

YELLOWSTONE COUNTY, MONTANA
STATEMENT OF NET ASSETS (Accrual Basis)

JUNE 30, 2007

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<u>ASSETS</u>	<u>Primary Government</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<u>Current Assets</u>			
Cash and demand investments, pooled	\$ 16,129,850	\$ 1,058,352	\$ 17,188,202
Cash investments, pooled	13,301,619	876,207	14,177,826
Restricted cash and demand investments held in trust, nonpooled	0	254,037	254,037
Receivables (net of allowance for uncollectibles):			
Property taxes	1,664,218	70,023	1,734,241
Accounts	1,068,980	76,848	1,145,828
Delinquent assessments	40,137	42,772	82,909
Deferred assessments	100,556	0	100,556
Accrued interest	218,134	2,729	220,863
Prepaid expenses	2,728	19,798	22,526
Inventories	411,290	33,101	444,391
Due from other taxing districts	5,438	0	5,438
Total current assets	32,942,950	2,433,867	35,376,817
<u>Noncurrent Assets</u>			
Deferred assessments receivable, net of allowance	1,284,939	0	1,284,939
Total noncurrent assets	1,284,939	0	1,284,939
<u>Capital assets (net of accumulated depreciation):</u>			
Land	1,947,987	368,574	2,316,561
Buildings	11,501,939	11,405,996	22,907,935
Improvements other than buildings	381,816	469,514	851,330
Equipment and vehicles	6,076,314	240,502	6,316,816
Infrastructure	15,785,689	0	15,785,689
Construction in progress	4,570	0	4,570
Total capital assets (net of accumulated depreciation)	35,698,315	12,484,586	48,182,901
TOTAL ASSETS	\$ 69,926,204	\$ 14,918,453	\$ 84,844,657

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

YELLOWSTONE COUNTY, MONTANA
STATEMENT OF NET ASSETS (Accrual Basis)

JUNE 30, 2007

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	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Accounts payable	\$ 1,519,172	\$ 108,483	\$ 1,627,655
Accrued liabilities	2,256,093	20,734	2,276,827
Accrued compensated absences	471,224	45,611	516,835
Matured bonds payable	7,225	0	7,225
Unearned premiums	226,905	0	226,905
General obligation bonds	610,000	0	610,000
Special assessment debt with governmental commitment	15,000	0	15,000
Liabilities payable from restricted assets:			
Deferred revenue	0	21,820	21,820
Deposits	350	241,331	241,681
Due to other taxing districts	453,053	0	453,053
Total current liabilities	5,559,022	437,979	5,997,001
<u>Noncurrent Liabilities</u>			
Long-term liability for accrued compensated absences	1,399,234	136,834	1,536,068
General obligation bonds	4,155,000	0	4,155,000
Special assessment debt with governmental commitment	1,496,000	0	1,496,000
Total noncurrent liabilities	7,050,234	136,834	7,187,068
TOTAL LIABILITIES	12,609,256	574,813	13,184,069
<u>NET ASSETS</u>			
Investment in capital assets, net of related debt	35,698,315	12,484,586	48,182,901
Restricted net assets for debt service	752,553	0	752,553
Unrestricted	20,866,080	1,859,054	22,725,134
TOTAL NET ASSETS	\$ 57,316,948	\$ 14,343,640	\$ 71,660,588

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

**YELLOWSTONE COUNTY
STATEMENT OF ACTIVITIES (ACCRUAL BASIS)
FOR THE YEAR ENDED JUNE 30, 2007**

Functions / Programs	Program Revenues								Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Special Assessments	Licenses and Permits	Intergovern- mental	Fines and Forfeitures	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
									Governmental Activities	Business-type Activities	Total
Primary government:											
<u>Governmental activities:</u>											
General government	\$ 12,118,733	\$0	\$0	\$23,206	\$ 679,438	\$ 4,114,067	\$0	\$92,022	\$ (7,210,000)	\$0	\$ (7,210,000)
Public Safety	18,660,498	0	37,944	144,949	37,596	4,139,841	876,729	105,735	(13,317,704)	0	(13,317,704)
Public Works	7,545,027	796,551	34,112	766,745	0	229,725	7,294	190,829	(5,519,771)	0	(5,519,771)
Public Health	2,105,981	0	0	0	0	2,930	0	0	(2,103,051)	0	(2,103,051)
Social and Economic	1,245,464	0	0	170,390	0	0	0	0	(1,075,074)	0	(1,075,074)
Culture and Recreation	2,820,322	0	0	0	0	0	69,376	544,737	(2,206,209)	0	(2,206,209)
Community Development	315,420	0	0	0	0	0	0	28,404	(287,016)	0	(287,016)
Conservation of Natural Resources	108,094	0	0	0	0	0	0	0	(108,094)	0	(108,094)
Interest on Long-Term Debt	260,191	0	0	0	0	0	0	0	(260,191)	0	(260,191)
Total governmental activities	45,179,730	796,551	72,056	1,105,290	717,034	8,486,563	953,399	961,727	(32,087,110)	0	(32,087,110)
<u>Business-type activities:</u>											
Refuse Disposal	376,562	293,875	0	0	0	0	0	0	0	(82,687)	(82,687)
METRA	5,610,957	0	0	0	0	4,312,825	0	0	0	(1,298,132)	(1,298,132)
Total business-type activities:	5,987,519	293,875	0	0	0	4,312,825	0	0	0	(1,380,819)	(1,380,819)
Total primary government	\$ 51,167,249	\$ 1,090,426	\$ 72,056	\$ 1,105,290	\$ 717,034	\$ 12,799,388	\$ 953,399	\$ 961,727	\$ (32,087,110)	\$ (1,380,819)	\$ (33,467,929)
General revenues:											
Property taxes									25,612,508	1,109,239	26,721,747
Licenses and permits									3,954,725	0	3,954,725
Intergovernmental									2,047,651	12,437	2,060,088
Other revenues									2,285,729	996,089	3,281,818
Transfers									(410,091)	410,091	0
Total general revenues and transfers									33,490,522	2,527,856	36,018,378
Change in net assets									1,403,412	1,147,037	2,550,449
Net assets, beginning									41,900,245	13,196,603	55,096,848
Retroactive restatement of infrastructure									14,013,291	0	14,013,291
Net assets - ending									\$ 57,316,948	\$ 14,343,640	\$ 71,660,588

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

YELLOWSTONE COUNTY, MONTANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007

	MAJOR FUNDS							Total Governmental Funds
	General	Road	Property & Liability Insurance Fund	Public Safety Fund	R.S.I.D. Bond Fund	Capital Improvement Fund	Other Nonmajor Governmental Funds	
ASSETS								
Cash and demand investments, pooled	\$2,483,105	\$1,821,920	\$1,566,357	\$2,681,780	\$141,803	\$2,296,049	\$3,650,011	\$14,641,025
Cash investments, pooled	2,014,898	1,509,712	1,293,269	2,222,225	117,205	1,895,231	3,020,794	12,073,334
Receivables (net of allowance for uncollectibles):								
Property taxes	374,835	236,966	44,775	386,707	0	0	620,935	1,664,218
Accounts	292,718	0	0	373,056	0	0	403,206	1,068,980
Delinquent assessments	22,336	0	0	0	1,950	0	15,851	40,137
Deferred assessments	0	0	0	0	1,379,368	0	6,127	1,385,495
Accrued interest	143,292	0	16,275	0	1,041	25,638	13,038	199,284
Due from other funds	385,814	0	0	0	0	0	0	385,814
Due from other taxing districts	5,438	0	0	0	0	0	0	5,438
Prepaid expenses	1,094	0	0	1,634	0	0	0	2,728
Inventories	55,996	285,255	0	0	0	0	70,039	411,290
Total assets	\$5,779,526	\$3,853,853	\$2,920,676	\$5,665,402	\$1,641,367	\$4,216,918	\$7,800,001	\$31,877,743
LIABILITIES:								
Accounts payable	\$295,574	\$787,165	\$10,283	\$265,201	\$0	\$6,946	\$152,396	\$1,517,565
Accrued liabilities	574,180	65,000	1,085,800	235,000	0	0	128,593	2,088,573
Matured bonds payable	0	0	0	0	7,225	0	0	7,225
Due to other funds	0	0	0	13,802	4,937	0	367,075	385,814
Deferred revenue	397,171	236,966	44,775	386,707	1,381,318	0	642,913	3,089,850
Deposits	0	0	0	0	0	350	0	350
Due to other taxing districts	0	0	0	0	0	0	453,053	453,053
Total liabilities	1,266,925	1,089,131	1,140,858	900,710	1,393,480	7,296	1,744,030	7,542,430
FUND BALANCE:								
Reserved for debt service	0	0	0	0	247,887	0	504,666	752,553
Reserved for capital improvements	529,679	0	0	0	0	4,209,622	141,587	4,880,888
Reserved for inventories	55,996	285,255	0	0	0	0	70,039	411,290
Unreserved for nonmajor special revenue funds	0	0	0	0	0	0	5,339,679	5,339,679
Unreserved major funds	3,926,926	2,479,467	1,779,818	4,764,692	0	0	0	12,950,903
Total fund balance	4,512,601	2,764,722	1,779,818	4,764,692	247,887	4,209,622	6,055,971	24,335,313
Total liabilities and fund balance	\$5,779,526	\$3,853,853	\$2,920,676	\$5,665,402	\$1,641,367	\$4,216,918	\$7,800,001	\$31,877,743

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

**YELLOWSTONE COUNTY
RECONCILIATION OF BALANCE SHEET FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2007**

Fund Balance June 30, 2007, governmental funds	\$ 24,335,313
Net assets of internal service funds as of June 30, 2007, are included as general governmental functions since they are primarily related to that function.	2,100,592
Net capital assets of internal service funds included above	(194,587)
Long-term assets are not available to pay for current period expenditures and, therefore, are deferred on the fund statements	3,089,850
Long-term portion of compensated absences is not anticipated to be expended in the current period	(1,396,536)
Long-term debt previously recognized as revenue in prior periods	(6,276,000)
Accrued interest payable on long-term debt	(39,999)
Net capital assets	35,698,315
 Net Assets of governmental activities, June 30, 2007	 <u>\$ 57,316,948</u>

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

YELLOWSTONE COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	MAJOR FUNDS							Total Governmental Funds
	<u>General</u>	<u>Road</u>	Property and Liability Insurance <u>Fund</u>	Public Safety <u>Fund</u>	RSID Bond <u>Fund</u>	Capital Improvement <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	
REVENUES:								
Taxes	\$5,871,293	\$2,813,621	\$706,380	\$5,985,235	\$0	\$0	\$9,727,121	\$25,103,650
Special assessments	5,746	0	0	0	277,430	0	328,033	611,209
Licenses and permits	18,235	34,112	0	3,843,184	0	0	131,250	4,026,781
Intergovernmental	1,105,534	1,684,641	8,450	337,153	0	70,000	1,862,290	5,068,068
Fines and forfeitures	679,438	0	0	0	0	0	37,596	717,034
Charges for services	1,413,263	178,506	302,000	2,376,109	0	18,883	1,940,771	6,229,532
Other	1,680,723	70,659	140,472	102,957	10,060	251,865	162,229	2,418,965
Total revenues	10,774,232	4,781,539	1,157,302	12,644,638	287,490	340,748	14,189,290	44,175,239
EXPENDITURES:								
Current:								
General government	5,212,711	0	1,521,629	0	0	0	1,012,359	7,746,699
Public safety	1,034,657	0	0	12,017,556	0	0	4,624,870	17,677,083
Public works	0	4,016,440	0	0	0	0	770,134	4,786,574
Public health	259,160	0	0	116,754	0	0	1,719,488	2,095,402
Social and economic services	648,665	0	0	0	0	0	593,930	1,242,595
Culture and recreation	659,533	0	0	0	0	0	899,446	1,558,979
Conservation of natural resources	27,020	0	0	0	0	0	81,074	108,094
Community development	301,666	0	0	0	0	0	0	301,666
Capital outlay	339,545	364,662	2,298	442,151	0	1,011,261	2,927,921	5,087,838
Debt service:								
Principal	24,809	0	0	0	163,000	0	590,000	777,809
Interest	1,452	0	0	0	61,863	0	201,383	264,698
Total expenditures	8,509,218	4,381,102	1,523,927	12,576,461	224,863	1,011,261	13,420,605	41,647,437
Excess (deficiency) of revenues over (under) expenditures	2,265,014	400,437	(366,625)	68,177	62,627	(670,513)	768,685	2,527,802
OTHER FINANCING SOURCES (USES):								
Interfund transfers in	390,895	166,616	8,995	325,221	0	770,123	2,084,076	3,745,926
Interfund transfers out	(1,381,396)	(303,463)	0	(231,424)	(6,189)	0	(3,330,058)	(5,252,530)
Long term debt proceeds	0	0	0	0	7,460	0	365,540	373,000
Total other financing sources (uses)	(990,501)	(136,847)	8,995	93,797	1,271	770,123	(880,442)	(1,133,604)
Net change in fund balances	1,274,513	263,590	(357,630)	161,974	63,898	99,610	(111,757)	1,394,198
Fund balances July 1, 2006	3,238,088	2,501,132	2,137,448	4,602,718	183,989	4,110,012	6,167,728	22,941,115
Fund balances June 30, 2007	\$4,512,601	\$2,764,722	\$1,779,818	\$4,764,692	\$247,887	\$4,209,622	\$6,055,971	\$24,335,313

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 30,2007**

Net change in fund balances - total governmental funds	\$ 1,394,198
Change in net assets of internal service funds are included as general governmental functions since they are primarily related to that function.	(422,073)
Capital Assets:	
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense.	
Acquisition of capital assets	2,632,970
Retroactive Capitalization of infrastructure	14,013,291
Depreciation expense	(2,991,836)
Gain (loss) on disposal / trade-in of capital assets	(289,693)
Increase in property tax and special assessment receivables that may not be available in the current period	694,200
Increase in the long-term portion of compensated absences that is not anticipated to be expended in the current period	(23,670)
Change in net long-term debt (notes, bonds). Repayment or the issuance of debt has no impact on net assets. Governmental funds report repayment of debt as an expenditure and the issuance of debt as revenue.	404,809
Change in accrued interest payable	4,507
Change in net assets in governmental activities	<u><u>\$ 15,416,703</u></u>

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, 2007
(Page 1 of 2)**

	BUDGET		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final Revised		
REVENUES:				
Taxes:				
Real estate property taxes	\$5,750,472	\$5,750,472	\$5,581,182	(\$169,290)
Personal property taxes	189,550	189,550	181,155	(8,395)
Mobile homes, penalty and interest, othe:	85,805	85,805	108,956	23,151
Special assessments	10,000	10,000	5,746	(4,254)
Licenses and permits	17,000	17,000	18,235	1,235
Intergovernmental:				
Grants	72,000	2,014,121	970,693	(1,043,428)
State personal property reimbursement	67,086	67,086	66,860	(226)
State entitlement and other	61,632	61,632	67,981	6,349
Fines and forfeitures, justice court	626,000	626,000	679,438	53,438
Charges for services:				
Clerk & Recorder	1,090,000	1,090,000	1,297,004	207,004
Miscellaneous	129,750	129,750	116,259	(13,491)
Other:				
Interest on investments	600,000	600,000	1,267,177	667,177
Miscellaneous	97,500	410,356	413,546	3,190
Total revenues	\$8,796,795	\$ 11,051,772	\$ 10,774,232	\$ (277,540)

**YELLOWSTONE COUNTY, MONTANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
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Current:	BUDGET		Actual	Variance with Final Budget -
	Original	Final Revised		Positive (Negative)
General government:				
County commissioners	\$382,958	\$391,013	\$382,490	\$ 8,523
Elections	332,995	401,939	357,802	44,137
Clerk & Recorder	482,827	482,227	428,791	53,436
Treasurer, Auditor, Finance	1,603,908	1,621,408	1,571,605	49,803
Information technology	599,946	604,946	574,395	30,551
Building maintenance	568,991	594,251	567,502	26,749
Other	1,565,224	1,480,524	1,330,126	150,398
Public safety:				
Disaster and Emergency, Rural Fire	269,346	529,125	407,464	121,661
Juvenile detention	374,400	466,238	466,237	1
Other	173,175	173,175	160,956	12,219
Public health	382,635	376,635	259,160	117,475
Social and economic services				
Youth shelter	187,200	187,200	187,200	0
Rent assistance program	162,500	162,500	137,500	25,000
Medical assistance program	267,020	267,020	238,719	28,301
Other	81,150	87,450	85,246	2,204
Culture and recreation	0	779,893	659,533	120,360
Conservation of natural resources	27,020	27,020	27,020	0
Community development	287,743	373,580	301,666	71,914
Capital outlay	234,611	1,259,223	339,545	919,678
Debt service:				
Principal	24,809	24,809	24,809	0
Interest	1,452	1,452	1,452	0
Total expenditures	8,009,910	10,291,628	8,509,218	1,782,410
Excess (deficiency) of revenues over (under) expenditures	786,885	760,144	2,265,014	1,504,870
OTHER FINANCING SOURCES (USES):				
Interfund transfers in	406,557	406,557	390,895	(15,662)
Interfund transfers out	(1,426,999)	(1,427,599)	(1,381,396)	46,203
Total other financing sources (uses)	(1,020,442)	(1,021,042)	(990,501)	30,541
Net change in fund balances	(\$233,557)	(\$260,898)	1,274,513	\$1,535,411
Fund balance July 1, 2006			3,238,088	
Fund balance June 30, 2007			\$4,512,601	

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, AND PUBLIC SAFETY FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Road Fund				Property and Liability Insurance 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)
	Original	Final Revised			Original	Final Revised			Original	Final Revised		
REVENUES:												
Taxes	\$2,817,128	\$2,817,128	\$2,813,621	(\$3,507)	\$728,373	\$728,373	\$706,380	(\$21,993)	\$6,155,926	\$6,155,926	\$5,985,235	(\$170,691)
Licenses and permits	46,000	46,000	34,112	(11,888)	0	0	0	0	3,711,000	3,711,000	3,843,184	132,184
Intergovernmental	1,627,105	1,627,105	1,684,641	57,536	8,450	8,450	8,450	0	157,226	380,380	337,153	(43,227)
Charges for services	210,600	210,600	178,506	(32,094)	302,000	302,000	302,000	0	2,488,000	2,488,000	2,376,109	(111,891)
Other	100	100	70,659	70,559	80,000	80,000	140,472	60,472	1,000	53,095	102,957	49,862
Total revenues	4,700,933	4,700,933	4,781,539	80,606	1,118,823	1,118,823	1,157,302	38,479	12,513,152	12,788,401	12,644,638	(143,763)
EXPENDITURES:												
Current:												
General government	0	0	0	0	2,523,081	2,523,081	1,521,629	1,001,452	0	0	0	0
Public safety	0	0	0	0	0	0	0	0	12,455,774	12,680,948	12,017,556	663,392
Public works	4,899,129	4,892,929	4,016,440	876,489	0	0	0	0	0	0	0	0
Public health	0	0	0	0	0	0	0	0	127,777	127,777	116,754	11,023
Capital outlay	533,500	539,700	364,662	175,038	2,500	2,500	2,298	202	496,320	546,395	442,151	104,244
Total expenditures	5,432,629	5,432,629	4,381,102	1,051,527	2,525,581	2,525,581	1,523,927	1,001,654	13,079,871	13,355,120	12,576,461	778,659
Excess (deficiency) of revenues over (under) expenditures	(731,696)	(731,696)	400,437	1,132,133	(1,406,758)	(1,406,758)	(366,625)	1,040,133	(566,719)	(566,719)	68,177	634,896
OTHER FINANCING SOURCES (USES):												
Interfund transfers in	218,710	218,710	166,616	(52,094)	9,082	9,082	8,995	(87)	343,369	343,369	325,221	(18,148)
Interfund transfers out	(95,000)	(367,000)	(303,463)	63,537	0	0	0	0	(231,931)	(231,931)	(231,424)	507
Total other financing sources (uses)	123,710	(148,290)	(136,847)	11,443	9,082	9,082	8,995	(87)	111,438	111,438	93,797	(17,641)
Net change in fund balances	(\$607,986)	(\$879,986)	263,590	\$1,143,576	(\$1,397,676)	(\$1,397,676)	(357,630)	\$1,040,046	(\$455,281)	(\$455,281)	161,974	\$617,255
Fund balances July 1, 2006			2,501,132				2,137,448				4,602,718	
Fund balances June 30, 2007			\$2,764,722				\$1,779,818				\$4,764,692	

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

YELLOWSTONE COUNTY, MONTANA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2007
(Page 1 of 2)

<u>ASSETS</u>	Business-Type Activities Enterprise Funds			Governmental Activities -
	Refuse Disposal Fund	METRA Fund	Total	Internal Service Funds
CURRENT ASSETS:				
Cash and demand investments, pooled	\$397,763	\$660,589	\$1,058,352	\$1,488,825
Cash investments, pooled	329,602	546,605	876,207	1,228,285
Restricted cash and demand investments held in trust, nonpooled	0	254,037	254,037	0
Receivables (net of allowance for uncollectibles):				
Property taxes	0	70,023	70,023	0
Accounts	0	76,848	76,848	0
Delinquent assessments	42,772	0	42,772	0
Accrued interest	0	2,729	2,729	18,850
Prepaid expenses	0	19,798	19,798	0
Inventories	0	33,101	33,101	0
Total current assets	<u>770,137</u>	<u>1,663,730</u>	<u>2,433,867</u>	<u>2,735,960</u>
NONCURRENT ASSETS:				
Capital assets:				
Land	0	368,574	368,574	0
Buildings	0	22,971,772	22,971,772	0
Improvements other than buildings	0	2,656,408	2,656,408	0
Equipment and vehicles	0	1,303,508	1,303,508	404,553
Accumulated depreciation	0	(14,815,676)	(14,815,676)	(209,966)
Total capital assets (net of accumulated depreciation)	<u>0</u>	<u>12,484,586</u>	<u>12,484,586</u>	<u>194,587</u>
Total assets	<u>\$770,137</u>	<u>\$14,148,316</u>	<u>\$14,918,453</u>	<u>\$2,930,547</u>

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

YELLOWSTONE COUNTY, MONTANA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2007
(Page 2 of 2)

	Business-Type Activities Enterprise Funds			Governmental Activities -
	Refuse Disposal Fund	METRA Fund	Total	Internal Service Funds
<u>LIABILITIES</u>				
CURRENT LIABILITIES:				
Accounts payable	0	\$108,483	\$108,483	\$1,607
Accrued liabilities	0	20,734	20,734	597,846
Accrued compensated absences	0	45,611	45,611	899
Deferred revenue	0	9,114	9,114	0
Unearned premiums	0	0	0	226,905
Total current liabilities	0	183,942	183,942	827,257
CURRENT LIABILITIES PAYABLE FROM RESTRICTED CASH:				
Deferred revenue	0	12,706	12,706	0
Deposits	0	241,331	241,331	0
Total current liabilities payable from restricted cash	0	254,037	254,037	0
NONCURRENT LIABILITIES:				
Accrued compensated absences	0	136,834	136,834	2,698
Total noncurrent liabilities	0	136,834	136,834	2,698
Total liabilities	0	574,813	574,813	829,955
<u>NET ASSETS</u>				
Investment in capital assets, net of related debt	0	12,484,586	12,484,586	194,587
Unrestricted	770,137	1,088,917	1,859,054	1,906,005
Total net assets	770,137	13,573,503	14,343,640	2,100,592
Total liabilities and net assets	\$770,137	\$14,148,316	\$14,918,453	\$2,930,547

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

YELLOWSTONE COUNTY, MONTANA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Business-Type Activities - Enterprise Funds			Governmental Activities -
	Refuse Disposal Fund	METRA Fund	Total	Internal Service Funds
OPERATING REVENUES:				
Charge for services and use of facilities	\$ 293,875	\$ 4,312,825	\$ 4,606,700	\$ 133,876
Health insurance premiums	0	0	0	4,299,611
Total operating revenues	293,875	4,312,825	4,606,700	4,433,487
OPERATING EXPENSES:				
Salaries and benefits	0	2,219,569	2,219,569	48,897
Supplies	0	629,867	629,867	21,113
Contracted services	376,562	1,883,025	2,259,587	82,661
Health claims	0	0	0	5,619,798
Stop-loss insurance and administration	0	0	0	309,042
Awards	0	68,556	68,556	0
Depreciation	0	809,940	809,940	27,019
Total operating expenses	376,562	5,610,957	5,987,519	6,108,530
Operating income (loss)	(82,687)	(1,298,132)	(1,380,819)	(1,675,043)
NONOPERATING REVENUES (EXPENSES):				
Taxes	0	1,109,239	1,109,239	0
Intergovernmental revenue	0	12,437	12,437	0
Interest revenue	0	38,718	38,718	156,457
Gain on sale of fixed assets	0	1,398	1,398	0
Other revenue	0	961,088	961,088	0
Interest expense	0	(5,115)	(5,115)	0
Total nonoperating revenues (expenses)	0	2,117,765	2,117,765	156,457
Income (loss) before transfers	(82,687)	819,633	736,946	(1,518,586)
Transfer in from other funds	0	440,878	440,878	1,096,513
Transfer out to other funds	(30,787)	0	(30,787)	0
Change in net assets	(113,474)	1,260,511	1,147,037	(422,073)
Net assets July 1, 2006	883,611	12,312,992	13,196,603	2,522,665
Net assets June 30, 2007	\$ 770,137	\$ 13,573,503	\$ 14,343,640	\$ 2,100,592

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, 2007**

(Page 1 of 2)

	Business-type Activities - Enterprise Funds			Governmental Activities
	Refuse Disposal	METRA	Total	Internal Service Funds
	Fund	Fund		
<u>Cash flows from operating activities:</u>				
Cash received from users	\$ 292,718	\$ 4,055,491	\$ 4,348,209	\$ 139,458
Cash received from health insurance premiums	0	0	0	4,310,698
Cash paid to other suppliers for goods or services	(376,562)	(2,574,371)	(2,950,933)	(102,971)
Cash paid to employees for services	0	(2,211,417)	(2,211,417)	(49,396)
Cash paid for health claims	0	0	0	(5,445,562)
Cash paid for stop-loss insurance and administration	0	0	0	(309,042)
Net cash provided (used) by operating activities	(83,844)	(730,297)	(814,141)	(1,456,815)
<u>Cash flows from noncapital financing activities:</u>				
Cash received from taxes, licenses, permits, and intergovernmental revenue	0	1,101,716	1,101,716	0
Cash received (paid) from (to) interfund transfer	0	440,878	440,878	1,096,513
Cash received from general fund loan	0	0	0	(877)
Cash transferred to Blight Abatement	(30,787)	0	(30,787)	0
Net cash provided (used) by noncapital financing activities	(30,787)	1,542,594	1,511,807	1,095,636
<u>Cash flows from capital and related financing activities:</u>				
Acquisition of capital assets	0	(1,079,197)	(1,079,197)	0
Cash received from tax financed capital assets	0	942,140	942,140	0
Principal paid on notes payable	0	(393,987)	(393,987)	0
Interest paid on notes payable	0	(12,002)	(12,002)	0
Net cash used for capital and related financing activities	0	(543,046)	(543,046)	0
<u>Cash flows from investing activities:</u>				
Withdrawals from investment pool	195,937	0	195,937	620,950
Deposits into investment pool	0	(110,629)	(110,629)	(11,348)
Interest received on investments	0	34,407	34,407	130,444
Net cash provided (used) by investing activities	195,937	(76,222)	119,715	740,046
Net increase (decrease) in cash and demand investment:	81,306	193,029	274,335	378,867
Cash and demand investments, and restricted cash, July 1, 2006	316,457	721,597	1,038,054	1,109,958
Cash and demand investments, and restricted cash, June 30, 2007	\$ 397,763	\$ 914,626	\$ 1,312,389	\$ 1,488,825
<u>Presented in Statement of Net Assets as follows:</u>				
Cash and demand investments, pooled	\$ 397,763	\$ 660,589	\$ 1,058,352	
Restricted cash held in trust, nonpooled	0	254,037	254,037	
Cash and demand investments, and restricted cash, June 30, 2007	\$ 397,763	\$ 914,626	\$ 1,312,389	

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, 2007
(Page 2 of 2)

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Refuse Disposal</u>	<u>METRA</u>	<u>Total</u>	<u>Activities</u>
	<u>Fund</u>	<u>Fund</u>		<u>Internal</u>
				<u>Service Funds</u>
Noncash transactions:				
Increase in cash investments market value	\$ 0	\$ 3,649	\$ 3,649	\$ 18,153
Building improvement exchanged for sales rights	\$ 0	\$ 18,949	\$ 18,949	\$ 0

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

Operating income (loss)	<u>\$ (82,687)</u>	<u>\$ (1,298,132)</u>	<u>\$ (1,380,819)</u>	<u>\$ (1,675,043)</u>
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation expense	0	809,940	809,940	27,019
(Increase) decrease in assets:				
Accounts receivable	0	(5,364)	(5,364)	5,582
Delinquent assessments receivable	(1,157)	0	(1,157)	0
Prepaid expenses	0	(11,205)	(11,205)	0
Inventories	0	(3,222)	(3,222)	0
Increase (decrease) in liabilities:				
Accounts payable	0	21,504	21,504	(276)
Accrued liabilities	0	(19,897)	(19,897)	174,816
Unearned premiums	0	0	0	11,087
Deferred revenue	0	(62,598)	(62,598)	0
Deposits	0	(161,323)	(161,323)	0
Total adjustments	<u>(1,157)</u>	<u>567,835</u>	<u>566,678</u>	<u>218,228</u>
Net cash provided (used) by operating activities	<u>\$ (83,844)</u>	<u>\$ (730,297)</u>	<u>\$ (814,141)</u>	<u>\$ (1,456,815)</u>

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

**YELLOWSTONE COUNTY, MONTANA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2007**

	External Investment Trust Fund	Agency Funds	Total Fiduciary Funds
<u>ASSETS</u>			
Cash and demand investments, pooled	\$ 26,085,933	\$ 2,595,911	\$ 28,681,844
Cash investments, pooled	21,525,703	2,151,071	23,676,774
Restricted cash and demand investments held in trust, nonpooled	0	61,316	61,316
Restricted cash and demand investments for capital improvements, nonpooled	0	638,724	638,724
Restricted cash investments for capital improvements, nonpooled	0	12,222,997	12,222,997
Receivables:			
Property taxes	0	7,486,614	7,486,614
Delinquent assessments	0	596,915	596,915
Deferred assessments	0	3,839	3,839
Accrued interest	373,094	0	373,094
Due from State of Montana	0	76,226	76,226
Total assets	<u>\$ 47,984,730</u>	<u>\$ 25,833,613</u>	<u>\$ 73,818,343</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 0	\$ 206,447	\$ 206,447
Due to general fund	0	5,438	5,438
Due to others	0	974,359	974,359
Due to other taxing districts	0	24,647,369	24,647,369
Total liabilities	<u>0</u>	<u>25,833,613</u>	<u>25,833,613</u>
<u>NET ASSETS</u>			
Net assets held in trust for pool participants	<u>\$ 47,984,730</u>	<u>\$ 0</u>	<u>\$ 47,984,730</u>

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

**YELLOWSTONE COUNTY, MONTANA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
EXTERNAL INVESTMENT TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2007**

ADDITIONS:

Contributions to pooled investments	\$ 480,273,437	
Interest and investment income	2,373,347	
	<hr/>	
Total additions		\$ 482,646,784

DEDUCTIONS

Distributions from pooled investments	(477,870,805)	
Investment administrative expenses	(22,833)	
	<hr/>	
Total deductions		(477,893,638)

Change in net assets held in trust for pool participants	4,753,146
Net assets held in trust for pool participants, July 1, 2006	43,231,584
Net assets held in trust for pool participants, June 30, 2007	<u><u>\$ 47,984,730</u></u>

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