

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

JUNE 30, 2010

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<u>ASSETS</u>	Primary Government		
	Governmental Activities	Business-type Activities	Total
Current Assets			
Cash and demand investments, pooled	\$ 5,639,848	\$ 384,919	\$ 6,024,767
Cash investments, pooled	34,390,265	2,341,265	36,731,530
Restricted cash and demand investments held in trust, nonpooled	0	526,986	526,986
Receivables (net of allowance for uncollectibles):			
Property taxes	3,468,677	146,606	3,615,283
Accounts	1,024,707	142,529	1,167,236
Insurance recovery for building damage	0	22,786,261	22,786,261
Delinquent assessments	47,193	58,448	105,641
Deferred assessments	96,538	0	96,538
Accrued interest	119,389	2,889	122,278
Prepaid expenses	10,366	10,392	20,758
Inventories	369,684	10,537	380,221
Due from other taxing districts	9,000	0	9,000
Total current assets	45,175,667	26,410,832	71,586,499
Noncurrent Assets			
Deferred assessments receivable, net of allowance	901,105	0	901,105
Total noncurrent assets	901,105	0	901,105
Capital assets (net of accumulated depreciation):			
Land	3,665,796	368,574	4,034,370
Buildings	11,218,441	8,434,179	19,652,620
Improvements other than buildings	2,241,738	1,834,499	4,076,237
Equipment and vehicles	6,480,399	204,717	6,685,116
Infrastructure	19,539,192	0	19,539,192
Construction in progress	667,188	134,541	801,729
Total capital assets (net of accumulated depreciation)	43,812,754	10,976,510	54,789,264
TOTAL ASSETS	\$ 89,889,526	\$ 37,387,342	\$ 127,276,868

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

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

JUNE 30, 2010

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	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Accounts payable	\$ 2,324,901	\$ 263,824	\$ 2,588,725
Accrued liabilities	2,323,182	10,847	2,334,029
Accrued compensated absences	535,164	52,686	587,850
Matured bonds payable	7,225	0	7,225
Unearned premiums	307,422	0	307,422
General obligation bonds	855,000	0	855,000
Special assessment debt with governmental commitment	84,000	0	84,000
Liabilities payable from restricted assets:			
Deferred revenue	0	305,728	305,728
Deposits	2,850	410,525	413,375
Due to other taxing districts	800,437	0	800,437
Total current liabilities	7,240,181	1,043,610	8,283,791
<u>Noncurrent Liabilities</u>			
Long-term liability for accrued compensated absences	1,610,043	158,059	1,768,102
Deferred revenue	0	916,583	916,583
General obligation bonds	4,595,000	0	4,595,000
Special assessment debt with governmental commitment	932,000	0	932,000
OPEB implicit rate subsidy liability	573,130	52,682	625,812
Total noncurrent liabilities	7,710,173	1,127,324	8,837,497
TOTAL LIABILITIES	14,950,354	2,170,934	17,121,288
<u>NET ASSETS</u>			
Investment in capital assets, net of related debt	42,396,754	10,976,510	53,373,264
Restricted net assets for debt service	601,415	0	601,415
Unrestricted	31,941,003	24,239,898	56,180,901
TOTAL NET ASSETS	\$ 74,939,172	\$ 35,216,408	\$ 110,155,580

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, 2010**

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	\$ 12,723,629	\$0	\$0	\$56,716	\$ 677,100	\$ 4,491,243	\$0	\$84,861	\$ (7,413,709)	\$0	\$ (7,413,709)
Public Safety	21,106,126	0	33,280	157,116	49,293	3,518,717	768,170	69,553	(16,509,997)	0	(16,509,997)
Public Works	5,740,088	711,663	30,142	489,446	0	201,320	41,859	356,413	(3,909,245)	0	(3,909,245)
Public Health	2,736,104	0	0	0	0	2,751	336,015	0	(2,397,338)	0	(2,397,338)
Social and Economic	1,583,880	0	0	124,584	0	15,156	0	0	(1,444,140)	0	(1,444,140)
Culture and Recreation	1,427,488	0	0	0	0	0	27,400	0	(1,400,088)	0	(1,400,088)
Community Development	360,046	0	0	0	0	0	0	500	(359,546)	0	(359,546)
Conservation of Natural Resources	128,852	0	0	0	0	0	0	0	(128,852)	0	(128,852)
Interest on Long-Term Debt	253,804	0	0	0	0	0	0	0	(253,804)	0	(253,804)
Total governmental activities	46,060,017	711,663	63,422	827,862	726,393	8,229,187	1,173,444	511,327	(33,816,719)	0	(33,816,719)
<u>Business-type activities:</u>											
Refuse Disposal	461,326	479,524	0	0	0	0	0	0	0	18,198	18,198
METRA	6,393,925	0	0	0	0	4,202,743	0	0	0	(2,191,182)	(2,191,182)
Total business-type activities:	6,855,251	479,524	0	0	0	4,202,743	0	0	0	(2,172,984)	(2,172,984)
Total primary government	\$ 52,915,268	\$ 1,191,187	\$63,422	\$ 827,862	\$ 726,393	\$ 12,431,930	\$ 1,173,444	\$ 511,327	\$ (33,816,719)	\$ (2,172,984)	\$ (35,989,703)
General revenues:											
Property taxes									31,781,735	1,401,954	33,183,689
Licenses and permits									3,923,361	0	3,923,361
Intergovernmental									2,252,000	151,800	2,403,800
Other revenues									2,218,768	272,437	2,491,205
Transfers									55,926	(55,926)	0
Extraordinary gain from insurance recovery for building damage repair									0	20,129,227	20,129,227
Total general revenues and transfers									40,231,790	21,899,492	62,131,282
Change in net assets									6,415,071	19,726,508	26,141,579
Net assets, beginning									68,524,101	15,489,900	84,014,001
Net assets - ending									\$ 74,939,172	\$ 35,216,408	\$ 110,155,580

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

YELLOWSTONE COUNTY, MONTANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	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	\$891,958	\$553,047	\$499,675	\$579,254	\$25,748	\$1,169,003	\$1,186,893	\$4,905,578
Cash investments, pooled	5,494,055	3,359,259	3,044,649	3,518,443	156,738	7,124,743	7,218,786	29,916,673
Receivables (net of allowance for uncollectibles):								
Property taxes	1,010,536	492,884	92,824	785,661	0	0	1,086,772	3,468,677
Accounts	197,978	0	130,126	302,803	0	84,595	283,205	998,707
Delinquent assessments	0	0	0	0	3,269	0	43,924	47,193
Deferred assessments	0	0	0	0	997,643	0	0	997,643
Accrued interest	68,275	0	8,578	0	309	21,593	8,492	107,247
Due from other funds	9,419	0	0	0	0	0	0	9,419
Due from other taxing districts	9,000	0	0	0	0	0	0	9,000
Prepaid expenses	3,275	18	6	430	0	0	6,637	10,366
Inventories	41,358	263,993	0	0	0	0	64,333	369,684
Total assets	\$7,725,854	\$4,669,201	\$3,775,858	\$5,186,591	\$1,183,707	\$8,399,934	\$9,899,042	\$40,840,187
LIABILITIES:								
Accounts payable	\$381,498	\$1,044,746	\$179,520	\$301,972	\$0	\$84,353	\$328,020	\$2,320,109
Accrued liabilities	590,579	82,273	1,215,400	265,950	0	0	108,680	2,262,882
Matured bonds payable	0	0	0	0	7,225	0	0	7,225
Due to other funds	0	0	0	0	1,163	0	8,256	9,419
Deferred revenue	1,010,536	492,884	92,824	785,661	1,000,912	0	1,130,696	4,513,513
Deposits	0	0	0	0	0	2,850	0	2,850
Due to other taxing districts	0	0	0	0	0	0	800,437	800,437
Total liabilities	1,982,613	1,619,903	1,487,744	1,353,583	1,009,300	87,203	2,376,089	9,916,435
FUND BALANCE:								
Reserved for debt service	0	0	0	0	174,407	0	427,008	601,415
Reserved for capital improvements	489,337	0	0	0	0	8,312,731	243,770	9,045,838
Reserved for inventories	41,358	263,993	0	0	0	0	64,333	369,684
Unreserved for nonmajor special revenue funds	0	0	0	0	0	0	6,787,842	6,787,842
Unreserved major funds	5,212,546	2,785,305	2,288,114	3,833,008	0	0	0	14,118,973
Total fund balance	5,743,241	3,049,298	2,288,114	3,833,008	174,407	8,312,731	7,522,953	30,923,752
Total liabilities and fund balance	\$7,725,854	\$4,669,201	\$3,775,858	\$5,186,591	\$1,183,707	\$8,399,934	\$9,899,042	\$40,840,187

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, 2010**

Fund Balance June 30, 2010, governmental funds	\$ 30,923,752
Net assets of internal service funds as of June 30, 2010, are included as general governmental functions since they are primarily related to that function.	4,494,018
Net capital assets of internal service funds included above	(127,509)
Long-term assets are not available to pay for current period expenditures and, therefore, are deferred on the fund statements	4,513,513
Long-term portion of compensated absences is not anticipated to be expended in the current period	(1,608,149)
Long-term debt previously recognized as revenue in prior periods	(6,466,000)
Accrued interest payable on long-term debt	(30,077)
Net capital assets	43,812,754
Other post employment benefits (OPEB) - implicit rate subsidy liability	(573,130)
Net Assets of governmental activities, June 30, 2010	<u>\$ 74,939,172</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, 2010

	MAJOR FUNDS							Total Governmental Funds
	General	Road	Property and Liability Insurance Fund	Public Safety Fund	RSID Bond Fund	Capital Improvement Fund	Nonmajor Governmental Funds	
REVENUES:								
Taxes	\$9,074,742	\$3,450,547	\$853,069	\$7,207,813	\$0	\$0	\$9,809,499	\$30,395,670
Special assessments	0	0	0	0	211,333	0	632,791	844,124
Licenses and permits	15,415	30,142	0	3,796,226	0	0	145,000	3,986,783
Intergovernmental	672,967	2,094,148	0	158,909	0	138,877	1,699,732	4,764,633
Fines and forfeitures	677,100	0	0	0	0	0	49,293	726,393
Charges for services	1,304,427	156,960	360,100	1,884,785	0	53,046	1,815,137	5,574,455
Other	551,662	5,534	184,136	62,273	1,936	1,044,385	293,256	2,143,182
Total revenues	12,296,313	5,737,331	1,397,305	13,110,006	213,269	1,236,308	14,444,708	48,435,240
EXPENDITURES:								
Current:								
General government	6,927,858	0	1,799,400	0	0	0	342,275	9,069,533
Public safety	1,048,976	0	0	13,393,979	0	0	5,521,465	19,964,420
Public works	0	5,290,938	0	0	0	0	891,756	6,182,694
Public health	610,721	0	0	136,249	0	0	1,978,097	2,725,067
Social and economic services	668,366	0	0	0	0	0	915,155	1,583,521
Culture and recreation	0	0	0	0	0	0	1,229,904	1,229,904
Conservation of natural resources	27,020	0	0	0	0	0	100,665	127,685
Community development	360,046	0	0	0	0	0	0	360,046
Capital outlay	287,511	353,399	6,539	392,205	0	2,555,731	847,062	4,442,447
Debt service:								
Principal	0	0	0	0	138,000	0	825,000	963,000
Interest	0	0	0	0	52,297	0	210,413	262,710
Total expenditures	9,930,498	5,644,337	1,805,939	13,922,433	190,297	2,555,731	12,861,792	46,911,027
Excess (deficiency) of revenues over (under) expenditures	2,365,815	92,994	(408,634)	(812,427)	22,972	(1,319,423)	1,582,916	1,524,213
OTHER FINANCING SOURCES (USES):								
Interfund transfers in	947,223	260,006	18,524	671,510	0	1,625,172	2,673,072	6,195,507
Interfund transfers out	(2,835,658)	(485,693)	0	(280,231)	0	0	(3,569,902)	(7,171,484)
Total other financing sources (uses)	(1,888,435)	(225,687)	18,524	391,279	0	1,625,172	(896,830)	(975,977)
Net change in fund balances	477,380	(132,693)	(390,110)	(421,148)	22,972	305,749	686,086	548,236
Fund balances July 1, 2009	5,265,861	3,181,991	2,678,224	4,254,156	151,435	8,006,982	6,836,867	30,375,516
Fund balances June 30, 2010	\$5,743,241	\$3,049,298	\$2,288,114	\$3,833,008	\$174,407	\$8,312,731	\$7,522,953	\$30,923,752

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, 2010**

Net change in fund balances - total governmental funds	\$ 548,236
Change in net assets of internal service funds are included as general governmental functions since they are primarily related to that function.	712,522
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	5,812,265
Depreciation expense	(3,180,532)
Gain (loss) on disposal / trade-in of capital assets	592,650
(Decrease) increase in property tax and special assessment receivables that may not be available in the current period	1,253,604
Increase in the long-term portion of compensated absences that is not anticipated to be expended in the current period	(27,584)
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.	963,000
Change in accrued interest payable	8,906
Change in other post employment benefits - implicit rate subsidy	(267,996)
Change in net assets in governmental activities	<u>\$ 6,415,071</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, 2010
(Page 1 of 2)**

	BUDGET		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final Revised		
REVENUES:				
Taxes:				
Real estate property taxes	\$9,150,739	\$9,150,739	\$8,576,856	(\$573,883)
Personal property taxes	286,600	286,600	333,989	47,389
Mobile homes, penalty and interest, other	130,350	130,350	163,897	33,547
Special assessments	10,000	10,000	0	(10,000)
Licenses and permits	15,200	15,200	15,415	215
Intergovernmental:				
Grants	120,000	1,147,693	603,791	(543,902)
State personal property reimbursement	0	0	0	0
State entitlement and other	84,038	84,038	69,176	(14,862)
Fines and forfeitures, justice court	680,000	680,000	677,100	(2,900)
Charges for services:				
Clerk & Recorder	1,025,000	1,025,000	1,129,217	104,217
Miscellaneous	148,250	148,250	175,210	26,960
Other:				
Interest on investments	500,000	500,000	435,427	(64,573)
Miscellaneous	70,000	262,064	116,235	(145,829)
Total revenues	\$12,220,177	\$ 13,439,934	\$ 12,296,313	\$ (1,143,621)

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, 2010
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Current:	BUDGET		<u>Actual</u>	Variance with Final Budget -
	<u>Original</u>	<u>Final Revised</u>		Positive (Negative)
General government:				
County commissioners	\$456,489	\$456,489	\$448,166	\$ 8,323
Elections	487,368	488,416	412,625	75,791
Clerk & Recorder	555,005	555,005	494,911	60,094
Treasurer, Auditor, Finance	1,798,545	1,798,545	1,768,602	29,943
Information technology	682,405	686,305	662,522	23,783
Building maintenance	637,165	637,165	594,173	42,992
Other	2,791,667	2,841,867	2,546,859	295,008
Public safety:				
Disaster and Emergency, Rural Fire	388,677	904,682	482,993	421,689
Juvenile detention	433,415	433,415	433,415	0
Other	157,243	157,243	132,568	24,675
Public works	0	0	0	0
Public health	382,635	718,695	610,721	107,974
Social and economic services				
Youth shelter	216,707	216,707	216,707	0
Rent assistance program	162,500	162,500	137,500	25,000
Medical assistance program	249,803	249,803	247,341	2,462
Other	89,200	92,200	66,818	25,382
Culture and recreation	0	0	0	0
Conservation of natural resources	27,020	27,020	27,020	0
Community development	380,633	453,177	360,046	93,131
Capital outlay	562,091	791,091	287,511	503,580
Total expenditures	10,458,568	11,670,325	9,930,498	1,739,827
Excess (deficiency) of revenues over (under) expenditures	1,761,609	1,769,609	2,365,815	596,206
OTHER FINANCING SOURCES (USES):				
Interfund transfers in	1,037,054	1,037,054	947,223	(89,831)
Interfund transfers out	(3,502,144)	(3,510,144)	(2,835,658)	674,486
Total other financing sources (uses)	(2,465,090)	(2,473,090)	(1,888,435)	584,655
Net change in fund balances	(\$703,481)	(\$703,481)	477,380	\$1,180,861
Fund balance July 1, 2009			5,265,861	
Fund balance June 30, 2010			\$5,743,241	

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, 2010

	Road Fund				Property and Liability Insurance Fund				Public Safety Fund			
	BUDGET			Variance with Final Budget - Positive (Negative)	BUDGET			Variance with Final Budget - Positive (Negative)	BUDGET			Variance with Final Budget - Positive (Negative)
	Original	Final Revised	Actual		Original	Final Revised	Actual		Original	Final Revised	Actual	
REVENUES:												
Taxes	\$3,783,895	\$3,783,895	\$3,450,547	(\$333,348)	\$900,613	\$900,613	\$853,069	(\$47,544)	\$7,608,814	\$7,608,814	\$7,207,813	(\$401,001)
Licenses and permits	27,750	27,750	30,142	2,392	0	0	0	0	3,940,000	3,940,000	3,796,226	(143,774)
Intergovernmental	1,894,763	2,094,763	2,094,148	(615)	0	0	0	0	48,000	180,366	158,909	(21,457)
Charges for services	180,000	180,000	156,960	(23,040)	360,100	360,100	360,100	0	2,003,000	2,003,000	1,884,785	(118,215)
Other	500	500	5,534	5,034	50,000	50,000	184,136	134,136	5,000	22,483	62,273	39,790
Total revenues	5,886,908	6,086,908	5,737,331	(349,577)	1,310,713	1,310,713	1,397,305	86,592	13,604,814	13,754,663	13,110,006	(644,657)
EXPENDITURES:												
Current:												
General government	0	0	0	0	3,004,160	3,004,160	1,799,400	1,204,760	0	0	0	0
Public safety	0	0	0	0	0	0	0	0	14,282,211	14,375,244	13,393,979	981,265
Public works	5,637,193	5,837,193	5,290,938	546,255	0	0	0	0	0	0	0	0
Public health	0	0	0	0	0	0	0	0	139,778	139,778	136,249	3,529
Capital outlay	720,265	720,265	353,399	366,866	10,000	10,000	6,539	3,461	436,454	493,270	392,205	101,065
Total expenditures	6,357,458	6,557,458	5,644,337	913,121	3,014,160	3,014,160	1,805,939	1,208,221	14,858,443	15,008,292	13,922,433	1,085,859
Excess (deficiency) of revenues over (under) expenditures	(470,550)	(470,550)	92,994	563,544	(1,703,447)	(1,703,447)	(408,634)	1,294,813	(1,253,629)	(1,253,629)	(812,427)	441,202
OTHER FINANCING SOURCES (USES):												
Interfund transfers in	263,596	263,596	260,006	(3,590)	18,524	18,524	18,524	0	1,101,472	1,101,472	671,510	(429,962)
Interfund transfers out	(485,693)	(485,693)	(485,693)	0	0	0	0	0	(280,231)	(280,231)	(280,231)	0
Total other financing sources (uses)	(222,097)	(222,097)	(225,687)	(3,590)	18,524	18,524	18,524	0	821,241	821,241	391,279	(429,962)
Net change in fund balances	(\$692,647)	(\$692,647)	(132,693)	\$559,954	(\$1,684,923)	(\$1,684,923)	(390,110)	\$1,294,813	(\$432,388)	(\$432,388)	(421,148)	\$11,240
Fund balances July 1, 2009			3,181,991				2,678,224				4,254,156	
Fund balances June 30, 2010			\$3,049,298				\$2,288,114				\$3,833,008	

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

YELLOWSTONE COUNTY, MONTANA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010
(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	\$68,661	\$316,258	\$384,919	\$734,271
Cash investments, pooled	417,057	1,924,208	2,341,265	4,473,591
Restricted cash and demand investments held in trust, nonpooled	0	526,986	526,986	0
Receivables (net of allowance for uncollectibles):				
Property taxes	0	146,606	146,606	0
Accounts	0	142,529	142,529	26,000
Insurance recovery for building damage	0	22,786,261	22,786,261	
Delinquent assessments	58,448	0	58,448	0
Accrued interest	0	2,889	2,889	12,142
Prepaid expenses	0	10,392	10,392	0
Inventories	0	10,537	10,537	0
Total current assets	544,166	25,866,666	26,410,832	5,246,004
NONCURRENT ASSETS:				
Capital assets:				
Land	0	368,574	368,574	0
Buildings	0	24,730,243	24,730,243	0
Improvements other than buildings	0	4,750,105	4,750,105	0
Equipment and vehicles	0	916,227	916,227	300,637
Construction in progress	0	134,541	134,541	0
Accumulated depreciation	0	(19,923,180)	(19,923,180)	(173,128)
Total capital assets (net of accumulated depreciation)	0	10,976,510	10,976,510	127,509
Total assets	\$544,166	\$36,843,176	\$37,387,342	\$5,373,513

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

YELLOWSTONE COUNTY, MONTANA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010
(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	\$263,824	\$263,824	\$4,792
Accrued liabilities	0	10,847	10,847	564,756
Accrued compensated absences	0	52,686	52,686	631
Deferred revenue	0	189,711	189,711	0
Unearned premiums	0	0	0	307,422
Deposits	0	25,098	25,098	0
Total current liabilities	0	542,166	542,166	877,601
CURRENT LIABILITIES PAYABLE FROM RESTRICTED CASH:				
Deferred revenue	0	116,017	116,017	0
Deposits	0	385,427	385,427	0
Total current liabilities payable from restricted cash	0	501,444	501,444	0
NONCURRENT LIABILITIES:				
Accrued compensated absences	0	158,059	158,059	1,894
Deferred revenue	0	916,583	916,583	0
OPEB implicit rate subsidy	0	52,682	52,682	0
Total noncurrent liabilities	0	1,127,324	1,127,324	1,894
Total liabilities	0	2,170,934	2,170,934	879,495
<u>NET ASSETS</u>				
Investment in capital assets, net of related debt	0	10,976,510	10,976,510	127,509
Unrestricted	544,166	23,695,732	24,239,898	4,366,509
Total net assets	544,166	34,672,242	35,216,408	4,494,018
Total liabilities and net assets	\$544,166	\$36,843,176	\$37,387,342	\$5,373,513

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, 2010

	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	\$ 479,524	\$ 4,202,743	\$ 4,682,267	\$ 140,538
Health insurance premiums	0	0	0	5,427,444
Total operating revenues	479,524	4,202,743	4,682,267	5,567,982
OPERATING EXPENSES:				
Salaries and benefits	0	2,495,695	2,495,695	57,296
Supplies	0	478,007	478,007	23,300
Contracted services	461,326	2,251,448	2,712,774	74,953
Health claims	0	0	0	5,414,107
Stop-loss insurance and administration	0	0	0	363,456
Awards	0	114,595	114,595	0
Bad debt expense	0	528	528	0
Depreciation	0	1,053,652	1,053,652	29,837
Total operating expenses	461,326	6,393,925	6,855,251	5,962,949
Operating income (loss)	18,198	(2,191,182)	(2,172,984)	(394,967)
NONOPERATING REVENUES (EXPENSES):				
Taxes	0	1,401,954	1,401,954	0
Intergovernmental revenue	0	151,800	151,800	0
Interest revenue	0	18,024	18,024	75,586
Loss on sale of fixed assets	0	(10,701)	(10,701)	0
Other revenue	0	24,385	24,385	0
Revenue from signage agreement	0	198,229	198,229	0
Contribution from tax levy fund	0	42,500	42,500	0
Total nonoperating revenues (expenses)	0	1,826,191	1,826,191	75,586
Income (loss) before transfers and extraordinary gain	18,198	(364,991)	(346,793)	(319,381)
Transfer in from other funds	0	0	0	1,031,903
Transfer out to other funds	(25,000)	(30,926)	(55,926)	0
Extraordinary gain from insurance recovery for building damage repair	0	20,129,227	20,129,227	0
Change in net assets	(6,802)	19,733,310	19,726,508	712,522
Net assets July 1, 2009	550,968	14,938,932	15,489,900	3,781,496
Net assets June 30, 2010	\$ 544,166	\$ 34,672,242	\$ 35,216,408	\$ 4,494,018

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, 2010
(Page 1 of 2)

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u> <u>Activities</u>
	<u>Refuse Disposal</u> <u>Fund</u>	<u>METRA</u> <u>Fund</u>	<u>Total</u>	<u>Internal</u> <u>Service Funds</u>
<u>Cash flows from operating activities:</u>				
Cash received from users	\$ 439,644	\$ 4,344,766	\$ 4,784,410	\$ 140,538
Cash received from health insurance premiums	0	0	0	5,446,750
Cash paid to other suppliers for goods or services	(461,326)	(2,744,222)	(3,205,548)	(98,556)
Cash paid to employees for services	0	(2,468,279)	(2,468,279)	(56,692)
Cash paid for health claims	0	0	0	(5,379,630)
Cash paid for stop-loss insurance and administration	0	0	0	(363,456)
Net cash provided (used) by operating activities	(21,682)	(867,735)	(889,417)	(311,046)
<u>Cash flows from noncapital financing activities:</u>				
Cash received from taxes, licenses, permits, and intergovernmental revenue	0	1,498,230	1,498,230	0
Cash received from interfund transfer	0	0	0	1,031,903
Cash transferred to Blight Abatement	(25,000)	0	(25,000)	0
Cash received from other revenues	0	66,885	66,885	0
Net cash provided (used) by noncapital financing activities	(25,000)	1,534,189	1,509,189	1,031,903
<u>Cash flows from capital and related financing activities:</u>				
Acquisition of capital assets	0	(513,341)	(513,341)	(13,659)
Net cash used for capital and related financing activities	0	(513,341)	(513,341)	(13,659)
<u>Cash flows from investing activities:</u>				
Deposits into investment pool	26,352	18,375	44,727	(785,708)
Interest received on investments	0	17,817	17,817	74,969
Net cash provided (used) by investing activities	26,352	36,192	62,544	(710,739)
Net increase (decrease) in cash and demand investments	(20,330)	189,305	168,975	(3,541)
Cash and demand investments, and restricted cash, July 1, 2009	88,991	653,939	742,930	737,812
Cash and demand investments, and restricted cash, June 30, 2010	\$ 68,661	\$ 843,244	\$ 911,905	\$ 734,271
<u>Presented in Statement of Net Assets as follows:</u>				
Cash and demand investments, pooled	\$ 68,661	\$ 316,258	\$ 384,919	
Restricted cash held in trust, nonpooled	0	526,986	526,986	
Cash and demand investments, and restricted cash, June 30, 2010	\$ 68,661	\$ 843,244	\$ 911,905	

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, 2010
(Page 2 of 2)

	Business-type Activities - Enterprise Funds			Governmental
	Refuse Disposal	METRA	Total	Activities
	Fund	Fund		Internal
				Service Funds
Noncash transactions:				
Extraordinary gain from insurance recovery for building damage repair	\$ 0	\$ 20,129,227	\$ 20,129,227	\$ 0
Loss from capital asset trade-ins / disposals	\$ 0	\$ (10,701)	\$ (10,701)	\$ 0
Increase in cash investments market value	\$ 0	\$ (520)	\$ (520)	\$ 1,927
Revenue recognized on sales rights agreement	\$ 0	\$ 198,229	\$ 198,229	\$ 0
OPEB implicit rate subsidy expense	\$ 0	\$ 24,634	\$ 24,634	\$ 0

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

Operating income (loss)	\$ 18,198	\$ (2,191,182)	\$ (2,172,984)	\$ (394,967)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation expense	0	1,053,652	1,053,652	29,837
(Increase) decrease in assets:				
Accounts receivable	0	(92,221)	(92,221)	(21,138)
Delinquent assessments receivable	(39,880)	0	(39,880)	0
Prepaid expenses	0	52,144	52,144	0
Inventories	0	13,717	13,717	0
Increase (decrease) in liabilities:				
Accounts payable	0	33,967	33,967	1,704
Accrued liabilities	0	2,782	2,782	33,074
Unearned premiums	0	0	0	40,444
Deferred revenue	0	(121,533)	(121,533)	0
Deposits	0	356,305	356,305	0
OPEB implicit rate subsidy liability	0	24,634	24,634	0
Total adjustments	(39,880)	1,323,447	1,283,567	83,921
Net cash provided (used) by operating activities	\$ (21,682)	\$ (867,735)	\$ (889,417)	\$ (311,046)

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, 2010**

	External Investment Trust Fund	Agency Funds	Total Fiduciary Funds
<u>ASSETS</u>			
Cash and demand investments, pooled	\$ 8,581,039	\$ 533,648	\$ 9,114,687
Cash investments, pooled	52,308,762	3,241,433	55,550,195
Restricted cash and demand investments held in trust, nonpooled	0	46,929	46,929
Restricted cash and demand investments for capital improvements, nonpooled	0	8,996,244	8,996,244
Restricted cash investments for debt service, nonpooled	0	573,529	573,529
Receivables:			
Property taxes	0	15,164,151	15,164,151
Delinquent assessments	0	968,443	968,443
Accrued interest	167,557	0	167,557
Total assets	\$ 61,057,358	\$ 29,524,377	\$ 90,581,735
<u>LIABILITIES</u>			
Accounts payable	\$0	\$ 285,846	\$ 285,846
Due to other taxing jurisdictions - county general fund	0	9,000	9,000
Due to others	0	964,691	964,691
Due to other taxing districts	0	28,264,840	28,264,840
Total liabilities	0	29,524,377	29,524,377
<u>NET ASSETS</u>			
Net assets held in trust for pool participants	\$ 61,057,358	\$0	\$ 61,057,358

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, 2010**

ADDITIONS:

Contributions to pooled investments	\$ 510,816,785	
Interest and investment income	95,226	
Total additions		\$ 510,912,011

DEDUCTIONS

Distributions from pooled investments	(510,902,182)	
Investment administrative expenses	(793)	
Total deductions		(510,902,975)

Change in net assets held in trust for pool participants		9,036
Net assets held in trust for pool participants, July 1, 2009		61,048,322
Net assets held in trust for pool participants, June 30, 2010		\$ 61,057,358

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