Statement of Changes in Net Cash and Investment Assets</u>	
Net position at July 1, 2024	\$ 390,334,243
Net changes in investments by pool participants	(61,944,953)
Market value adjustment of cash investments	2,400,196
Net position at June 30, 2025	<u><u>\$ 330,789,486</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, 2025:

U.S. Government Agency securities and bank CDs of \$184,873,536 are valued using quoted market prices (Level 1 inputs)

Yellowstone County, Montana

Notes to the Financial Statements

June 30, 2025

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	\$ 789,477	\$ 547,842	\$ 48,110	\$ 0	\$ 586,690	\$ 0	\$ 0	\$ 1,018,873	\$ 0	\$ 180,318	\$ 0	\$ 9,516,280	\$ 12,687,590
Accounts	686,592	8,205	0	750,000	990,990	0	87,473	1,738,471	0	95,224	25,763	0	4,382,718
Leases	266,322	0	0	0	0	0	0	0	0	0	0	0	266,322
Delinquent assessments	0	0	0	0	0	6,353	0	54,429	73,741	0	0	1,028,374	1,162,897
Assessments	0	0	0	0	0	308,491	0	0	0	0	0	0	308,491
Accrued interest	335,987	0	6,101	0	61,156	493	308,574	57,093	0	36,920	91,106	938,311	1,835,741
Lease Interest	666	0	0	0	0	0	0	0	0	0	0	0	666
Gross receivables	2,079,044	556,047	54,211	750,000	1,638,836	315,337	396,047	2,868,866	73,741	312,462	116,869	11,482,965	20,644,425
Less allowances for uncollectible accounts	(134,200)	(103,000)	(8,200)	0	(99,600)	(16,400)	0	(182,300)	(11,100)	(31,426)	0	0	(586,226)
Net total receivables	\$ 1,944,844	\$ 453,047	\$ 46,011	\$ 750,000	\$ 1,539,236	\$ 298,937	\$ 396,047	\$ 2,686,566	\$ 62,641	\$ 281,036	\$ 116,869	\$ 11,482,965	\$ 20,058,199

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 for 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	\$2,500,344
Uncollected lease revenue	315,151
Total Deferred Inflow of Resources	<u>\$2,815,495</u>

The delinquent taxes receivable accounts represent the past five years of uncollected tax levies. The allowance for uncollectible accounts 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 2024 real property taxes and the 2024 special assessments were levied and became receivables in October 2024. The semi-annual installments were due in November 2024 and May 2025. As of December 1, 2024, and June 1, 2025, uncollected real property taxes and special assessments became delinquent and all uncollected amounts as of June 30, 2025, 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, 2025 have been reported as uncollected revenue. There was no significant land held for resale as of June 30, 2025.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

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	\$ 171,869
General fund	RSID maintenance	28,140
		<u>\$ 200,009</u>

Interfund transfers

The County utilizes transfers to address three needs. Firstly, all transfers from various funds to the Capital Improvement Fund provide for major construction projects and the purchase of large-value fixed assets. Secondly, 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. Thirdly, the County transfers undesignated funds to assist in the operations of various activities.

Transfers in												
	MAJOR GOVERNMENTAL FUNDS					Other Capital Improvement Fund	Nonmajor Governmental Funds	ENTERPRISE FUND METRA-CIP	Internal Service Funds			Total
	<u>General</u>	<u>Road</u>	<u>Liability & Property Insurance</u>	<u>Public Safety - Sheriff</u>	<u>R.S.I.D. Bond Fund</u>							
<u>Transfers out:</u>												
General Fund	\$ 0	\$ 0	\$ 0	\$ 3,000,000	\$ 0	\$ 4,250,000	\$ 500,000	\$ 0	\$ 543,889	\$		8,293,889
Road Fund	0	0	0	0	0	2,250,000	0	0	66,435	\$		2,316,435
Public Safety - Sheriff Fund	162,575	0	0	0	0	0	676,199	0	0	\$		838,774
COVID-19 Fund	0	0	0	0	0	0	0	0	0	\$		0
Liability & Prop Fund	0	0	0	0	0	0	0	0	0	\$		0
R.S.I.D Bond Fund	0	0	0	0	0	0	0	0	0	\$		0
Nonmajor Governmental Funds	866,639	201,751	39,869	1,147,808	0	1,900,000	655,614	0	2,579,406	\$		7,391,087
Major Enterprise Fund - METRA	86,709	0	0	0	0	0	0	0	0	\$		86,709
Refuse Disposal Fund	75,000	0	0	0	0	0	0	0	0	\$		75,000
Total transfers	\$ 1,190,923	\$ 201,751	\$ 39,869	\$ 4,147,808	\$ 0	\$ 8,400,000	\$ 1,831,813	\$ 0	\$ 3,189,730	\$		19,001,894

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

Note 7. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2025 was as follows:

	<u>Beginning Balance</u>	<u>Transfers</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES					
Capital assets not being depreciated:					
Land	\$ 5,563,721 *	\$ -	\$ 291,000	\$ -	\$ 5,854,721
Construction in progress	15,916,594	(16,317,796)	18,835,094	(684,633)	17,749,260
Total capital assets not being depreciated	<u>21,480,315</u>	<u>(16,317,796)</u>	<u>19,126,094</u>	<u>(684,633)</u>	<u>23,603,981</u>
Depreciable capital assets:					
Buildings	63,849,903	(3,011,199)	934,374	(822,405)	60,950,673
Improvements other than buildings	5,554,661 *	(900,037)	11,448	(114,174)	4,551,898
Machinery and equipment	27,158,720	(2,690)	1,209,515	(190,103)	28,175,442
Infrastructure	107,362,990	-	4,089,921	(34,000)	111,418,911
Lease assets:					
Buildings	1,511,147	-	-	(1,511,147)	-
Equipment	129,515	-	-	(24,694)	104,821
Land	-	-	80,220	-	80,220
Subscription assets	273,040	-	-	-	273,040
Total capital assets being depreciated	<u>205,839,976</u>	<u>(3,913,927)</u>	<u>6,325,478</u>	<u>(2,696,523)</u>	<u>205,555,005</u>
Less accumulated depreciation/amortization for:					
Buildings	28,619,843	(221,122)	1,555,274	(822,405)	29,131,590
Improvements other than buildings	2,722,602	(120,005)	189,522	(114,174)	2,677,945
Machinery and equipment	16,973,261	(538)	1,888,502	(188,964)	18,672,261
Infrastructure	60,382,253	-	5,408,353	(17,333)	65,773,273
Lease assets:					
Buildings	1,157,474	-	353,673	(1,511,147)	-
Equipment	36,550	-	10,294	(22,300)	24,544
Land	-	-	891	-	891
Subscription assets	100,674	-	87,481	-	188,155
Total accumulated depreciation/amortization	<u>109,992,657</u>	<u>(341,665)</u>	<u>9,493,990</u>	<u>(2,676,323)</u>	<u>116,468,659</u>
Total capital assets being depreciated, net	<u>95,847,319</u>	<u>(3,572,261)</u>	<u>(3,168,512)</u>	<u>(20,200)</u>	<u>89,086,346</u>
Governmental activities capital assets, net	<u>\$ 117,327,634</u>	<u>\$ (19,890,057)</u>	<u>\$ 15,957,582</u>	<u>\$ (704,834)</u>	<u>\$ 112,690,327</u>

*Beginning balance adjusted by \$11,535 for 209 S 27th St Improvements YSC combined with the Land asset

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

Note 7. Capital Assets, continued

	<u>Beginning Balance</u>	<u>Reclasses / Transfers</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
BUSINESS-TYPE ACTIVITIES					
Capital assets not being depreciated:					
Land	\$ 357,388	\$ -	\$ -	\$ -	\$ 357,388
Construction in progress	379,631	-	3,501,336	(1,459,898)	2,421,069
Total capital assets not being depreciated	<u>737,019</u>	<u>-</u>	<u>3,501,336</u>	<u>(1,459,898)</u>	<u>2,778,457</u>
Depreciable capital assets:					
Buildings	56,305,683	5,505,680	904,829	-	62,716,191
Improvements other than buildings	8,477,470	14,061,764	-	-	22,539,234
Machinery and equipment	3,847,771	322,613	617,103	(25,099)	4,762,388
Total capital assets being depreciated	<u>68,630,924</u>	<u>19,890,056</u>	<u>1,521,932</u>	<u>(25,099)</u>	<u>90,017,813</u>
Less accumulated depreciation for:					
Buildings	28,912,911	792,465	1,547,660	-	31,253,036
Improvements other than buildings	4,140,376	(1,069,721)	1,093,561	-	4,164,216
Machinery and equipment	2,362,450	277,256	362,035	(25,099)	2,976,642
Total accumulated depreciation	<u>35,415,737</u>	<u>-</u>	<u>3,003,256</u>	<u>(25,099)</u>	<u>38,393,894</u>
Total capital assets being depreciated, net	<u>33,215,187</u>	<u>19,890,056</u>	<u>(1,481,324)</u>	<u>-</u>	<u>51,623,919</u>
Business-type activities capital assets, net	<u>\$ 33,952,206</u>	<u>\$ 19,890,056</u>	<u>\$ 2,020,012</u>	<u>\$ (1,459,898)</u>	<u>\$ 54,402,376</u>

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

GOVERNMENTAL ACTIVITIES	
General Government	\$ 588,248
Public Safety	1,800,307
Public Works	6,446,753
Public Health	-
Social and Economic	2,470
Culture and Recreation	47,906
Governmental Internal Service Funds	155,967
Total depreciation expense - governmental activities	<u>9,041,651</u>
BUSINESS-TYPE ACTIVITIES	
METRA	3,003,256
Total depreciation expense - primary government	<u>\$ 12,044,907</u>

Yellowstone County, Montana

Notes to the Financial Statements

June 30, 2025

Note 7. Capital Assets, continued

During fiscal year 2025, the County transferred certain capital assets to the Metra in relation to ongoing infrastructure projects and improvements. This transaction is reported as a transfer because it reflects the movement of assets to the entity responsible for their ongoing use and oversight. The assets transferred had a net book value of \$19,890,058.

Assets Held for Sale:

The County did not have any assets meeting the criteria to be classified as held for sale or disposal as of June 30, 2025.

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. 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%	\$6,030,000
		<u>\$ 6,030,000</u>

The County issued no new general obligation bonds for fiscal year 2025.

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>
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	400,000	96,975	496,975
2031-2037	3,590,000	392,573	3,982,573
Total	\$ 6,030,000	\$ 984,048	\$ 7,014,048

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

Note 8. Long-Term Debt, continued

B. Rural Special Improvement District Bonds

The County issued no new special assessment bonds in fiscal year 2025.

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, 2025. The R.S.I.D. Revolving Fund has no unfunded commitment to the R.S.I.D. bond fund as of June 30, 2025. 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, 2025, 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, 2025
785	5.30%	02/01/11	8/1/2026	126,945	10,000
803	3.36%	09/20/12	8/1/2027	1,015,434	90,000
Outstanding rural special improvement district bonds, June 30, 2025					\$ 100,000

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

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>
2026	0	3,860	3,860
2027	20,000	3,370	23,370
2028	80,000	1,440	81,440
2029	0	0	0
2030	0	0	0
Total	<u>\$100,000</u>	<u>\$8,670</u>	<u>\$108,670</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, 2025, the County had an outstanding balance of \$228,263 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 5.00% as of June 30, 2025 and payable over 10 years with the final payment due August 15, 2033.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

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, 2025				
	Beginning Balance	Additions	Reductions	Ending Balance	Principal Due Within One Year
GOVERNMENTAL ACTIVITIES					
General obligation bonds	\$ 6,545,000	\$ -	\$ (515,000)	\$ 6,030,000	\$ 530,000
Special assessment debt with governmental commitment	165,000	-	(65,000)	100,000	-
Notes payable	294,733	-	(66,470)	228,263	68,189
Claims and judgments	500,000	-	-	500,000	500,000
Compensated absences	5,629,003 ***	-	(72,447) **	5,556,556	2,013,825
Lease liability	308,765 *	80,220	(222,121)	166,864	6,928
Subscription liability	127,733	-	(79,383)	48,350	33,113
Net pension liability	33,233,293	-	(1,401,634)	31,831,659	-
OPEB liability	2,561,988	-	(466,567)	2,095,421	-
Governmental activities long-term liabilities	<u>\$ 49,365,515</u>	<u>\$ 80,220</u>	<u>\$ (2,888,622)</u>	<u>\$ 46,557,113</u>	<u>\$ 3,152,055</u>
BUSINESS-TYPE ACTIVITIES					
Compensated absences	\$ 303,457 ***	\$ 26,305 **	\$ -	\$ 329,762	\$ 114,695
Unearned advertising revenue	-	-	-	-	-
Net pension liability	2,691,553	26,655	-	2,718,208	-
OPEB liability	224,683	-	(43,010)	181,673	-
Business-type activities long-term liabilities	<u>\$3,219,693</u>	<u>\$52,960</u>	<u>\$ (43,010)</u>	<u>\$3,229,643</u>	<u>\$114,695</u>

*Beginning balance revised (\$4,145) due to incorrect lease expiration date entered.

**The change in the compensated absences liability is presented as a net change.

***Beginning balance revised due to GASB 101 implementation

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

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, 2025, are as follows:

Year Ending June 30,	Type of Debt		
	General Obligation Bonds	Rural Special Improvement Bonds	Lockwood Safety Intercap Loan
2026	\$ 675,125	\$ 3,860	\$ 78,748
2027	678,925	23,370	43,158
2028	680,025	81,440	44,645
2029	500,425	-	46,162
2030	496,975	-	5,257
2031-2034	3,982,573	-	20,851
	<u>\$ 7,014,048</u>	<u>\$ 108,670</u>	<u>\$ 238,821</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 was 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, 2025

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

	MAJOR FUNDS										Total Governmental 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			
Nonspendable											
Inventory	\$ 42,896	\$ 379,080	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 184,128	\$	606,104	
Prepays	176,120	-	2,549	-	1,450	-	-	2,899		183,018	
Total nonspendable fund balance	\$ 219,016	\$ 379,080	\$ 2,549	\$ -	\$ 1,450	\$ -	\$ -	\$ 187,027	\$	789,122	
Restricted											
Road	-	7,498,077	-	-	-	-	-	-		7,498,077	
Predatory animal	-	-	-	-	-	-	-	-		-	
Park	-	-	-	-	-	-	-	690,880		690,880	
Public safety - mental health	-	-	-	-	-	-	-	688,170		688,170	
Lockwood pedestrian safety	-	-	-	-	-	-	-	451,948		451,948	
Lockwood TEDD	-	-	-	-	-	-	-	436,308		436,308	
Drug forfeiture	-	-	-	-	-	-	-	374,882		374,882	
RSID maintenance	-	-	-	-	-	-	-	7,715,754		7,715,754	
Junk vehicle	-	-	-	-	-	-	-	108,517		108,517	
DUI task force/highway traffic safety	-	-	-	-	-	-	-	42,271		42,271	
RSID revolving	-	-	-	-	-	-	-	56,800		56,800	
RSID bond	-	-	-	-	-	256,150	-	-		256,150	
Total restricted fund balance	\$ -	\$ 7,498,077	\$ -	\$ -	\$ -	\$ 256,150	\$ -	\$ 10,565,530	\$	18,319,757	
Committed											
Bridge	-	-	-	-	-	-	-	575,687		575,687	
Weed	-	-	-	-	-	-	-	120,371		120,371	
Liability & property insurance	-	-	596,551	-	-	-	-	-		596,551	
Health services	-	-	-	-	-	-	-	(12)		(12)	
Mental health fund	122,922	-	-	-	-	-	-	-		122,922	
Extension service	-	-	-	-	-	-	-	137,617		137,617	
Public safety	-	-	-	-	9,207,353	-	-	-		9,207,353	
County attorney	-	-	-	-	-	-	-	2,724,088		2,724,088	
Museum	-	-	-	-	-	-	-	243,155		243,155	
Youth services	-	-	-	-	-	-	-	873,057		873,057	
Total committed fund balance	\$ 122,922	\$ -	\$ 596,551	\$ -	\$ 9,207,353	\$ -	\$ -	\$ 4,673,963	\$	14,600,789	

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

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	3,205,093	-	727,163	-	3,312,695	-	22,637,600	3,488,156	33,370,707	
Blight	243,075	-	-	-	-	-	-	-	243,075	
Record preservation	254,732	-	-	-	-	-	-	-	254,732	
PILT	-	-	-	-	-	-	-	535,487	535,487	
Capital improvement	-	-	-	-	-	-	27,745,775	-	27,745,775	
Total assigned fund balance	\$ 3,702,900	\$ -	\$ 727,163	\$ -	\$ 3,312,695	\$ -	\$ 50,383,375	\$ 4,023,643	\$ 62,149,776	
Unassigned										
General fund	10,109,084	-	-	-	-	-	-	-	10,109,084	
Total unassigned fund balance	\$ 10,109,084	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,109,084	
Total Fund Balance	\$ 14,153,922	\$ 7,877,157	\$ 1,326,263	\$ -	\$ 12,521,498	\$ 256,150	\$ 50,383,375	\$ 19,450,163	\$ 105,968,528	

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, 2025

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, 2025	250,000	1,500,000	5,000,000

County buildings and their contents are covered by a blanket property and casualty insurance policy of \$350,000,000 with a \$500,000 deductible for wind/hail coverage and \$100,000 for all other occurrences. The County at June 30, 2025, had a fund balance in its Property and Liability Insurance Fund totaling \$1,326,263. 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 2025 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, 2025

Note 11. Employee Benefits

A. Compensated Absences

All full-time County employees earn vacation and sick leave for later use or for payment upon termination, death, or retirement.

- Vacation Leave: In accordance with Montana Code Annotated (MCA) § 2-18-617, employees earn vacation leave at the rate of 15 days per year for the first 10 years of employment, increasing to a maximum of 24 days per year after 20 years. The maximum permissible accumulation is twice the annualized accrual rate as of December 31 of each year. Unused vacation leave is payable at 100% of accumulated balances upon termination.
- Sick Leave: In accordance with MCA § 2-18-618, employees earn sick leave at the rate of 12 days per year, with no limit on accumulation. At termination, death, or retirement, employees are compensated for 25% of accumulated sick leave.

In accordance with GASB Statement No. 101, the County recognizes a liability for all compensated absences that are earned and for which it is more likely than not that employees will receive compensation, regardless of statutory payout percentages. Accordingly, the liability reported at June 30, 2025, reflects 100% of accumulated vacation and sick leave. The liability for compensated absences at June 30, 2025, is \$5,886,318, of which \$2,128,520 is expected to be liquidated within one year.

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 employee's 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 \$900,779 for FY25.

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
2024-2025	\$10,776,351	\$900,779	\$11,677,130

Yellowstone County carries specific stop loss insurance of \$350,000 per claim on a claims incurred basis. 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 \$2,579,406 to the health insurance fund in fiscal year 2025.

Yellowstone County, Montana

Notes to the Financial Statements

June 30, 2025

Note 11. Employee Benefits, continued

B. Health Insurance, continued

Results of operations for fiscal year ended:

	June 30, 2025	June 30, 2024
Health insurance premiums	\$ 8,156,471	\$ 7,924,434
Health claims	(11,027,979)	(10,319,638)
Administrative expenses	(442,076)	(340,416)
Interest revenue	753,746	835,246
Interfund transfer in	2,579,406	2,176,393
Net income (loss)	19,568	276,019
Net position, beginning of fiscal year	14,990,287	14,714,268
Net position, end of fiscal year	\$ 15,009,855	\$ 14,990,287

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, 2025, there are 20 former employees and dependents covered under the health plan. Beginning 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 FY25, 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 2025, but will increase 3% for fiscal year 2026.

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 after which 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 are available to all County employees and 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, 2025

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 2025.

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 2025 there are 20 retirees and/or survivors enrolled for the employer's sponsored health insurance plan. In 2025, retirees contributed \$130,890 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, 2024 the following employees were covered:

Inactive employees or beneficiaries currently receiving benefit payments	7
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	450
	<u>457</u>

5. Total OPEB liability

The County's total OPEB liability of \$2,277,094 was measured as of July 1, 2024, and was determined by an actuarial valuation as of July 1, 2024 for reporting as of June 30, 2025.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

Note 11. Employee Benefits, continued

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

Accrued liability (Total OPEB Liability)	July 1, 2024
1. Split by implicit rate liability vs direct subsidy liability	
a. Implicit rate liability	\$ 2,277,094
b. Direct subsidized liability	0
c. Total	<u>\$ 2,277,094</u>
2. Split by status	
a. Actives	\$ 1,934,092
b. Retirees and beneficiaries	343,002
c. Total	<u>\$ 2,277,094</u>

6. Actuarial assumptions and other inputs

The total OPEB liability in the July 1, 2024 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 4.10%
Salary increases Service graded table
Discount rate 4.10%
Medical cost trend rates 6.5% as of July 1, 2024 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, 2024 Actuarial Valuation (June 30, 2025 report) were similarly based on the MPERA experience study for general and safety employees. The most recent five-year experience studies were completed in 2021.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

Note 11. Employee Benefits, continued

7. Changes in the total OPEB liability

	Total OPEB Liability
Balance at June 30, 2024	\$ 2,786,671
Changes for the year:	
Service cost	207,234
Interest	111,080
Differences between expected and actual experience	(193,381)
Assumption changes	(491,694)
Benefit payments	(142,816)
Net changes	(509,577)
Balance at June 30, 2025	\$ 2,277,094

Changes in assumptions and other inputs reflect the current discount rate of 4.10%. The covered-employee payroll for the reporting period is \$28,303,630. The total OPEB liability as a percentage of covered-employee payroll is 8% 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 3.10%	Discount Rate 4.10%	1% Increase 5.10%
Total OPEB liability	\$ 2,484,724	\$ 2,277,094	\$ 2,089,429

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	\$ 2,027,904	\$ 2,277,094	\$ 2,569,465
Medical Trend Rate	5.50% decreasing to 5.00% then 4.00%	6.50% decreasing to 5.00% then 4.00%	7.50% 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, 2025

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, 2025, the County recognized OPEB expense of \$98,378. 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	\$ 89,405	\$ 0
Assumption Changes	0	822,933
Liability Gains	0	324,221
Total	\$ 89,405	\$ 1,147,154

Future recognition of deferred flows in OPEB expense:

Year ended June 30:

2026	\$ (416,690)
2027	\$ (296,729)
2028	\$ (296,724)
2029	\$ (137,011)
2030	\$ 0
2031	\$ 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
2024	\$ 89,405	\$ 0	\$ 89,405
2025	\$ 113,132	\$ 0	\$ 113,132
2026	\$ 99,249	\$ 0	\$ 99,249
2027	\$ 125,062	\$ 0	\$ 125,062
2028	\$ 162,661	\$ 0	\$ 162,661
2029-2033	\$ 1,136,949	\$ 0	\$ 1,136,949
2034-2038	\$ 1,165,531	\$ 0	\$ 1,165,531
2039-2043	\$ 995,012	\$ 0	\$ 995,012
2044-2048	\$ 1,153,715	\$ 0	\$ 1,153,715
Thereafter	\$ 3,431,266	\$ 0	\$ 3,431,266

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

Yellowstone County, Montana

Notes to the Financial Statements

June 30, 2025

Note 12. Pension and Retirement Fund Commitments

Public Employees' Retirement System (PERS)

In accordance with GASB Statement No. 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 (NPL); Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions. Employers are provided guidance in GASB Statement No. 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, 2024 measurement date for the 2025 reporting.

A. Summary of Significant Accounting Policies

Montana Public Employee Retirement Administration (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; 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, 2025

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)

- a. Hired prior to July 1, 2011 – highest average compensation during any consecutive 36 months.
- b. 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, 2025

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 Employer	Local Government		School Districts	
	Hired <7/01/11	Hired >7/01/11		Employer	State	Employer	State
2025	7.9%	7.9%	9.170%	9.070%	0.100%	8.800%	0.370%
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, 2025

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. For fiscal years beginning after June 30, 2024, the additional contribution amount stays at 2.27%. 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 \$35,329,705.

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

GASB Statement No. 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, 2024, is on an actuarial valuation performed by the Plan's actuary as of June 30, 2024.

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, 2024, and 2023, 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, 2025

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 6/30/2024	Net Pension Liability as of 6/30/2023	Percent of Collective NPL as of 6/30/2024	Percent of Collective NPL as of 6/30/2023	Change in Percent of Collective NPL
YELLOWSTONE COUNTY Proportionate Share	\$ 22,957,841	\$ 22,211,605	0.938678%	0.910180%	0.028498%
State of Montana Proportionate Share associated with the Employer	\$ 5,974,122	\$ 6,141,430	0.244264%	0.251661%	(0.007397%)
Total	\$ 28,931,963	\$ 28,353,035	1.182942%	1.161841%	0.021101%

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, 2024, the employer recognized a Pension Expense of \$1,884,976 for its proportionate share of the Plan's pension expense. The employer also recognized grant revenue of \$320,160 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, 2025

Note 12. Pension and Retirement Fund Commitments, continued

F. Pension Expense, continued

As of measurement date	Pension Expense as of 06/30/2024	Pension Expense as of 06/30/2023
YELLOWSTONE COUNTY's Proportionate Share	\$ 1,884,976	\$ 2,027,539
State of Montana Proportionate Share associated with the Employer	320,160	576,157
Total	\$ 2,205,136	\$ 2,603,696

G. Recognition of Deferred Inflows and Outflows

At June 30, 2024 (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	\$ 1,160,164	\$ 0
Projected Investment Earnings vs. Actual Investment Earnings	0	510,520
Changes in Assumptions	0	0
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of	542,081	0
Employer Contributions Subsequent to the Measurement Date	1,762,895	0
Total	\$ 3,465,140	\$ 510,520

Yellowstone County reported \$1,762,895 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, 2025.

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
2025	\$ 29,333
2026	\$ 1,741,155
2027	\$ (358,899)
2028	\$ (219,864)
Thereafter	\$ 0

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

Note 12. Pension and Retirement Fund Commitments, continued

H. Actuarial Assumptions

The total pension liability as of June 30, 2024, was determined on the results of an actuarial valuation date of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

Investment Return (net of pension plan investment expense, including inflation)	7.30%
Admin Expense as % of Payroll	
General Wage Growth*	3.50%
*includes Inflation at	2.75%
Merit Increases	0.00% to 4.80%
Postretirement Benefit 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	3.00%
• Members hired between July 1, 2007 & June 30, 2013	1.50%
• Members hired on or after July 1, 2013	
• For each year PERS is funded at or above 90%	1.50%
• 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	0.00%
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.

Yellowstone County, Montana

Notes to the Financial Statements

June 30, 2025

Note 12. Pension and Retirement Fund Commitments, continued

<ul style="list-style-type: none"> • Contingent Survivors • Healthy Retirees 	<p>PUB-2010 Amount Weighted Contingent Survivor Mortality projected to 2021 with ages set forward one year for males and females. Projected generationally using MP-2021.</p> <p>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.</p>
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The actuarial assumptions and methods utilized in the June 30, 2024 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 2128. 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, 2024, 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.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

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	3.00%	(0.33%)
Domestic Equity	30.00%	5.90%
International Equity	17.00%	7.14%
Private Investments	15.00%	9.13%
Real Assets	5.00%	4.03%
Real Estate	9.00%	5.41%
Core Fixed Income	15.00%	1.14%
Non-Core Fixed Income	6.00%	3.02%
Total	100.00%	

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	\$ 33,467,556	\$ 22,957,841	\$ 14,144,931

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, 2024, 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 351 employers that have participants in the PERS-DCRP totaled \$1,345,278.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

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>.

Sheriffs' 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 Sheriffs' 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, 2024 measurement date for the 2025 reporting.

A. Summary of Significant Accounting Policies

Montana Public Employee Retirement Administration (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, 2025

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 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, 2025

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 - 2025	10.495%	13.115%
2010 - 2017	9.245%	10.115%
2008 - 2009	9.245%	9.825%
1998 - 2007	9.245%	9.535%

For reposting date June 30, 2025: Upon passage and approval of House Bill 85 during the 2025 Legislative session, the modified layered amortization policy put in place for SRS during the 2023 Legislative session, was repealed and restores the employer contribution rate to the fiscal year 2024 employer rate that existed before HB 569 was passed. The 2025 employer contribution rate for SRS that was restored with the passing of HB 85 is 13.115% instead of the 12.074 for fiscal year 2025.

For reporting date June 30, 2025, nonspecial funding: House Bill 569 also provides a one-time appropriation of State of Montana general fund dollars to the SRS of \$26.8 million. This is a non-special funding, non-contributing entity contribution. For GASB Statement 68 reporting, the employer would recognize grant revenue of \$2,532,918 for its proportionate share of support revenue from the State of Montana.

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, 2024, is on an actuarial valuation performed by the Plan's actuary as of June 30, 2024.

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, 2024, and 2023, 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	\$	11,592,026
and the employer's proportionate share was		<u>9.4512%</u>

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

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 6/30/2024	Net Pension Liability as of 6/30/2023	Percent of Collective NPL as of 6/30/2024	Percent of Collective NPL as of 6/30/2023	Change in Percent of Collective NPL
YELLOWSTONE COUNTY Proportionate Share	\$ 11,592,026	\$ 13,713,241	9.4512%	9.3292%	0.1220%
Total	\$ 11,592,026	\$ 13,713,241	9.4512%	9.3292%	0.1220%

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:

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.

At June 30, 2024 measurement date, the employer recognized its proportionate share of the Plan's pension expense.

As of measurement date	Pension Expense as of 6/30/2024	Pension Expense as of 6/30/2023
YELLOWSTONE COUNTY's Proportionate Share	\$ 378,096	\$ 2,845,589
State of Montana Proportionate Share associated with the Employer	2,532,918	0
Total	\$ 2,911,014	\$ 2,845,589

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

Note 12. Pension and Retirement Fund Commitments, continued

E. Recognition of Deferred Inflows and Outflows

At June 30, 2024, 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	Deferred Inflows of Resources
Expected vs. Actual Experience	\$ 2,012,421	\$ 0
Projected Investment Earnings vs. Actual Investment Earnings	0	414,053
Changes in Assumptions	375,331	103,895
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of	0	53,684
Employer Contributions Subsequent to the Measurement Date	1,424,013	0
Total	\$ 3,811,765	\$ 571,632
<i>Yellowstone County reported \$1,424,013 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, 2025.</i>		

Other amounts reported as deferred outflows and inflows of resources related to pensions are recognized in employer's pension expense as follows:

For the Measurement Year ended June 30:	Recognition of Deferred Outflows and Deferred Inflows in future years as an increase or (decrease) to Pension Expense
2025	\$ 999,125
2026	\$ 1,270,542
2027	\$ (277,702)
2028	\$ (175,845)
Thereafter	\$ 0

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

Note 12. Pension and Retirement Fund Commitments, continued

F. Actuarial Assumptions

The total pension liability as of June 30, 2024, was determined by an actuarial valuation date of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

Investment Return (net of pension plan investment expense, including inflation)	7.30%
General Wage Growth*	3.50%
*includes Inflation at	2.75%
Merit Increases	1.0% to 6.4%
Post Retirement Benefit 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 Participants	PUB-2010 Safety Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021.
• Healthy Retirees	PUB-2010 Amount Weighted Healthy Retiree Mortality table projected to 2021 set forward one year and adjusted 105% for males. Projected generationally using MP-2021.
• Contingent Survivors	PUB-2010 Amount Weighted Contingent Survivor Mortality projected to 2021, set forward one year for males. Projected generationally using MP-2021.
• Disabled Retirees	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, 2024 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, 2025

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, 2024 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	3.00%	(0.33%)
Domestic Equity	30.00%	5.90%
International Equity	17.00%	7.14%
Private Investments	15.00%	9.13%
Real Assets	5.00%	4.03%
Real Estate	9.00%	5.41%
Core Fixed Income	15.00%	1.14%
Non-Core Fixed Income	6.00%	3.02%
Total	100.00%	

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	\$ 20,828,414	\$ 11,592,026	\$ 4,074,877

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

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, 2025 there were twenty-one series of industrial revenue bonds issued. The aggregate principal amount outstanding for the three remaining series issued after July 1, 1997 was \$10,781,650 as of June 30, 2025.

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, 2025

Note 16. Leases

Lessee Disclosures

On May 22nd, 2025 the County's original lease period expired for the lease of 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. The County negotiated a short-term lease extension to accommodate the County's need for the leased space until the remodeled Ostlund Building, located at 2825 3rd Avenue North, is ready for occupancy at the end of 2025. The short-term lease extension retains the original lease terms but includes a 3% increase in the lease rate and extends the lease period on a month-to-month basis until the County no longer needs the office space. The equipment lease for Greeno Hill Communications Site ended March 2025, and a new lease was signed for a 15-year period. When the new lease was entered, it was discovered that the prior lease should have been classified as a land lease asset rather than an equipment lease asset.

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, 2025:

	Beginning of Year	Additions	Modifications & Remeasurements	Subtractions	End of Year	Amounts Due Within One Year
Lease Assets						
Building	\$ 1,511,146	\$ -	\$ -	\$ (1,511,146)	\$ -	
Equipment	125,611 *	-	-	(20,790)	104,821	
Land	-	80,220	-	-	80,220	
	<u>1,636,757</u>	<u>80,220</u>	<u>-</u>	<u>(1,531,936)</u>	<u>185,041</u>	
Less: Accumulated Amortization						
Building	(1,157,473)	(353,673)	-	1,511,146	-	
Equipment	(35,040) *	(10,294)	-	20,790	(24,544)	
Land	-	(891)	-	-	(891)	
	<u>(1,192,513)</u>	<u>(364,858)</u>	<u>-</u>	<u>1,531,936</u>	<u>(25,435)</u>	
Total Lease Assets, net	<u>\$ 444,244</u>	<u>\$ (284,638)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,607</u>	
Lease Liabilities	<u>\$ 308,765 *</u>	<u>\$ 80,220</u>	<u>\$ -</u>	<u>\$ (222,121)</u>	<u>\$ 166,864</u>	<u>\$ 6,928</u>

*Beginning balance revised due to incorrect lease expiration date entered

The below table details amortization by class, total interest on lease liabilities, and variable lease expense for the year ended June 30, 2025:

	Year Ending 06/30/2025
Lease expense	
Amortization expense by class of underlying asset	
Building	\$ 353,672
Equipment	10,294
Land	891
Total amortization expense	<u>364,857</u>
Interest on lease liabilities	4,516
Variable lease expense	-
Total	<u>\$ 369,373</u>

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

Note 16. Leases, continued

Principal and interest requirements to maturity are as follows:

	Principal	Interest	Total Payments
Year Ending 6/30/26	\$ 6,928	\$ 5,075	\$ 12,003
Year Ending 6/30/27	7,438	4,865	12,303
Year Ending 6/30/28	7,980	4,638	12,618
Year Ending 6/30/29	8,553	4,396	12,949
Year Ending 6/30/30	9,761	4,135	13,896
5 Years Ending 6/30/35	60,190	15,804	75,994
5 Years Ending 6/30/40	66,013	5,172	71,185
Total Future Payments	<u>\$ 166,863</u>	<u>\$ 44,085</u>	<u>\$ 210,948</u>

There are no subleases in place as of June 30, 2025.

Lessor Disclosures

The County purchased the Miller building at 301 N. 29th Street in downtown Billings, MT in fiscal year 2022, and assumed four lease arrangements at that time. As of August 1, 2024, the only lease still in place is with BMO Harris Bank which contains an annual 2% rent escalator with a lease period that expires on February 28, 2027 and an option to extend an additional five years.

The below table details the total amount of inflows of resources recognized during the year ended June 30, 2025 from lease expense:

	Year Ending 06/30/2025
Lease-related revenue	
Lease revenue	
Building	\$ (207,563)
Total lease revenue	<u>(207,563)</u>
Interest revenue	(10,992)
Variable & other revenue	-
Total	<u>\$ (218,555)</u>

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

	Principal	Interest	Total Receipts
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	-	-	-
Year Ending 6/30/29	-	-	-
Total Future Receipts	<u>\$ (266,322)</u>	<u>\$ (5,044)</u>	<u>\$ (271,366)</u>

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

Note 17. Subscription-Based Information Technology Arrangements (SBITA)

SBITA Disclosures

A SBITA is defined as a contractual agreement that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction.

The County uses various SBITA assets that it contracts through cloud computing arrangements, such as software as a service and platform as a service. The related obligations are presented in the amounts equal to the present value of subscription payments payable during the remaining SBITA term. A SBITA asset is presented separately as Intangible subscription assets, in the Capital Assets section, on the government-wide Statement of Net Position and presented separately in the Capital Assets Note 7. The County did not incur expenses related to its SBITA activities such as termination penalties, not previously included in the measurement of the SBITA liability, or losses due to impairment.

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, 2025:

	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)	\$ 210,436	\$ 0	\$ 0	\$ 0	\$ 210,436	
SBITA - GASB 96 (Public Safety)	31,749	0	0	0	31,749	
SBITA - GASB 96 (Internal Services)	30,855	0	0	0	30,855	
	<u>273,040</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>273,040</u>	
Less: Accumulated Amortization						
SBITA - GASB 96 (General Gov't)	(77,375)	(65,178)	0	0	(142,553)	
SBITA - GASB 96 (Public Safety)	(13,930)	(10,583)	0	0	(24,513)	
SBITA - GASB 96 (Internal Services)	(9,369)	(11,720)	0	0	(21,089)	
	<u>(100,674)</u>	<u>(87,481)</u>	<u>0</u>	<u>0</u>	<u>(188,155)</u>	
Total Subscription Assets, net	<u>\$ 172,366</u>	<u>\$ (87,481)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 84,885</u>	
Subscription Liabilities (General Gov't)	\$ 120,326	\$ 0	\$ 0	\$ (71,976)	\$ 48,350	\$ 33,113
Subscription Liabilities (Public Safety)	3,167	0	0	(3,167)	0	0
Subscription Liabilities (Internal Services)	4,240	0	0	(4,240)	0	0
Total Subscription Liabilities	<u>\$ 127,733</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (79,383)</u>	<u>\$ 48,350</u>	<u>\$ 33,113</u>

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

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, 2025:

Subscription expense	Year Ending 06/30/2025
Amortization expense by class of underlying asset	
SBITA - GASB 96 (General Gov't)	\$ 65,178
SBITA - GASB 96 (Public Safety)	10,583
SBITA - GASB 96 (Internal Services)	11,720
Total amortization expense	87,481
Interest on subscription liabilities (GG)	2,141
Interest on subscription liabilities (PS)	32
Interest on subscription liabilities (IS)	108
Total interest on subscription liabilities	2,281
Total	\$ 89,762

Principal and interest requirements to maturity are as follows:

	Principal		Interest		Total Payments
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	\$ 48,350	\$	2,407	\$	50,757

Note 18. Protested Taxes

The protest tax receivable for the County's governmental and proprietary funds increased \$973,304 or 1.600% of the FY25 adjusted County tax levy.

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	
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	
FY25	\$ 152,574	\$ 923,912	\$ 1,076,486	\$ 8,347	\$ 49,392	\$ 57,739	\$ 160,921	\$ 973,304	\$ 1,134,225	

Yellowstone County, Montana

Notes to the Financial Statements

June 30, 2025

Note 19. Tax Abatement Activity

In accordance with GASB Statement No. 77, *Tax Abatement Disclosures*, state and local governments are required 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 property 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.

In 2023, the State Legislature passed a bill codified in MCA 15-6-138 granting tax incentives for Class 8 equipment. The County passed resolution 24-100 describing the tax incentive program under this new legislation.

Five-Year Program

Resolution #24-100, passed by the Board of Yellowstone County Commissioners on June 11, 2024 allows for a five-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 by at least 2.5%, as determined by the Montana Department of Revenue, may qualify. If the property is located in the cities of Billings or Laurel, or in the town of Broadview, the city or town governing bodies also have to approve tax abatement under their resolutions for city or town imposed mills.

The tax abatement applicant must also show that jobs will either be created or retained and that tax on the property is not delinquent. Property taxes are abated for the first five years following construction and then taxable value is fully restored. If the entity fails to comply with terms stated in the tax abatement program, it may be subject to recapture of all prior tax abatements, along with penalties and interest. Recapture is not triggered by an involuntary conversion of the property, and the recapture may be cancelled, 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 \$7,879.

Ten-Year Program

Resolution #24-100, passed by the Board of Yellowstone County Commissioners on June 11, 2024 establishes a ten-year tax abatement program authorized by MCA 15-24-1402. As adopted under this resolution, existing businesses may qualify that expend at least \$50,000 on qualifying improvements or on modernized processes, and new businesses may qualify that expend at least \$125,000 on qualifying improvements or modernized processes. If the property is located in the cities of Billings or Laurel, or in the town of Broadview, the city or town governing bodies also have to approve tax abatement under their resolutions for city or town imposed mills.

Qualifying entities must also demonstrate and maintain job growth, as well as ensure taxes on the property are paid timely. The tax abatement is a 50% taxable value reduction for each of the first five years after completion of the property improvement. Beginning in year six, the taxable value is restored by 10% each year until the tax abatement fully expires in the tenth year. If the entity fails to comply with terms stated in the tax abatement program, it may be subject to recapture of all prior tax abatements, along with penalties and interest. Recapture is not triggered by an involuntary conversion of the property, and the recapture may be cancelled, 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, which was signed by the Governor. Through this modification to Montana statute, a local governing body may also choose to abate property taxes 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 is restored in the tenth year. At the end of fiscal year 2025, one such abatement was granted, however it will not be effective until construction is complete.

Yellowstone County, Montana

Notes to the Financial Statements

June 30, 2025

Note 19. Tax Abatement Activity, continued

For the most recent fiscal year, tax abatements from the ten-year programs totaled \$1,886,955.

For GASB Statement No. 77 purposes, any entity receiving \$500,000 or more in tax abatements will be separately presented. Entities receiving less than \$500,000 in tax abatement will be presented in aggregate for the tax abatement programs presented.

Tax Abatement Recap		
	FYE	FYE
	06/30/2025	6/30/2024*
General Taxes Abated:		
County	\$ 761,809	\$ 714,602
Cities and towns	53,555	50,489
School District 2	881,350	570,769
School District 7	142,182	108,845
School District 23	40,356	45,566
School District 37	812	906
Other School Districts	0	0
Other	14,770	14,028
	\$ 1,894,834	\$ 1,505,205

* FYE 6/30/24 corrected from previous year ACFR

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
2024 tax year abatement per the Montana Department of Revenue (all jurisdictions): \$1,501,429

Note 20. Accounting Changes and Error Corrections

Effective July 1, 2024, the County implemented the provisions of GASB Statement No. 101, Compensated Absences. This Statement establishes accounting and financial reporting requirements for compensated absences, replacing the guidance previously provided in GASB Statement No.16.

The adoption of GASB Statement No. 101 represents a change in accounting principle under GASB Statement No. 100, Accounting Changes and Error Corrections. In accordance with the transition guidance of GASB 101, the County applied the Statement retroactive to fiscal year 2024.

Implementation of GASB 101 required a restatement of beginning net position and fund balances to recognize the cumulative effect of applying the new measurement criteria for compensated absences. The restatement reflects the recognition of leave that (1) is attributable to services already rendered, (2) accumulates, and (3) is more likely than not to be used for time off or otherwise compensated to employees.

Yellowstone County, Montana
Notes to the Financial Statements
June 30, 2025

Note 20. Accounting Changes and Error Corrections, continued

The adjustment reflects the recognition of additional compensated absences liabilities previously unrecorded under prior standards. The implementation did not have a material effect on current-year revenues or expenditures.

Note 21. Subsequent Events, Concentrations, and Constraints

No material subsequent event has been identified by Management. Additionally, in compliance with GASB 102 requirements, no concentration or constraint that would make the County vulnerable to the risk of a substantial impact has been identified by Management.

REQUIRED SUPPLEMENTARY INFORMATION

Yellowstone County, Montana
Notes to the Required Supplementary Information
June 30, 2025
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	2025	2024	2023	2022	2021	2020	2019	2018		
Service cost	\$ 207,234	\$ 264,909	\$ 255,951	\$ 322,248	\$ 311,351	\$ 276,654	\$ 268,596	\$ 346,974		
Interest	111,080	104,225	83,540	78,726	129,346	119,109	146,971	138,708		
Plan changes	0	0	0	0	0	0	0	0		
Differences between expected and actual experience	(193,381)	0	(251,155)	0	(263,657)	0	(1,196,409)	0		
Assumption changes	(491,694)	0	(707,118)	0	(456,119)	0	(6,328)	0		
Benefit payments	(142,816)	(119,523)	(137,273)	(130,976)	(162,699)	(113,700)	(166,742)	(161,881)		
Net change in total OPEB liability	\$ (509,577)	\$ 249,611	\$ (756,055)	\$ 269,998	\$ (441,778)	\$ 282,063	\$ (953,912)	\$ 323,801	\$ 0	\$ 0
Total OPEB liability - beginning	2,786,671	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	\$ 2,277,094	\$ 2,786,671	\$ 2,537,060	\$ 3,293,115	\$ 3,023,117	\$ 3,464,895	\$ 3,182,832	\$ 4,136,744	\$ 0	\$ 0
Covered-employee payroll	\$ 28,303,630	\$ 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	8.05%	11.20%	10.55%	14.22%	13.51%	15.97%	15.11%	20.30%	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 2025.

Assumption Changes: *The following assumption changes were made for the fiscal year 2025 reporting period:* The health care trend rates were changed to better anticipate short term and long term medical increases. The withdrawal, retirement, and salary increases were updated. The percentage of future retirees who are expected to stay on one of the County's medical plans post-employment was reduced from 50% to 35%. The discount rate was changed from 3.80% to 4.10%.

Method Changes: There were no method changes for fiscal year 2025.

Yellowstone County, Montana
Notes to the Required Supplementary Information
June 30, 2025
Public Employees Retirement Plan (PERS)

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, Montana
Notes to the Required Supplementary Information
June 30, 2025

Public Employees Retirement Plan (PERS)

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

Actuarially determined contributions are determined on the valuation date payable in the fiscal year beginning immediately following the valuation date. The following actuarial assumptions and methods were used to determine contribution rates reported for fiscal year ending June 30, 2024, which were based on the results of the June 30, 2023 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 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, 2023 valuation, were developed in the five-year experience study for the period ending 2021.

Yellowstone County, Montana
Required Supplementary Information
June 30, 2025
Public Employees Retirement Plan (PERS)

**Schedule of Proportionate Share of the Net Pension Liability
For the Last Ten Fiscal Years***

As of measurement date:	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Reporting date:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Employer's proportion of the Net Pension Liability (percentage)	0.9387%	0.9102%	0.8999%	0.8546%	0.9184%	0.9021%	0.8940%	1.1512%	1.1556%	1.1130%
Employer's Net Pension Liability (amount)	\$22,957,841	\$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
State's Net Pension Liability (amount)	\$ 5,974,122	\$ 6,141,430	\$ 6,392,110	\$ 4,567,121	\$ 7,632,276	\$ 6,136,187	\$ 6,245,182	\$ 298,536	\$ 240,504	\$ 191,101
Total	\$28,931,963	\$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

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
Employer's Proportionate Share as a percentage of Covered Payroll	124.86%	131.26%	135.37%	102.77%	157.24%	126.69%	126.82%	157.01%	142.20%	119.78%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	74.77%	73.93%	73.66%	79.91%	68.90%	73.85%	73.47%	73.75%	74.71%	78.40%

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

¹All 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:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required DB contributions	\$ 1,762,895	\$ 1,675,810	\$ 1,530,540	\$ 1,406,436	\$ 1,337,763	\$ 1,350,069	\$ 1,280,196	\$ 1,245,279	\$ 1,195,367	\$ 1,156,947
Plan choice rate required contributions	0	0	0	0	0	0	0	0	0	\$ 33,765
Contributions in relation to the contractually required contributions	\$ 1,762,895	\$ 1,675,810	\$ 1,530,540	\$ 1,406,436	\$ 1,337,763	\$ 1,350,069	\$ 1,280,196	\$ 1,245,279	\$ 1,195,367	\$ 1,190,712
Contribution deficiency (excess)	0	0	0	0	0	0	0	0	0	0
Employer's covered payroll ¹	\$19,436,566	\$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
Contributions as a percentage of covered payroll	9.07%	9.11%	9.05%	8.90%	8.87%	8.76%	8.60%	8.46%	8.37%	8.60%

*The amounts presented for each fiscal year were determined as of June 30, the most recent fiscal year end.

¹All 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, Montana
Notes to the Required Supplementary Information
June 30, 2025
Sheriffs' Retirement System (SRS)

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, Montana
Notes to the Required Supplementary Information
June 30, 2025
Sheriffs' Retirement System (SRS)

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.

2024:

Employer contribution rate

- Effective July 1, 2024, contribution rates are actuarially determined based on the funding valuation one year prior.

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

Actuarially determined contributions are determined on the valuation date payable in the fiscal year beginning immediately following the valuation date. The following actuarial assumptions and methods were used to determine contribution rates reported for fiscal year ending June 30, 2024, which were based on the results of the June 30, 2023 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	0% 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, Montana
Notes to the Required Supplementary Information
June 30, 2025
Sheriffs' Retirement System (SRS)

<ul style="list-style-type: none"> • Healthy retirees 	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.
<ul style="list-style-type: none"> • Disabled retirees 	PUB-2010 Safety Amount Weighted Disabled Retiree Mortality table, projected to 2021, set forward one year for males.
<ul style="list-style-type: none"> • Contingent survivor 	PUB-2010 Amount Weighted Contingent Survivor Mortality projected to 2021, set forward one year for males. 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.

Yellowstone County, Montana
Required Supplementary Information
June 30, 2025
Sheriffs' Retirement System (SRS)

**Schedule of Proportionate Share of the Net Pension Liability
For the Last Ten Fiscal Years***

As of measurement date:	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Reporting date:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Employer's proportion of the Net Pension Liability (percentage)	9.4512%	9.3292%	9.6373%	9.6375%	9.8856%	9.6310%	9.3066%	9.2678%	9.2763%	9.2021%
Employer's Net Pension Liability (amount)	\$11,592,026	\$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
Total	\$11,592,026	\$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

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
Employer's Proportionate Share as a percentage of Covered Payroll	110.55%	143.48%	142.07%	80.15%	143.55%	103.88%	96.89%	101.71%	248.86%	141.67%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	82.12%	77.09%	77.07%	86.94%	75.92%	81.89%	82.68%	81.30%	63.00%	75.40%

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

¹All 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:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contributions	\$ 1,424,013	\$ 1,393,434	\$ 1,257,806	\$ 1,224,268	\$ 1,146,568	\$ 1,104,738	\$ 1,018,240	\$ 964,733	\$ 701,390	\$ 678,720
Contributions in relation to the contractually required contributions	\$ 1,424,013	\$ 3,926,353	\$ 1,257,806	\$ 1,224,268	\$ 1,146,568	\$ 1,104,738	\$ 1,018,240	\$ 964,733	\$ 701,390	\$ 678,720
Contribution deficiency (excess)	0	(2,532,918)	0	0	0	0	0	0	0	0
Employer's covered payroll ¹	\$10,857,917	\$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
Contributions as a percentage of covered payroll	13.11%	37.44%	13.16%	13.18%	13.09%	13.16%	13.17%	13.36%	10.12%	10.36%

*The amounts presented for each fiscal year were determined as of June 30, the most recent fiscal year end.

¹All 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, 2025

	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	\$ 175,000	\$ 175,000	\$ 127,552	\$ (47,448)	\$ 0	\$ 0	\$ 0	\$ 0
Charges for services	0	0	0	0	30,000	30,000	28,825	(1,175)
Other	3,000	3,000	4,283	1,283	1,457,000	1,457,000	2,729,217	1,272,217
Total revenues	178,000	178,000	131,835	(46,165)	1,487,000	1,487,000	2,758,042	1,271,042
EXPENDITURES:								
Current:								
Capital outlay	0	0	0	0	23,714,850	23,753,350	10,119,886	13,633,464
Debt and lease service:								
Principal	150,000	150,000	65,000	85,000	0	0	0	0
Interest	46,200	46,200	14,850	31,350	0	0	0	0
Total expenditures	196,200	196,200	79,850	116,350	23,714,850	23,753,350	10,119,886	13,633,464
Excess (deficiency) of revenues over (under) expenditures	(18,200)	(18,200)	51,985	70,185	(22,227,850)	(22,266,350)	(7,361,844)	14,904,506
OTHER FINANCING SOURCES (USES):								
Interfund transfers in	0	0	0	0	7,350,000	7,350,000	8,400,000	1,050,000
Total other financing sources (uses)	0	0	0	0	7,350,000	7,350,000	8,400,000	1,050,000
Net change in fund balances	\$ (18,200)	\$ (18,200)	51,985	\$ 70,185	\$ (14,877,850)	\$ (14,916,350)	1,038,156	\$ 15,954,506
Fund balance July 1, 2024			204,165				49,345,219	
Fund balance June 30, 2025			\$ 256,150				\$ 50,383,375	

**YELLOWSTONE COUNTY, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Special	Debt	Capital	Total
	Revenue	Service	Projects	Nonmajor
				Governmental
				Funds
<u>ASSETS</u>				
Cash and demand investments, pooled	\$ 7,673,322	\$ 21,700	\$ 0	\$ 7,695,022
Cash investments, pooled	12,413,245	35,100	0	12,448,345
Receivables (net of allowance for uncollectibles):				
Property taxes	844,773	0	0	844,773
Accounts	1,738,471	0	0	1,738,471
Delinquent assessments	46,229	0	0	46,229
Accrued interest	57,093	0	0	57,093
Prepaid expenses	2,899	0	0	2,899
Inventories	184,128	0	0	184,128
Total assets	\$ 22,960,160	\$ 56,800	\$ 0	\$ 23,016,960
<u>LIABILITIES:</u>				
Accounts payable	\$ 1,370,067	\$ 0	\$ 0	\$ 1,370,067
Accrued liabilities	578,031	0	0	578,031
Due to other funds	28,140	0	0	28,140
Due to other taxing districts	699,557	0	0	699,557
Total liabilities	2,675,795	0	0	2,675,795
<u>DEFERRED INFLOW OF RESOURCES:</u>				
Uncollected tax revenue	891,002	0	0	891,002
Total deferred inflow of resources	891,002	0	0	891,002
<u>FUND BALANCES:</u>				
Nonspendable	187,027	0	0	187,027
Restricted	10,508,730	56,800	0	10,565,530
Committed	5,209,450	0	0	5,209,450
Assigned	3,488,156	0	0	3,488,156
Total fund balances	19,393,363	56,800	0	19,450,163
Total liabilities, deferred inflows and fund balances	\$ 22,960,160	\$ 56,800	\$ 0	\$ 23,016,960

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, 2025

	Special Revenue		Debt Service		Capital Projects		Total Nonmajor Governmental Funds	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES:								
Taxes	\$ 23,628,188	\$ 23,427,460	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,628,188	\$ 23,427,460
Special assessments	1,880,040	1,472,689	0	0	0	0	1,880,040	1,472,689
Licenses and permits	950,000	950,000	0	0	0	0	950,000	950,000
Intergovernmental	3,615,581	4,650,428	0	0	0	0	3,615,581	4,650,428
Fines and forfeitures	42,000	24,439	0	0	0	0	42,000	24,439
Charges for services	1,936,241	2,061,670	0	0	0	0	1,936,241	2,061,670
Other	373,750	774,867	0	0	0	0	373,750	774,867
Total revenues	32,425,800	33,361,553	0	0	0	0	32,425,800	33,361,553
EXPENDITURES:								
Current:								
General government	366,000	101,079	0	0	0	0	366,000	101,079
Public safety	11,772,288	9,848,782	0	0	0	0	11,772,288	9,848,782
Public works	2,742,392	3,125,914	0	0	0	0	2,742,392	3,125,914
Public health	5,593,374	5,118,151	0	0	0	0	5,593,374	5,118,151
Social and economic services	2,488,493	2,386,403	0	0	0	0	2,488,493	2,386,403
Culture and recreation	2,739,581	2,448,755	0	0	0	0	2,739,581	2,448,755
Conservation of natural resources	143,465	140,211	0	0	0	0	143,465	140,211
Community development	61,922	0	0	0	0	0	61,922	0
Debt and lease service:								
Principal	66,471	66,470	515,000	515,000	0	0	581,471	581,470
Interest	15,992	17,825	161,200	161,200	0	0	177,192	179,025
Capital outlay:								
Public safety	329,290	86,416	0	0	0	0	329,290	86,416
Public works	7,043,882	2,203,466	0	0	200,000	0	7,243,882	2,203,466
Public health	0	0	0	0	0	0	0	0
Social and economic services	0	0	0	0	0	0	0	0
Conservation of natural resources	0	0	0	0	0	0	0	0
Culture and recreation	159,556	53,393	0	0	0	0	159,556	53,393
Community development	650,000	556,099	0	0	0	0	650,000	556,099
Total expenditures	34,347,706	26,327,427	676,200	676,200	200,000	0	35,223,906	27,003,627
Excess (deficiency) of revenues over (under) expenditures	(1,921,906)	7,034,126	(676,200)	(676,200)	(200,000)	0	(2,798,106)	6,357,926
OTHER FINANCING SOURCES (USES):								
Interfund transfers in	1,254,848	1,155,614	676,200	676,199	200,000	0	2,131,048	1,831,813
Interfund transfers out	(7,678,034)	(7,391,088)	(25,000)	0	0	0	(7,703,034)	(7,391,088)
Long term debt proceeds	0	0	0	0	0	0	0	0
Total other financing sources (uses)	(6,423,186)	(6,235,474)	651,200	676,199	200,000	0	(5,571,986)	(5,559,275)
Net change in fund balances	\$ (8,345,092)	798,652	\$ (25,000)	(1)	\$ 0	0	\$ (8,370,092)	798,651
Fund balance July 1, 2024		18,594,711		56,801		0		18,651,512
Fund balance June 30, 2025		\$ 19,393,363		56,800		\$ 0		\$ 19,450,163

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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, 2025
(PAGE 1 OF 4)**

	County Attorney Fund	Bridge Fund	Predatory Animal Control Fund	Weed Control Fund	Library Fund	Senior Citizens Fund
Assets						
Cash and demand investments, pooled	\$ 1,682,010	\$ 517,022	\$ 31	\$ 72,816	\$ 35,418	\$ 38,030
Cash investments, pooled	2,720,678	836,290	49	117,781	57,290	61,513
Receivables (net of allowance for uncollectibles):						
Property taxes	207,468	67,199	54	13,515	67,096	70,489
Accounts	108,926	0	0	28,595	0	0
Accrued interest	0	0	0	0	0	0
Prepaid expenses	2,868	0	0	0	0	0
Inventories	0	51,658	0	132,470	0	0
Total assets	\$ 4,721,950	\$ 1,472,169	\$ 134	\$ 365,177	\$ 159,804	\$ 170,032
<u>Liabilities, Deferred Inflows and Fund Balances</u>						
LIABILITIES:						
Accounts payable	\$ 15,991	\$ 11,859	\$ 80	\$ 17,657	\$ 92,708	\$ 99,543
Accrued liabilities	340,340	0	0	22,881	0	0
Total liabilities	356,331	11,859	80	40,538	92,708	99,543
<u>Deferred Inflow of Resources</u>						
Uncollected tax revenue	207,468	67,199	54	13,515	67,096	70,489
Total deferred inflow of resources	207,468	67,199	54	13,515	67,096	70,489
FUND BALANCES:						
Nonspendable	2,868	51,658	0	132,470	0	0
Restricted	0	0	0	0	0	0
Committed	2,724,088	575,687	0	120,371	0	0
Assigned	1,431,195	765,766	0	58,283	0	0
Total fund balances	4,158,151	1,393,111	0	311,124	0	0
Total liabilities, deferred inflows and fund balances	\$ 4,721,950	\$ 1,472,169	\$ 134	\$ 365,177	\$ 159,804	\$ 170,032

YELLOWSTONE COUNTY, MONTANA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025
(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	\$ 97,707	\$ 262,910	\$ 278,874	\$ 264,435	\$ 209,404	\$ 294,541
Cash investments, pooled	158,043	425,260	451,083	427,728	338,714	476,431
Receivables (net of allowance for uncollectibles):						
Property taxes	12,662	55,566	0	0	32,932	123,498
Accounts	2,000	0	0	0	0	0
Accrued interest	0	0	0	0	0	2,285
Total assets	\$ 270,412	\$ 743,736	\$ 729,957	\$ 692,163	\$ 581,050	\$ 896,755
<u>Liabilities, Deferred Inflows and Fund Balances</u>						
LIABILITIES:						
Accounts payable	\$ 36,221	\$ 0	\$ 7,970	\$ 938	\$ 42,892	\$ 73,712
Accrued liabilities	9,624	0	0	345	0	0
Due to other taxing districts	0	0	0	0	0	699,557
Total liabilities	45,845	0	7,970	1,283	42,892	773,269
<u>Deferred Inflow of Resources</u>						
Uncollected tax revenue	12,662	55,566	0	0	32,932	123,498
Total deferred inflow of resources	12,662	55,566	0	0	32,932	123,498
FUND BALANCES:						
Restricted	0	688,170	0	690,880	0	0
Committed	137,617	0	535,487	0	243,155	(12)
Assigned	74,288	0	186,500	0	262,071	0
Total fund balances	211,905	688,170	721,987	690,880	505,226	(12)
Total liabilities, deferred inflows and fund balances	\$ 270,412	\$ 743,736	\$ 729,957	\$ 692,163	\$ 581,050	\$ 896,755

YELLOWSTONE COUNTY, MONTANA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025
(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
Assets						
Cash and demand investments, pooled	\$ 2,643	\$ 42,631	\$ 138,167	\$ 46,736	\$ 618,732	\$ 2,977,040
Cash investments, pooled	4,276	68,956	223,536	75,597	1,000,809	4,816,697
Receivables (net of allowance for uncollectibles):						
Property taxes	3,082	0	0	0	0	0
Accounts	0	127,566	11,377	0	143,345	0
Delinquent assessments	0	0	0	0	0	46,229
Accrued interest	0	0	1,802	0	0	46,397
Assessments	0	0	0	0	0	0
Prepaid Expenses	0	0	0	31	0	0
Total assets	\$ 10,001	\$ 239,153	\$ 374,882	\$ 122,364	\$ 1,762,886	\$ 7,886,363
Liabilities, Deferred Inflows and Fund Balances						
LIABILITIES:						
Accounts payable	\$ 6,919	\$ 239,153	\$ 0	\$ 7,098	\$ 27,030	\$ 62,463
Accrued liabilities	0	0	0	6,718	152,746	33,777
Due to other funds	0	0	0	0	0	28,140
Total liabilities	6,919	239,153	0	13,816	179,776	124,380
Deferred Inflow of Resources						
Uncollected tax revenue	3,082	0	0	0	0	46,229
Total deferred inflow of resources	3,082	0	0	0	0	46,229
FUND BALANCES:						
Nonspendable	0	0	0	31	0	0
Restricted	0	0	374,882	108,517	0	7,715,754
Committed	0	0	0	0	873,057	0
Assigned	0	0	0	0	710,053	0
Total fund balances	0	0	374,882	108,548	1,583,110	7,715,754
Total liabilities, deferred inflows and fund balances	\$ 10,001	\$ 239,153	\$ 374,882	\$ 122,364	\$ 1,762,886	\$ 7,886,363

**YELLOWSTONE COUNTY, MONTANA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025
(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	\$ 15,771	\$ 0	\$ (89,241)	\$ 167,645	\$ 7,673,322
Cash investments, pooled	25,517	0	(144,228)	271,225	12,413,245
Receivables (net of allowance for uncollectibles):					
Property taxes	0	183,651	1,418	6,143	844,773
Accounts	3,536	0	1,295,562	17,564	1,738,471
Delinquent assessments	0	0	0	0	46,229
Accrued interest	217	0	4,315	2,077	57,093
Assessments	0				0
Prepaid expenses	0	0	0	0	2,899
Inventories	0	0	0	0	184,128
Total assets	\$ 45,041	\$ 183,651	\$ 1,067,826	\$ 464,654	\$ 22,960,160

Liabilities, Deferred Inflows and Fund Balances

LIABILITIES:

Accounts payable	\$ 2,770	\$ 0	\$ 618,500	\$ 6,563	\$ 1,370,067
Accrued liabilities	0	0	11,600	0	578,031
Due to other funds	0	0	0	0	28,140
Due to other taxing districts	0	0	0	0	699,557
Total liabilities	2,770	0	630,100	6,563	2,675,795

Deferred Inflow of Resources

Uncollected tax revenue	0	183,651	1,418	6,143	891,002
Total deferred inflow of resources	0	183,651	1,418	6,143	891,002

FUND BALANCES:

Nonspendable	0	0	0	0	187,027
Restricted	42,271	0	436,308	451,948	10,508,730
Committed	0	0	0	0	5,209,450
Assigned	0	0	0	0	3,488,156
Total fund balances	42,271	0	436,308	451,948	19,393,363

Total liabilities, deferred inflows and fund balances	\$ 45,041	\$ 183,651	\$ 1,067,826	\$ 464,654	\$ 22,960,160
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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, 2025
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	<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	\$ 5,851,214	\$ 5,797,866	\$ 1,890,972	\$ 1,883,903	\$ 965	\$ 843	\$ 376,707	\$ 378,087	\$ 1,365,454	\$ 1,335,242
Special assessments	0	0	0	0	40	45	0	0	0	0
Intergovernmental	490,543	579,363	66,228	68,227	0	0	35,713	18,912	178,639	178,639
Charges for services	72,500	77,956	0	0	0	0	50,000	55,897	0	0
Other	1,000	1,739	0	69,647	0	0	1,500	3,451	0	0
Total revenues	6,415,257	6,456,924	1,957,200	2,021,777	1,005	888	463,920	456,347	1,544,093	1,513,881
EXPENDITURES:										
Current:										
Public safety	7,736,919	6,376,744	0	0	0	0	0	0	0	0
Public works	0	0	844,625	481,814	0	0	542,847	454,475	0	0
Social and economic services	0	0	0	0	1,065	1,062	0	0	0	0
Culture and recreation	0	0	0	0	0	0	0	0	1,544,093	1,513,881
Capital outlay:										
Public safety	274,690	59,325	0	0	0	0	0	0	0	0
Public works	0	0	140,000	109	0	0	3,200	2,875	0	0
Total expenditures	8,011,609	6,436,069	984,625	481,923	1,065	1,062	546,047	457,350	1,544,093	1,513,881
Excess (deficiency) of revenues over (under) expenditures	(1,596,352)	20,855	972,575	1,539,854	(60)	(174)	(82,127)	(1,003)	0	0
OTHER FINANCING SOURCES (USES):										
Interfund transfers in	378,624	333,814	0	0	0	0	33,056	31,127	0	0
Interfund transfers out	(148,786)	(148,786)	(1,900,000)	(1,900,000)	0	0	0	0	0	0
Total other financing sources (uses)	229,838	185,028	(1,900,000)	(1,900,000)	0	0	33,056	31,127	0	0
Net change in fund balances	\$ (1,366,514)	205,883	\$ (927,425)	(360,146)	\$ (60)	(174)	\$ (49,071)	30,124	\$ 0	0
Fund balance July 1, 2024		3,952,268		1,753,257		174		281,000		0
Fund balance June 30, 2025		\$ 4,158,151		\$ 1,393,111		\$ 0		\$ 311,124		\$ 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, 2025
(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	\$ 2,000,963	\$ 1,968,056	\$ 351,522	\$ 352,736	\$ 1,553,761	\$ 1,550,970	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	41,929	41,928	12,022	12,022	49,388	49,387	260,000	267,902	0	0
Other	0	0	0	0	0	0	0	6	22,500	175,753
Total revenues	2,042,892	2,009,984	363,544	364,758	1,603,149	1,600,357	260,000	267,908	22,500	175,753
EXPENDITURES:										
Current:										
General government	0	0	0	0	0	0	366,000	101,079	0	0
Public health	0	0	0	0	1,493,270	1,080,620	0	0	0	0
Social and economic services	2,042,892	2,009,984	444,536	375,357	0	0	0	0	0	0
Culture and recreation	0	0	0	0	0	0	0	0	171,567	50,088
Capital outlay:										
Culture and recreation	0	0	0	0	0	0	0	0	104,556	10,500
Total expenditures	2,042,892	2,009,984	444,536	375,357	1,493,270	1,080,620	541,000	275,542	276,123	60,588
Excess (deficiency) of revenues over (under) expenditures	0	0	(80,992)	(10,599)	109,879	519,737	(281,000)	(7,634)	(253,623)	115,165
OTHER FINANCING SOURCES (USES):										
Interfund transfers in	0	0	11,424	10,914	0	0	0	0	100,000	100,000
Interfund transfers out	0	0	0	0	0	0	(120,000)	(120,000)	0	0
Total other financing sources (uses)	0	0	11,424	10,914	0	0	(120,000)	(120,000)	100,000	100,000
Net change in fund balances	\$ 0	0	\$ (69,568)	315	\$ 109,879	519,737	\$ (401,000)	(127,634)	\$ (153,623)	215,165
Fund balance July 1, 2024		0		211,590		168,433		849,621		475,715
Fund balance June 30, 2025	\$ 0		\$ 211,905		\$ 688,170		\$ 721,987		\$ 690,880	

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, 2025
(PAGE 3 OF 5)

	Museum Fund		Health Services Fund		Soil Conservation Fund		Alcohol Rehabilitation Fund		Drug Forfeiture Fund	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES:										
Taxes	\$ 923,270	\$ 921,632	\$ 3,512,107	\$ 3,448,917	\$ 139,491	\$ 136,238	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	16,996	16,996	107,997	107,997	3,974	3,973	475,000	462,326	50,000	46,105
Fines and forfeitures	0	0	0	0	0	0	0	0	42,000	24,439
Other	0	0	5,000	20,061	0	0	0	0	8,000	14,811
Total revenues	940,266	938,628	3,625,104	3,576,975	143,465	140,211	475,000	462,326	100,000	85,355
EXPENDITURES:										
Current:										
Public safety	0	0	0	0	0	0	0	0	103,840	8,308
Public health	0	0	3,625,104	3,575,205	0	0	475,000	462,326	0	0
Culture and recreation	1,023,921	884,786	0	0	0	0	0	0	0	0
Conservation of natural resources	0	0	0	0	143,465	140,211	0	0	0	0
Capital outlay:										
Public safety	0	0	0	0	0	0	0	0	50,000	22,500
Culture and recreation	55,000	42,893	0	0	0	0	0	0	0	0
Total expenditures	1,078,921	927,679	3,625,104	3,575,205	143,465	140,211	475,000	462,326	153,840	30,808
Excess (deficiency) of revenues over (under) expenditures	(138,655)	10,949	0	1,770	0	0	0	0	(53,840)	54,547
OTHER FINANCING SOURCES (USES):										
Interfund transfers out	0	0	0	0	0	0	0	0	0	0
Total other financing sources (uses)	0	0	0	0	0	0	0	0	0	0
Net change in fund balances	\$ (138,655)	10,949	\$ 0	1,770	\$ 0	0	\$ 0	0	\$ (53,840)	54,547
Fund balance July 1, 2024		494,277		(1,782)		0		0		320,335
Fund balance June 30, 2025		\$ 505,226		\$ (12)		\$ 0		\$ 0		\$ 374,882

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, 2025
(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	\$ 1,880,000	\$ 1,472,644	\$ 0	\$ 0
Licenses and permits	0	0	950,000	950,000	0	0	0	0
Intergovernmental	425,000	226,484	197,239	214,115	0	0	60,000	58,915
Charges for services	0	875	1,813,741	1,926,942	0	0	0	0
Other	0	201	750	635	222,000	381,174	27,000	36,029
Total revenues	425,000	227,560	2,961,730	3,091,692	2,102,000	1,853,818	87,000	94,944
EXPENDITURES:								
Current:								
Public safety	0	0	3,834,398	3,372,361	0	0	97,131	91,369
Public works	227,920	198,918	0	0	956,000	1,903,726	0	0
Debt and lease service:								
Interest	0	0	0	0	0	1,833	0	0
Capital outlay:								
Public safety	0	0	4,600	4,591	0	0	0	0
Public works	0	0	0	0	950,000	0	0	0
Total expenditures	227,920	198,918	3,838,998	3,376,952	1,906,000	1,905,559	97,131	91,369
Excess (deficiency) of revenues over (under) expenditures	197,080	28,642	(877,268)	(285,260)	196,000	(51,741)	(10,131)	3,575
OTHER FINANCING SOURCES (USES):								
Interfund transfers in	0	0	731,744	679,759	0	0	0	0
Interfund transfers out	(200,000)	0	0	0	0	0	0	0
Total other financing sources (uses)	(200,000)	0	731,744	679,759	0	0	0	0
Net change in fund balances	\$ (2,920)	28,642	\$ (145,524)	394,499	\$ 196,000	(51,741)	\$ (10,131)	3,575
Fund balance July 1, 2024		79,906		1,188,611		7,767,495		38,696
Fund balance June 30, 2025		\$ 108,548		\$ 1,583,110		\$ 7,715,754		\$ 42,271

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, 2025
(PAGE 5 OF 5)

	Permissive Medical Levy Fund		Lockwood TEDD		Lockwood Pedestrian Safety		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES:								
Taxes	\$ 5,204,728	\$ 5,117,782	\$ 166,004	\$ 252,052	\$ 291,030	\$ 283,136	\$ 23,628,188	\$ 23,427,460
Special assessments	0	0	0	0	0	0	1,880,040	1,472,689
Licenses and permits	0	0	0	0	0	0	950,000	950,000
Intergovernmental	104,520	104,520	0	2,057,672	1,040,393	134,945	3,615,581	4,650,428
Fines and forfeitures	0	0	0	0	0	0	42,000	24,439
Charges for services	0	0	0	0	0	0	1,936,241	2,061,670
Other	0	0	0	33,597	86,000	37,763	373,750	774,867
Total revenues	5,309,248	5,222,302	166,004	2,343,321	1,417,423	455,844	32,425,800	33,361,553
EXPENDITURES:								
Current:								
General government	0	0	0	0	0	0	366,000	101,079
Public safety	0	0	0	0	0	0	11,772,288	9,848,782
Public works	0	0	0	0	171,000	86,981	2,742,392	3,125,914
Public health	0	0	0	0	0	0	5,593,374	5,118,151
Social and economic services	0	0	0	0	0	0	2,488,493	2,386,403
Culture and recreation	0	0	0	0	0	0	2,739,581	2,448,755
Conservation of natural resources	0	0	0	0	0	0	143,465	140,211
Community development	0	0	61,922	0	0	0	61,922	0
Debt and lease service:								
Principal	0	0	0	0	66,471	66,470	66,471	66,470
Interest	0	0	0	0	15,992	15,992	15,992	17,825
Capital outlay:								
General government	0	0	0	0			175,000	174,463
Public safety	0	0	0	0	0	0	329,290	86,416
Public works	0	0	4,551,280	2,019,342	1,399,402	181,140	7,043,882	2,203,466
Public health	0	0	0	0	0	0	0	0
Social and economic services	0	0	0	0	0	0	0	0
Conservation of natural resources	0	0	0	0	0	0	0	0
Culture and recreation	0	0	0	0	0	0	159,556	53,393
Community development	0	0	650,000	556,099	0	0	650,000	556,099
Total expenditures	0	0	5,263,202	2,575,441	1,652,865	350,583	34,347,706	26,327,427
Excess (deficiency) of revenues over (under) expenditures	5,309,248	5,222,302	(5,097,198)	(232,120)	(235,442)	105,261	(1,921,906)	7,034,126
OTHER FINANCING SOURCES (USES):								
Interfund transfers in	0	0	0	0	0	0	1,254,848	1,155,614
Interfund transfers out	(5,309,248)	(5,222,302)	0	0	0	0	(7,678,034)	(7,391,088)
Interfund loan proceeds	0	0	0	0	0	0	0	0
Total other financing sources (uses)	(5,309,248)	(5,222,302)	0	0	0	0	(6,423,186)	(6,235,474)
Net change in fund balances	\$ 0	0	\$ (5,097,198)	(232,120)	\$ (235,442)	105,261	\$ (8,345,092)	798,652
Fund balance July 1, 2024		0		668,428		346,687		18,594,711
Fund balance June 30, 2025		\$ 0		\$ 436,308		\$ 451,948		\$ 19,393,363

**YELLOWSTONE COUNTY, MONTANA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2025**

	R.S.I.D. Revolving Fund	Limited Tax G.O. Bond Fund	Total
<u>Assets</u>			
Cash and demand investments, pooled	\$ 21,700	\$ 0	\$ 21,700
Cash investments, pooled	35,100	0	35,100
Receivables (net of allowance for uncollectibles):			
Due from other taxing districts	0	0	0
Total assets	\$ 56,800	\$ 0	\$ 56,800
 <u>Fund Balances</u>			
FUND BALANCES, Restricted	56,800	0	56,800
Total liabilities and fund balances	\$ 56,800	\$ 0	\$ 56,800

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, 2025

	R.S.I.D.		Limited Tax G.O.		Total	
	<u>Revolving Fund</u>		<u>Bond Fund</u>		<u>Budget</u>	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES:						
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total revenues	0	0	0	0	0	0
EXPENDITURES:						
Debt and lease service:						
Principal	0	0	515,000	515,000	515,000	515,000
Interest	0	0	161,200	161,200	161,200	161,200
Total expenditures	0	0	676,200	676,200	676,200	676,200
Excess (deficiency) of revenues						
over (under) expenditures	0	0	(676,200)	(676,200)	(676,200)	(676,200)
OTHER FINANCING SOURCES (USES):						
Interfund transfers in	0	0	676,200	676,199	676,200	676,199
Interfund transfers out	(25,000)	0	0	0	(25,000)	0
Total other financing sources (uses)	(25,000)	0	676,200	676,199	651,200	676,199
Net change in fund balances	\$ (25,000)	0	\$ 0	(1)	\$ (25,000)	(1)
Fund balance July 1, 2024		56,800		1		56,801
Fund balance June 30, 2025	\$ 56,800		\$ 0		\$ 56,800	

**YELLOWSTONE COUNTY, MONTANA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2025**

	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	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, 2025

	<u>RSID Construction Fund</u>		<u>GO Construction Fund</u>		<u>Total</u>	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES:						
Special assessments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total revenues	0	0	0	0	0	0
EXPENDITURES:						
Current:						
Public works	0	0	0	0	0	0
Capital outlay:						
Public works	200,000	0	0	0	200,000	0
Total expenditures	200,000	0	0	0	200,000	0
Excess (deficiency) of revenues over (under) expenditures	(200,000)	0	0	0	(200,000)	0
OTHER FINANCING SOURCES (USES):						
Interfund transfers in	200,000	0	0	0	200,000	0
Interfund transfers out	0	0	0	0	0	0
Special assessment loan proceeds	0	0	0	0	0	0
Total other financing sources (uses)	200,000	0	0	0	200,000	0
Net change in fund balances	\$ 0	0	\$ 0	0	\$ 0	0
Fund balance July 1, 2024		0		0		0
Fund balance June 30, 2025	\$ 0	0	\$ 0	0	\$ 0	0

**YELLOWSTONE COUNTY, MONTANA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025**

	Health Insurance Fund	GIS Fund	Technology Fund	Total
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash and demand investments, pooled	\$ 6,033,335	\$ 131,119	\$ 309,819	\$ 6,474,273
Cash investments, pooled	9,761,540	212,088	501,138	10,474,766
Receivables (net of allowance for uncollectibles):				
Accounts	25,463	300	0	25,763
Accrued interest	91,106	0	0	91,106
Prepaid expense	18,288	65,440	74,302	158,030
Total current assets	15,929,732	408,947	885,259	17,223,938
NONCURRENT ASSETS:				
Capital Assets:				
Equipment and vehicles	0	0	1,019,216	1,019,216
Accumulated depreciation	0	0	(760,853)	(760,853)
Total property and equipment (net)	0	0	258,363	258,363
Total assets	\$ 15,929,732	\$ 408,947	\$ 1,143,622	\$ 17,482,301
<u>LIABILITIES</u>				
CURRENT LIABILITIES:				
Accounts payable	\$ 19,098	\$ 0	\$ 53,173	\$ 72,271
Accrued liabilities	900,779	15,460	4,004	920,243
Accrued compensated absences	0	20,860	1,008	21,868
Unearned revenue	0	41,200	0	41,200
Due to general fund	0	0	0	0
Total current liabilities	919,877	77,520	58,185	1,055,582
NONCURRENT LIABILITIES:				
Accrued compensated absences	0	15,401	2,728	18,129
<u>NET POSITION</u>				
Investment in capital assets, net of related debt	0	0	258,363	258,363
Unrestricted	15,009,855	316,026	824,346	16,150,227
Total net position	15,009,855	316,026	1,082,709	16,408,590
Total liabilities and net position	\$ 15,929,732	\$ 408,947	\$ 1,143,622	\$ 17,482,301

YELLOWSTONE COUNTY, MONTANA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Health Insurance Fund	GIS Fund	Technology Fund	Total
OPERATING REVENUES:				
Charges for services	\$ -	\$ 142,389	\$ 1,100,914	\$ 1,243,303
Health insurance premiums	8,156,471	-	-	8,156,471
Total operating revenues	8,156,471	142,389	1,100,914	9,399,774
OPERATING EXPENSES:				
Salaries and benefits	-	392,460	96,967	489,427
Supplies	-	5,774	116,363	122,137
Subscriptions	-	-	-	-
Contracted services	118,602	115,389	976,726	1,210,717
Health claims	11,027,979	-	-	11,027,979
Stop-loss insurance and administration	323,474	-	-	323,474
Depreciation	-	-	155,967	155,967
Total operating expenses	11,470,055	513,623	1,346,023	13,329,701
Operating income (loss)	(3,313,584)	(371,234)	(245,109)	(3,929,927)
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	753,417	-	-	753,417
Other income	329	-	-	329
Total nonoperating revenues (expenses)	753,746	-	-	753,746
Income (loss)	(2,559,838)	(371,234)	(245,109)	(3,176,181)
Interfund transfers in	2,579,406	360,324	250,000	3,189,730
Interfund transfer out	-	-	-	-
Change in net position	19,568	(10,910)	4,891	13,549
Net position July 1, 2024	14,990,287	326,936	1,078,222	16,395,445
Restatement for GASB 101 implementation	-	-	(405)	(405)
Net position June 30, 2025	\$ 15,009,855	\$ 316,026	\$ 1,082,708	\$ 16,408,589

**YELLOWSTONE COUNTY, MONTANA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Health Insurance Fund	GIS Fund	Technology Fund	Totals
Cash flows from operating activities:				
Cash received from users	\$ 0	\$ 185,289	\$ 1,102,277	\$ 1,287,566
Cash received from health insurance premiums	8,290,658	0	0	8,290,658
Cash paid to other suppliers for goods or services	(91,677)	(123,060)	(1,187,334)	(1,402,071)
Cash paid to employees for services	0	(374,607)	(98,161)	(472,768)
Cash paid for health claims	(11,027,200)	0	0	(11,027,200)
Cash paid for stop-loss insurance and administration	(323,475)	0	0	(323,475)
Net cash provided (used) by operating activities	(3,151,694)	(312,378)	(183,218)	(3,647,290)
Cash flows from noncapital financing activities:				
Cash received (paid) from (to) interfund transfer	2,579,406	360,324	250,000	3,189,730
Net cash provided (used) by noncapital financing activities	2,579,406	360,324	250,000	3,189,730
Cash flows from capital and related financing activities:				
Acquisition of capital assets	0	0	0	0
Net cash used for capital and related financing activities	0	0	0	0
Cash flows from investing activities:				
Deposits into cash investments	(1,209,130)	(49,436)	(91,192)	(1,349,758)
Interest received on investments	736,000	0	0	736,000
Net cash provided (used) by investing activities	(473,130)	(49,436)	(91,192)	(613,758)
Net increase (decrease) in cash and demand investments	(1,045,418)	(1,490)	(24,410)	(1,071,318)
Cash and demand investments, July 1, 2024	7,078,753	132,610	334,229	7,545,592
Cash and demand investments, June 30, 2025	\$ 6,033,335	\$ 131,120	\$ 309,819	\$ 6,474,274

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

Operating income (loss)	\$ (3,313,582)	\$ (371,234)	\$ (245,514)	\$ (3,930,330)
Adjustments to reconcile net income (loss) to net cash from operating activities:				
Loss on disposal of fixed assets	0	0	0	0
Depreciation expense	0	0	155,967	155,967
(Increase) decrease in assets:				
Accounts receivable	134,184	1,700	1,363	137,247
Prepaid expenses	7,827	(1,781)	(53,235)	(47,189)
Increase (decrease) in liabilities:				
Accounts payable	19,098	(116)	(41,010)	(22,028)
Accrued liabilities	779	17,853	(789)	17,843
Deferred Revenue	0	41,200	0	41,200
Total adjustments	161,888	58,856	62,296	283,040
Net cash provided (used) by operating activities	\$ (3,151,694)	\$ (312,378)	\$ (183,218)	\$ (3,647,290)

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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Governmental activities					
Net investment in capital assets	\$ 106,216,851	\$ 110,047,259	\$ 97,142,050	\$ 89,109,370	\$ 78,886,611
Net restricted for debt service	19,110,061	15,720,648	14,710,793	14,158,671	14,776,851
Net unrestricted	71,458,803	67,915,656	57,673,503	48,699,599	43,671,563
Total governmental activities net position	\$ 196,785,715	\$ 193,683,563	\$ 169,526,346	\$ 151,967,640	\$ 137,335,025
Business-type activities					
Net investment in capital assets	\$ 54,402,376	\$ 33,952,206	\$ 34,821,868	\$ 35,657,191	\$ 36,320,180
Net unrestricted	8,304,712	8,962,955	7,045,995	4,922,903	2,940,182
Total business-type activities net position	\$ 62,707,088	\$ 42,915,161	\$ 41,867,863	\$ 40,580,094	\$ 39,260,362
Primary government					
Net investment in capital assets	\$ 160,619,227	\$ 143,999,465	\$ 131,900,765	\$ 124,766,561	\$ 115,206,791
Net restricted for debt service	19,110,061	15,720,648	14,710,793	14,158,671	14,776,851
Net unrestricted	79,763,515	76,878,611	64,782,651	53,622,502	46,611,745
Total primary government activities net position	\$ 259,492,803	\$ 236,598,724	\$ 211,394,209	\$ 192,547,734	\$ 176,595,387

(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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Expenses					
<u>Governmental activities:</u>					
General government	\$ 16,690,869	\$ 22,774,067	\$ 20,897,630	\$ 15,748,117	\$ 17,629,771
Public Safety	45,672,528	41,156,842	37,711,034	32,972,140	30,488,998
Public Works	15,763,683	12,627,028	12,239,269	10,456,047	11,437,434
Public Health	16,515,612	6,953,873	6,982,812	7,011,401	9,114,966
Social and Economic	3,173,206	3,281,656	3,264,265	3,219,821	3,380,496
Culture and Recreation	2,228,582	2,314,510	2,157,236	2,060,354	1,960,788
Community Development	564,738	709,855	646,789	645,558	660,431
Conservation of Natural Resources	170,454	159,840	153,415	152,333	117,935
Interest on Long-Term Debt	183,422	207,944	218,657	239,255	286,079
<u>Total governmental activities expenses</u>	<u>100,963,094</u>	<u>90,185,615</u>	<u>84,271,107</u>	<u>72,505,026</u>	<u>75,076,898</u>
<u>Business-type activities:</u>					
Solid Waste Disposal	391,000	362,670	323,814	300,808	276,167
METRA	11,332,342	10,601,391	9,227,111	9,250,213	7,022,223
<u>Total business-type activities expenses</u>	<u>11,723,342</u>	<u>10,964,061</u>	<u>9,550,925</u>	<u>9,551,021</u>	<u>7,298,390</u>
<u>Total primary government activities expenses</u>	<u>\$ 112,686,436</u>	<u>\$ 101,149,676</u>	<u>\$ 93,822,032</u>	<u>\$ 82,056,047</u>	<u>\$ 82,375,288</u>
Program Revenues					
<u>Governmental activities:</u>					
<u>Special Assessments</u>					
Public Works	\$ 1,516,481	\$ 1,528,034	\$ 1,338,666	\$ 1,277,245	\$ 1,411,084
<u>Licenses and permits</u>					
Public Safety	29,735	32,577	28,049	23,688	23,295
Public Works	47,722	53,592	30,008	49,290	38,027
<u>Intergovernmental</u>					
General government	80,680	80,680	77,528	77,467	72,367
Public Safety	520,202	540,402	465,089	421,760	372,458
Public Works	930,623	847,545	1,086,928	948,274	1,057,816
Social and Economic	462,326	464,922	652,245	316,431	959,113
<u>Fines and forfeitures</u>					
General government	626,887	553,122	519,461	504,641	567,221
Public Safety	25,450	26,683	50,589	23,283	36,441
<u>Charges for services</u>					
General government	4,809,865	5,149,971	5,212,672	5,825,674	6,919,873
Public Safety	8,060,946	7,298,190	6,730,849	6,292,414	7,793,490
Public Works	297,001	259,678	225,793	238,198	298,913
<u>Operating grants and contributions</u>					
General government	289,670	76,600	162,250	0	66,861
Public Safety	3,041,937	1,654,742	1,528,405	933,726	845,897
Public Works	149,134	1,771,695	92,451	37,485	67,251
Public Health	10,790,000	9,243,521	8,653,911	2,748,756	5,195,166
Culture and Recreation	0	0	0	0	0
Community Development	0	500,000	0	6,500	0

(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,				
	2025	2024	2023	2022	2021
<u>Capital grants and contributions</u>					
General government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public Works	0	0	0	0	0
Conservation of Natural Resources	3,223				
Total governmental activities program revenues	\$ 31,681,882	\$ 30,081,954	\$ 26,854,894	\$ 19,724,832	\$ 25,725,273
<u>Business-type activities:</u>					
<u>Special Assessments</u>					
Solid Waste Disposal	430,299	419,561	420,493	415,081	329,564
<u>Charges for services</u>					
METRA	6,510,939	7,322,312	6,670,287	6,765,787	2,066,596
Total governmental activities program revenues	6,941,238	7,741,873	7,090,780	7,180,868	2,396,160
<u>Total primary government program revenues</u>	<u>\$ 38,623,120</u>	<u>\$ 37,823,827</u>	<u>\$ 33,945,674</u>	<u>\$ 26,905,700</u>	<u>\$ 28,121,433</u>
Net (Expense)/Revenue					
Governmental activities	\$ (69,281,212)	\$ (60,103,661)	\$ (57,416,214)	\$ (52,780,194)	\$ (49,351,625)
Business-type activities	(4,782,104)	(3,222,188)	(2,460,145)	(2,370,153)	(4,902,230)
Total primary government net expense	<u>\$ (74,063,316)</u>	<u>\$ (63,325,849)</u>	<u>\$ (59,876,359)</u>	<u>\$ (55,150,347)</u>	<u>\$ (54,253,855)</u>
General Revenues and Other Changes in Net Position					
Governmental activities					
Property taxes	67,331,151	62,363,062	57,713,303	55,465,017	52,222,906
Licenses and permits	7,114,069	7,086,236	6,875,009	6,671,236	6,361,225
Intergovernmental	5,292,914	5,060,739	4,684,756	4,496,803	4,282,397
Other revenues	12,183,819	8,813,038	5,020,196	190,401	1,844,259
Leases	207,563	433,438	501,479	417,899	0
Gain/(Loss) on disposal of assets	0	345,507	24,543	33,921	0
Transfers	(19,746,154)	158,858	155,633	137,532	(612,198)
Total governmental activities	72,383,362	84,260,878	74,974,919	67,412,809	64,098,589
Business-type activities					
Property taxes	4,254,683	3,976,290	3,675,725	3,532,904	3,355,304
Licenses and permits	0	0	0	0	0
Intergovernmental	170,729	195,125	191,728	260,914	244,064
Other revenues	430,587	266,572	124,756	33,599	28,990
Transfers	19,718,032	(158,858)	(155,633)	(137,532)	612,198
Gain/Loss on disposal of Fixed Assets	0	(9,643)	(88,662)	0	0
Total business-type activities	24,574,031	4,269,486	3,747,914	3,689,885	4,240,556
Total primary government	<u>\$ 96,957,393</u>	<u>\$ 88,530,364</u>	<u>\$ 78,722,833</u>	<u>\$ 71,102,694</u>	<u>\$ 68,339,145</u>
Change in Net Position					
Governmental activities	\$ 3,102,150	\$ 24,157,217	\$ 17,558,706	\$ 14,632,615	\$ 14,746,964
Business-type activities	19,791,927	1,047,298	1,287,769	1,319,732	(661,674)
Total primary government net expense	<u>\$ 22,894,077</u>	<u>\$ 25,204,515</u>	<u>\$ 18,846,475</u>	<u>\$ 15,952,347</u>	<u>\$ 14,085,290</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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Major Governmental Funds										
<u>General Fund</u>										
Reserved	\$ 473,748	\$ 361,219	\$ 498,839	\$ 577,280	\$ 635,115	\$ 647,257	\$ 421,445	\$ 516,292	\$ 454,560	\$ 475,792
Unreserved	13,680,174	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
<u>Total general fund</u>	14,153,922	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
<u>Road Fund</u>										
Reserved	379,080	253,536	237,463	231,293	191,664	162,885	120,922	137,880	143,546	146,326
Unreserved	7,498,077	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
<u>Total road fund</u>	7,877,157	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
<u>Property and Liability Insurance Fund</u>										
Unreserved	1,326,263	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
<u>Total property and liability insurance fund</u>	1,326,263	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
<u>Public Safety Fund</u>										
Unreserved	12,521,498	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
<u>Total public safety fund</u>	12,521,498	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
<u>R.S.I.D. Bond Fund</u>										
Reserved	256,150	204,165	226,429	213,779	155,538	159,404	134,157	145,527	171,239	226,461
<u>Total R.S.I.D. bond fund</u>	256,150	204,165	226,429	213,779	155,538	159,404	134,157	145,527	171,239	226,461
<u>Capital Improvement Fund</u>										
Reserved	50,383,375	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
<u>Total capital improvement fund</u>	50,383,375	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
Nonmajor Governmental Funds										
Special Revenue Funds										
Reserved	187,027	89,533	76,135	98,059	59,849	83,405	93,764	80,134	72,274	66,225
Unreserved	19,206,336	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
<u>Total nonmajor special revenue funds</u>	19,393,363	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
Debt Service Funds										
Reserved	56,800	56,801	359,516	359,516	359,866	339,561	338,024	338,024	334,675	327,451
<u>Total nonmajor debt service funds</u>	56,800	56,801	359,516	359,516	359,866	339,561	338,024	338,024	334,675	327,451
Capital Projects Funds										
Reserved	0	0	0	0	0	6,986	0	0	381,097	306,957
<u>Total nonmajor capital projects funds</u>	0	0	0	0	0	6,986	0	0	381,097	306,957
Total nonmajor governmental funds										
Reserved	243,827	146,334	435,651	457,575	419,715	429,952	431,788	418,158	788,046	700,633
Unreserved	19,206,336	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
<u>Total nonmajor governmental funds</u>	19,450,163	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
Total Governmental Funds										
Reserved	51,736,180	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
Unreserved	54,232,348	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
<u>Total governmental funds</u>	\$ 105,968,528	\$ 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

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

	<u>2025</u>	<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>
REVENUES:										
Taxes	\$ 66,134,765	\$ 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
Special assessments	1,600,241	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
Licenses and permits	7,191,526	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
Intergovernmental	21,560,709	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
Fines and forfeitures	652,337	579,805	570,049	527,924	603,662	622,011	670,020	686,840	792,872	776,330
Charges for services	10,151,403	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
Leases	207,563	433,438	501,479	417,899	-	-	-	-	-	-
Other	7,513,990	7,471,419	4,055,800	(725,914)	1,831,388	2,247,227	2,329,761	1,177,337	423,042	857,347
Total revenues	115,012,534	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
EXPENDITURES:										
General government	16,948,188	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
Public safety	39,418,179	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
Public works	10,583,723	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
Public health	6,131,844	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
Social and economic services	3,101,019	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
Culture and recreation	2,448,755	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
Conservation of natural resources	170,454	159,840	153,415	152,333	117,935	134,755	142,232	136,376	119,858	129,915
Community development	8,639	709,855	646,789	645,558	660,431	586,444	614,919	480,521	506,747	455,297
Capital outlay	25,160,606	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
Debt and lease service:										
Principal	646,470	675,983	676,668	833,209	1,066,842	750,616	1,154,339	1,277,038	723,000	681,000
Interest	193,875	216,654	224,584	249,385	295,015	205,172	345,126	408,075	150,667	151,054
Total expenditures	104,811,752	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
Excess (deficiency) of revenues over (under) expenditures	10,200,782	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
OTHER FINANCING SOURCES (USES):										
Interfund transfers in	15,812,164	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
Interfund transfers out	(18,840,186)	(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)
Gain on disposal of fixed assets	-	-	33,277	33,914	-	-	-	-	-	-
Assessment Refunds	-	-	-	-	-	-	-	-	-	-
Long term debt proceeds	-	50,264	-	-	-	-	350,000	9,693,354	-	344,762
Total other financing sources (uses)	(3,028,022)	(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)
Net change in fund balances	\$ 7,172,760	\$ 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
Debt service as a percentage of noncapital expenditures	1.1%	1.1%	1.2%	1.5%	2.0%	1.5%	2.4%	3.0%	1.6%	1.6%

(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				
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%
24-25	28,664,741,341	495,499,573	690,335,786	13,170,174	29,355,077,127	508,669,747	14,976,231	493,693,516	\$ 116.91	1.73%

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									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
COUNTY-WIDE DIRECT RATES										
County-Wide Levies	116.92	111.04	125.03	122.99	122.83	121.72	123.43	110.80	112.40	108.26
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	116.92	111.04	125.03	122.99	122.83	121.72	123.43	110.80	112.40	108.26
OTHER COUNTY LEVIES FOR SPECIAL DISTRICTS										
Library	6.19	5.83	6.18	6.01	5.91	5.82	5.90	5.54	5.60	5.47
Road	41.16	37.59	41.14	40.47	39.79	39.17	39.71	37.29	37.67	36.79
Billings- County Planning	1.26	1.21	1.36	1.33	1.33	1.31	1.33	1.29	1.31	1.32
Laurel Planning	2.08	1.88	1.90	1.88	1.81	1.78	1.83	1.59	1.61	1.59
Soil Conservation	0.40	0.37	0.42	0.43	0.42	0.40	0.44	0.44	0.38	0.45
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	3.16	3.01	3.37	3.29	3.28	3.24	3.29	3.17	2.95	2.87
School retirement and transportation	22.84	38.53	40.56	40.36	49.98	42.94	47.87	51.64	50.61	42.95
Huntley Cemetery	2.99	6.00	4.00	2.00	8.92	8.79	8.94	8.65	8.49	8.42
Custer Cemetery	2.00	5.51	5.51	5.51	5.51	5.42	5.01	5.01	4.94	4.94
Shepherd Cemetery	2.00	1.94	2.22	2.17	2.22	2.18	2.21	2.13	2.06	2.03
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	207.37	206.57	211.00	177.30	179.48	160.02	163.12	159.00	160.40	158.84
City of Laurel	220.91	164.08	182.31	186.44	183.42	175.12	181.51	184.29	188.94	188.35
Town of Broadview	239.57	239.57	239.57	234.97	223.30	227.14	166.67	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
SCHOOL DISTRICTS										
School District #2 - Billings	215.02	215.51	251.54	251.61	272.91	269.06	272.73	263.96	255.52	253.28
School District #3 - Blue Creek	143.21	151.78	165.43	172.73	181.54	190.67	173.32	173.87	158.46	148.94
School District #4 - Canyon Creek	140.88	154.50	194.54	221.12	231.06	229.53	242.75	243.63	238.52	230.99
School District #7 - Laurel	178.38	186.17	156.51	160.67	162.47	149.72	221.05	180.53	171.73	175.79
School District #8 - Elder Grove	196.96	212.52	278.49	281.80	334.59	328.05	320.55	199.73	187.40	200.11
School District #12 - Molt*	-	41.54	44.90	47.25	73.24	73.00	81.22	80.15	68.36	110.36
School District #15 - Custer	386.72	394.55	331.02	329.37	325.43	325.58	339.09	311.86	217.05	219.96
School District #17 - Morin	96.86	98.22	107.82	116.40	121.05	136.26	130.45	141.55	131.07	132.60
School District #21 - Broadview	103.90	102.35	112.22	111.63	97.44	105.31	106.06	103.11	99.25	103.36
School District #23 - Elysian	133.42	147.90	163.96	142.23	151.06	149.77	159.62	140.79	131.16	128.86
School District #24 - Huntley	100.76	206.51	228.08	241.90	236.11	229.50	258.83	260.59	205.19	260.80
School District #26 - Lockwood	263.68	268.25	333.72	331.08	329.33	353.14	341.54	255.64	231.41	236.38
School District #37 - Shepherd	312.61	335.35	376.04	377.45	394.39	274.79	304.77	304.36	277.83	285.21
School District #41 - Pioneer	259.43	251.80	272.62	271.03	302.14	265.13	263.52	267.82	240.04	242.49
School District #52 - Independent	170.39	181.44	213.71	218.12	233.76	245.95	287.26	301.70	258.39	236.12
School District #58 - Yellowstone Education Center	78.05	86.68	96.52	92.91	108.63	117.21	114.60	124.81	109.62	130.04
STATE RATE FOR EDUCATION	102.50	102.50	102.50	102.50	102.50	102.50	102.50	102.50	102.50	102.50
FIRE DISTRICTS										
Broadview Fire #3	0.65	0.63	0.57	0.52	0.52	0.52	0.54	0.53	0.50	0.57
Worden Fire #4	25.17	25.17	25.17	19.17	19.17	19.17	19.17	19.17	19.17	19.17
Laurel Fire #5	30.30	27.00	30.00	30.00	30.00	30.00	30.00	27.00	27.00	27.00
Laurel Fire #7	11.93	15.79	15.79	13.13	13.57	15.23	13.77	14.32	14.35	15.03
Lockwood Fire #8	163.00	163.00	163.00	158.00	158.00	158.00	158.00	158.00	158.00	153.00

Source: Yellowstone County Finance
*SD #12 Molt was merged with SD #21

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

FISCAL YEAR 2025				
Taxpayer	Type of Business	Taxable Value	Rank	Percentage of Total Taxable Value*
Northwestern Energy- T & D	Utility	\$ 26,412,892	1	5.19%
Phillips 66 Company	Oil refinery	23,997,585	2	4.72%
CHS, Inc./Cenex	Oil refinery	23,912,271	3	4.70%
Signal Peak Energy LLC	Coal Mining	10,812,261	4	2.13%
BNSF Railway Co	Railroad	8,349,597	5	1.64%
Par Montana LLC (Previously Exxon)	Oil refinery	7,394,409	6	1.45%
Montana Dakota Utilities- Gas Distributor	Utility	6,282,225	7	1.24%
Northwestern Energy- Electric Generation	Utility	5,893,478	8	1.16%
Charter Communication INC	Communications	3,178,380	9	0.62%
Phillips 66 Carrier LLC	Oil refinery	3,115,861	10	0.61%
		\$ 119,348,959		23.46%

FISCAL YEAR 2016				
Taxpayer	Type of Business	Taxable Value	Rank	Percentage of Total Taxable Value*
CHS, Inc./Cenex	Oil refinery	\$ 24,006,727	1	6.95%
Northwestern Energy Corp	Utility	21,038,547	2	6.09%
Phillips 66 Company	Oil refinery	17,159,388	3	4.97%
Exxon Mobil Corporation	Oil refinery	8,836,771	4	2.56%
BNSF Railway Co	Railroad	5,893,296	5	1.71%
Charter Communications	Communications	3,996,846	6	1.16%
Montana Dakota Utility	Utility	3,524,464	7	1.02%
Phillips 66 Pipeline, LLC	Oil refinery	2,904,880	8	0.84%
Centurylink, Inc.	Communications	2,669,416	9	0.77%
Puget Sound Energy, Inc	Energy Transmissic	1,827,445	10	0.53%
		\$ 91,857,780		26.60%

NOTE: Many of the principal taxpayers have undergone corporate name changes.
Total Countywide taxable value for tax year 2024 (fiscal year 2024-2025), including tax increment:
Total Countywide taxable value for tax year 2015 (fiscal year 2015-2016), including tax increment:

\$508,669,747
\$345,278,604

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

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year (Original Levy)</u>		<u>Adjustments</u>	<u>Total Adjusted Levy</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Total Collections To Date</u>		<u>Protest Tax Receivables at Yearend</u>
					<u>Amount</u>	<u>Percentage of Original Levy</u>	<u>Amount</u>	<u>Percentage of Adjusted Levy</u>	
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
2025	\$	81,297,478	\$ (8,037,389)	\$ 73,260,089	\$ 70,873,868	96.74%	\$ 70,389,448	96.08%	\$ 1,134,098

(a) Total collections in FY19, FY21, and FY22 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							
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
24-25	6,030,000	0	6,030,000	11,915,356,651 (e)	0.05%	493,693,516	1.22%	0.02%	172,789	34.90

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, 2025

<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	\$ 8,300,132	55.0%	\$ 4,566,184
Broadview	766,000	0.1%	434
Laurel	155,571	2.1%	3,242
Total cities	9,221,703		4,569,861
<u>School Districts:</u>			
Billings SD #2	102,702,502	59.7%	61,297,966
Canyon Creek SD #4	0	1.4%	0
Laurel SD #7	55,745,000	12.4%	6,920,461
Elder Grove SD #8	13,605,000	3.2%	429,591
Custer SD #15	2,020,000	0.5%	9,748
Elysian SD #23	9,430,000	6.9%	648,609
Huntley SD #24	893,565	2.6%	23,461
Lockwood SD#26	43,205,000	6.2%	2,679,391
Shepherd SD #37	9,750,000	1.7%	166,995
Independent SD #52	970,000	1.5%	14,914
Total school districts	238,321,067		72,191,136
Subtotal, overlapping debt			76,760,997
Total Direct Debt of Yellowstone County	\$ 6,358,263	100.0%	6,358,263
Total Direct and Overlapping Debt			\$ 83,119,260

Sources: Yellowstone County Superintendent of Schools; Cities of Billings and Laurel, and Town of Broadview;
State Certified Taxable Valuation As of August 1, 2024

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

(UNAUDITED)

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

	Fiscal year ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total assessed market value less tax increment district	\$ 29,355,077,127	\$ 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
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	\$ 733,876,928	\$ 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
<u>Amount of debt applicable to debt limit:</u>										
Total general obligation bonded indebtedness	\$ 6,030,000	\$ 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
Total special assessment bonded indebtedness	100,000	165,000	278,000	410,000	465,000	560,000	665,500	759,000	972,000	1,150,000
Total matured bonds payable	0	0	0	0	0	0	0	0	0	7,225
Total notes payable	228,263	294,733	307,452	372,578	432,106	482,171	0	0	0	0
Total subscription payables	48,350	127,733	0	0	0	0	0	0	0	0
Total amount of debt applicable to debt limit	6,406,613	7,132,466	7,630,452	8,312,578	9,147,106	10,207,171	10,435,500	11,559,000	3,427,000	4,157,225
Legal debt margin	\$ 727,470,315	\$ 717,525,930	\$ 572,141,419	\$ 563,465,163	\$ 536,662,582	\$ 513,929,148	\$ 481,966,083	\$ 474,087,101	\$ 469,046,280	\$ 462,022,959
Total net debt applicable to the limit as a percentage of debt limit	0.9%	1.0%	1.3%	1.5%	1.7%	1.9%	2.1%	2.4%	0.7%	0.9%

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
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%
2025	172,789	\$ 11,904,816,522	\$ 68,898 (c)	16,382 (b)	6,970 (b)	92,347	16,401	2.6%	2.7%	4.1%

NOTES (a) Fiscal year ended is calculated using 2024 (FY24) 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. 2021-2025 county population reflects Vintage 2020 estimates.

(d) 2025 Unemployment rates reflect the June 2025 rate reported by the lmi.mt.gov 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 CY2024 Q4 Data:**
(in alphabetical order)

Albertsons Food & Drug
Billings Clinic
CHS Inc.
Costco
Fed Ex
First Interstate Bank
Intermountain Health
JP2, LLC.
Par Petroleum LLC
Phillips 66 Company
Scheels All Sports Inc.
SCL Health Medical Group
St. John's Lutheran Ministries Inc.
Sysco Montana Inc.
Texas Roadhouse
Town Pump Inc.
UPS
Wal-Mart
Wells Fargo Bank
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. Information is based off the latest information at the date of publication.

(UNAUDITED)
Schedule 14
Yellowstone County, Montana
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

	Fiscal year ended June 30,									
<u>Function / Program</u>	<u>2025</u>	<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>
General government	138.01	135.01	132.01	131.01	127.05	127.85	127.25	121.25	120.25	120.75
Public safety	301.25	294.25	286.25	280.15	277.65	270.65	263.95	252.95	245.45	239.45
Public works	41.50	41.50	41.50	40.50	40.50	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	1.00
Social and economic services	1.75	1.75	1.75	2.35	2.35	2.35	2.35	2.35	2.35	2.23
Culture and recreation	40.75	41.00	41.00	39.00	39.50	39.00	39.50	39.50*	39.25*	35.25
	524.26	514.51	503.51	494.01	488.05	480.85	474.05	457.05	448.30	438.68

* 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									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
COUNTY ROADS										
Miles of roads - overlay	5.30	16.43	13.79	21.35	24.50	20.29	15.00	15.10	17.69	10.70
Miles of roads - millings	9.64	3.60	2.40	8.00	8.00	10.50	8.50	7.72	9.00	3.10
Miles of gravel/dirt roads improved	69.74	100.33	86.84	124.85	139.01	179.00	106.90	72.72	60.98	79.27
Miles of gravel/dirt roads maintained	4,981.80	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
Miles of dust control	19.50	15.75	19.00	15.00	17.30	27.48	27.48	17.40	21.52	11.25
Miles of striping	77.00	55.00	99.00	54.30	101.80	70.00	58.00	58.00	73.25	35.00
Miles of chip seal	13.60	14.50	35.61	22.90	33.47	17.40	14.26	20.49	23.10	24.86
Miles of crack fill	3.50	23.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Miles of blade patching	3.00	16.23	18.10	10.00	7.00	5.00	7.00	4.50	0.00	4.00
Culvert installs	35.00	43.00	37.00	21.00	35.00	44.00	22.00	23.00	25.00	34.00
Cattle guard installs	5.00	5.00	2.00	5.00	3.00	1.00	3.00	1.00	2.00	4.00
Miles of fencing	7.40	0.00	0.00	0.00	0.00	0.00	2.00	6.50	0.00	3.00
Miles of seeding	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	0.00	0.00
Bridge Replacements	3.00	1.00	2.00	6.00	5.00	2.00	5.00	7.00	5.00	3.00
JUNK VEHICLES										
Hauled	64	46	36	43	65	40	48	66	97	87
Crushed	259	260	221	304	286	369	375	184	230	170
WEED SPRAYING (acres sprayed)										
County	1,480.17	2,019.04	1,535.55	1,255.09	662.31	725.23	1,068.56	600.56	781.62	846.48
Montana Dept of Transportation	345.65	312.80	615.97	103.92	597.30	645.00	455.85	435.55	284.96	384.46
Fish, Wildlife, and Parks	30.10	47.40	67.10	67.10	35.55	57.55	36.05	8.80	14.00	7.64
Bureau of Land Management	0.00	50.00	0.00	0.00	30.00	61.40	81.80	2.00	8.50	13.35
Department of Natural Resources	0.00	28.10	32.10	23.10	12.00	95.70	16.50	0.00	0.62	36.15
Private (charged out)	65.35	86.00	117.99	55.79	169.98	140.46	133.50	23.15	56.07	19.60
Private/Public Grant	130.00	41.00	259.00	259.00	0.00	283.00	846.00	210.00	585.00	0.00
Bureau of Reclamation	0.00	10.50	10.50	10.50	8.50	47.00	19.75	1.25	6.25	15.00
Total	2051.27	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
County Attorney cases										
Civil	25	36	27	38	52	48	48	50	46	37
Bankruptcies (Proofs of Claim)	0	2	2	0	0	0	0	0	0	0
Fatality	28	22	21	9	16	14	9	7	6	9
Felony	2,354	2,318	2,283	2,269	2,255	2,080	2,065	2,062	1,825	1,694
Forfeiture	0	0	0	0	0	0	0	0	1	4
Fugitive - Uniform Extradition Act	64	59	80	80	38	61	65	83	96	89
Justice Court Appeal	1	4	1	0	0	0	3	0	1	7
Misdemeanor*	1,723	1,768	1,636	1,426	1,519	1,450	1,199	1,333	1,256	1,274
Post-Conviction Relief	12	5	7	4	5	8	4	5	6	11
Revocation Proceeding Felony	438	359	353	327	367	444	363	357	380	380
Unknown/Sanities	127	165	113	110	173	175	152	193	248	209
Youth in Need of Care	178	352	338	379	462	436	507	470	550	496
Inquests	1	3	5	1	4	0	2	0	0	0
Juvenile Petitions	172	240	221	182	122	83	91	0	0	0
License Petition	62	48	49	47	49	51	46	0	0	0
Out of State Subpoena	0	3	3	1	1	1	4	0	0	0
Investigative Subpoena	42	27	33	0	0	0	0	0	0	0
Petition for Relief from Registration	7	2	9	8	8	10	10	0	0	0
Petition to Expunge	17	4	9	9	9	4	3	0	0	0
Search Warrants	318	503	303	237	193	457	384	0	0	0
Writ of Habeas Corpus	12	3	6	12	17	2	7	0	0	0
HB640	315	298	343	330	468	574	0	0	0	0
Total	5,896	6,221	5,842	5,469	5,758	5,898	4,962	4,560	4,415	4,210

*Includes: Misdemeanor, Misdemeanor Restitution Only, and Misdemeanor Revocation

(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
24-25	92.74	\$ 45,785,137	92.74	\$ 45,785,593	0.00	\$ 456
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

* 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	
		Amount of Bonds	Percentage
24-25	\$ 56,800	\$ 100,000	56.8%
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%
15-16	\$ 327,451	\$ 1,150,000	28.5%

Summary of Outstanding Rural Special Improvement Districts (Bond) as of June 30, 2025 :

Bond Issue	Original Amount	Maturity Date	Bonds Outstanding	Total Cash Balance in District Fund	Assessments Outstanding	Cash Balance in the Bond Reserve Acct
RSID 785	126,945	08/01/26	10,000	7,147	8,868	805
RSID 803	1,015,434	08/01/27	90,000	30,633	111,335	29,863
Total	<u>1,142,379</u>		<u>\$ 100,000</u>	<u>\$ 37,780</u>	<u>\$ 120,203</u>	<u>\$ 30,668</u>

Rural Special Improvement Districts (Bond) Assessment Billings and Collections as of June 30:

Fiscal Year	Assessment Billing	Total Current Annual Collections	
		Amount Received	Percent
23-24	\$ 126,128	\$ 126,373	100.2%
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%
18-19	\$ 174,664	\$ 170,212	97.5%
17-18	\$ 172,246	\$ 169,241	98.3%
16-17	\$ 184,912	\$ 179,619	97.1%
15-16	\$ 184,550	\$ 181,554	98.4%

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, 2025, 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 25, 2025.

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 25, 2025

**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, 2025. 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, 2025.

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 25, 2025

YELLOWSTONE COUNTY, MONTANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Page 1 of 2)

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Award/Pass-through Grantor's Number	Program or Award Amount	Federal Revenues	Federal Expenditures	Amount Provided to Subrecipients
<u>U.S. Department of Agriculture</u>						
Direct Programs						
Bankhead Jones	10.410	N/A	N/A	\$ 2,305	\$ 2,305	\$ -
Subtotal			-	2,305	2,305	-
Passed through State Office of Public Instruction						
Child Nutritional Cluster:						
Child Nutrition Program (School Breakfast Program/ National School Lunch Prog.)	10.555/10.553	243MT306N1099/253MT306N1099	N/A	76,876	76,876	-
Child Nutritional Cluster Subtotal			-	76,876	76,876	-
Volunteer Fire Assistance Program Sub Award (Cooperative Forestry Asst)	10.664	VFC-25-560	21,000	21,000	21,000	21,000
Subtotal			21,000	97,876	97,876	21,000
Total U.S. Department of Agriculture			21,000	100,181	100,181	21,000
<u>U.S. Department of Commerce, Economic Development Administration</u>						
Direct Program:						
Economic Development Cluster:						
Lockwood TEDD Water/Sewer Service Extension Project	11.307	ED24DEN0G0365	4,551,280	2,019,342	2,019,342	2,019,342
Economic Development Cluster Subtotal			4,551,280	2,019,342	2,019,342	2,019,342
Total U.S. Department of Commerce, Economic Development Administration			4,551,280	2,019,342	2,019,342	2,019,342
<u>U.S. Department of Housing & Urban Development</u>						
Passed through State Department of Commerce						
Community Development Block Grant	14.228	MT-CDBG-PL-22-02	37,500	8,639	8,639	-
Total U.S. Department of Housing & Urban Development			37,500	8,639	8,639	-
<u>U.S. Department of Interior</u>						
Direct Programs						
BLM Invasive and Noxious Plant Management	15.230	L22AC00416	20,000	-	-	-
Taylor Grazing	15.226	N/A	N/A	667	667	-
Total U.S. Department of Interior			20,000	667	667	-
<u>U.S. Department of Justice</u>						
Passed through State Board of Crime Control:						
Yellowstone County Victim Witness Program	16.575	25-V01-2005	240,125	120,332	163,976	-
Subtotal			240,125	120,332	163,976	-
Passed through the City of Billings:						
Byrne Justice Assistance Grant (JAG)	16.738	O-BJA-2023-171790	20,611	8,165	8,165	-
Byrne Justice Assistance Grant (JAG)	16.738	15PBJA-24-GG-05255-JAGX	16,287	11,734	11,734	-
Subtotal			36,898	19,899	19,899	-
Total U.S. Department of Justice			277,023	140,231	183,875	-

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, 2025
(Page 2 of 2)

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Award/Pass-through Grantor's Number	Program or Award Amount	Federal Revenues	Federal Expenditures	Amount Provided to Subrecipients
<u>U.S. Department of Transportation</u>						
Passed through State Department of Transportation/Highway Traffic Safety:						
Highway safety cluster						
State Highway Traffic Safety - High Visibility Traffic Enforcement	20.600 / 20.608	(FAIN)69A375224000040-20MTO, -5bMTH,-5dMTH	8,500	2,466	2,466	-
State Highway Traffic Safety - High Visibility Traffic Enforcement	20.600 / 20.608	(FAIN)69A3752230000-4020MTO, -1640MTA	8,500	3,914	3,914	-
Subtotal			17,000	6,380	6,380	-
State Highway Traffic Safety - DUI Symposium	20.616		5,000	5,000	5,000	-
Highway Safety Cluster Subtotal			22,000	11,380	11,380	-
Montana Department of Transportation - Project #10433-113 Lockwood Sidewalks for Old Hardin Road	20.205	TA56(113)-UPN 10433 (FAIN)693JJ2223000	1,043,143	132,995	132,995	-
Total U.S. Department of Transportation			1,065,143	144,375	144,375	-
<u>U.S. Department of Treasury</u>						
Direct Programs:						
Equitable Sharing Program	21.016	N/A	N/A	33,355	24,570	-
COVID Local Assistance and Tribal Consistency Fund (LATCF)	21.032	N/A	125,782	9,032	9,032	-
Subtotal			125,782	42,387	33,602	-
COVID Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	31,330,634	10,551,884	10,551,884	-
Passed through State Department of Natural Resources & Conservation						
ARPA Minimum Allocation Grant Worden-Ballantine Water & Sewer District	21.027	AM-22-0063 FAIN# SLFRP1747		3,223	3,223	3,223
Subtotal			31,330,634	10,555,107	10,555,107	3,223
Total U.S. Department of Treasury			31,456,416	10,597,494	10,588,709	3,223
<u>U.S. Election Assistance Commission</u>						
Passed through Secretary of State						
2024 HAVA	90.404	N/A	39,670	39,670	39,670	-
Total U.S. Election Assistance Commission			39,670	39,670	39,670	-
<u>U.S. Department of Health and Human Services</u>						
Passed through State Department of Health and Human Services						
Foster Care Title IV-E	93.658	20223LEGL0005	N/A	293,462	293,462	-
Total U.S. Department of Health and Human Services			-	293,462	293,462	-
<u>U.S. Department of Homeland Security</u>						
Passed through State Department of Military Affairs, DES Division						
Emergency Mgmt Performance Grant (EMPG) Yellowstone	97.042	21ARPAEMPGYLLW	130,000	130,000	130,000	-
Homeland Security- Election Security	97.067	EMW-2023-SS-00059	250,000	250,000	250,000	-
Total U.S. Department of Homeland Security			380,000	380,000	380,000	-
TOTAL FEDERAL AWARDS			\$ 37,848,032	\$ 13,724,061	\$ 13,758,920	\$ 2,043,565

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, 2025
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, 2025. 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	\$ 453,199	\$ 1,482,278	\$ 1,935,477
Road fund	2,305	2,991,562	2,993,867
Emergency levy- COVID	10,560,916	0	10,560,916
Property and liability insurance fund	0	610,469	610,469
Public safety fund	26,279	783,273	809,552
Nonmajor governmental funds	2,681,362	1,969,065	4,650,427
	<u>\$ 13,724,061</u>	<u>\$ 7,836,647</u>	<u>\$ 21,560,708</u>

YELLOWSTONE COUNTY, MONTANA
Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025
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, 2025 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	\$ 20,614
		<u>\$ 20,614</u>
 <u>U.S. Department of Commerce</u>		
Lockwood TEDD Water/Sewer Service Extension	ED24DEN0G0365	\$ 556,099
		<u>\$ 556,099</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	\$ 2,542
		<u>\$ 2,542</u>
 <u>Total Matching on Federal Expenditures</u>		 <u><u>\$ 709,255</u></u>

**YELLOWSTONE COUNTY, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025**

Financial Statements

Type of auditors' report issued	Unmodified
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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
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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
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Audit findings that are required to be reported in accordance with the Uniform Guidance Section 200.516 are reported in this schedule.	No
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Identification of major program(s):

Coronavirus State and Local Fiscal Recovery Funds - AL 21.027
Economic Adjustment Assistance - AL 11.307

Dollar threshold used to distinguish between Type A and Type B	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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YELLOWSTONE COUNTY, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025

FINANCIAL STATEMENT FINDINGS - NONE

PRIOR-YEAR FINANCIAL STATEMENT FINDINGS - NONE

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