

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

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

Financial Highlights

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

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

Explanation of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Government-wide Financial Analysis.

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

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

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

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

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A comparison of the County's net position follows:

Yellowstone County Net Position

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

Governmental activities.

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

Business activities.

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

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Yellowstone County's Change in Net Position

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

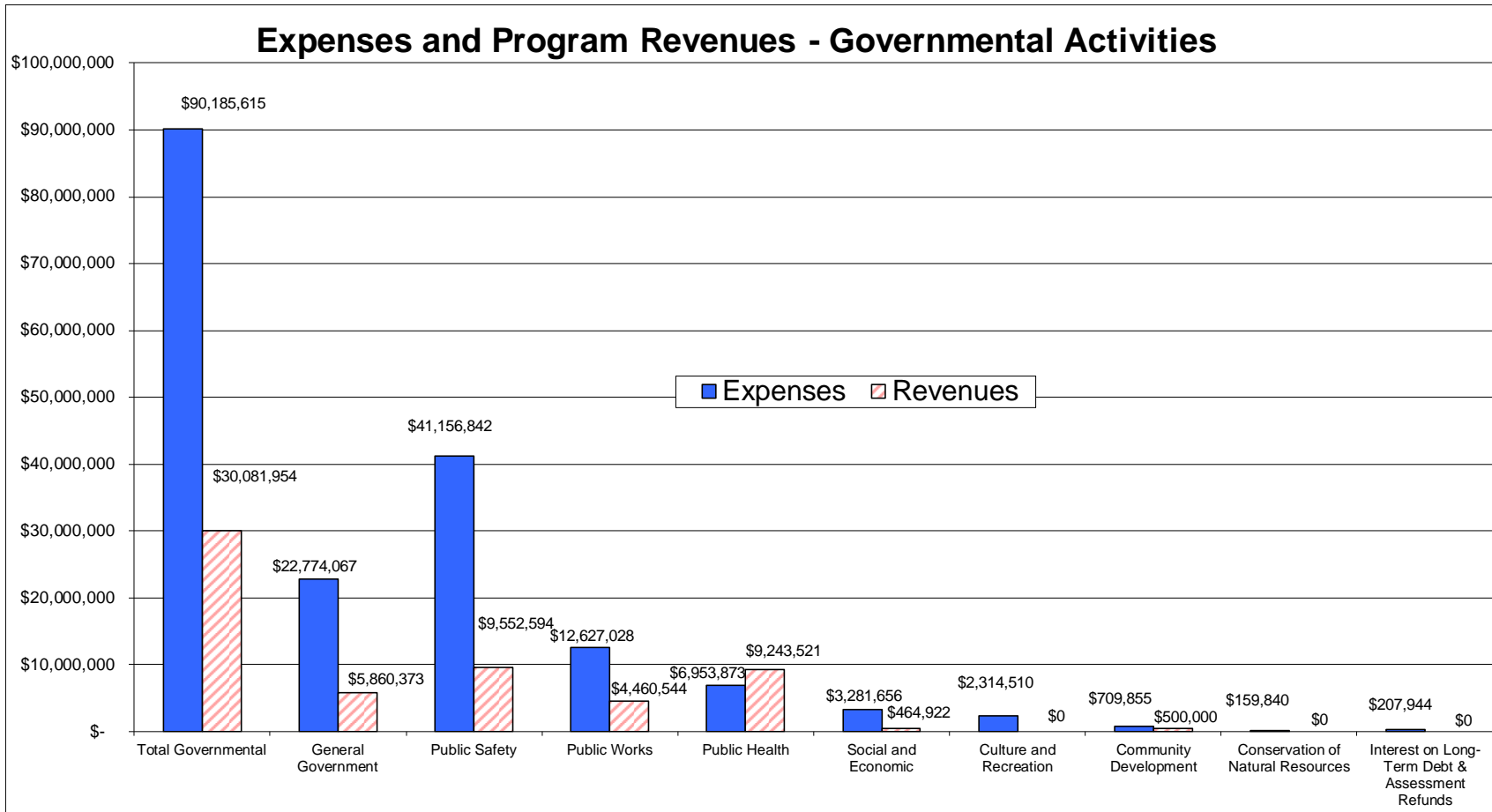
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Of the County's \$90.19 million in expenses for governmental activities, \$30.08 million (33.4%) was funded with program revenues. The balance of funding came from general revenues, which is primarily property tax revenue (54.7% of total revenues).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

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

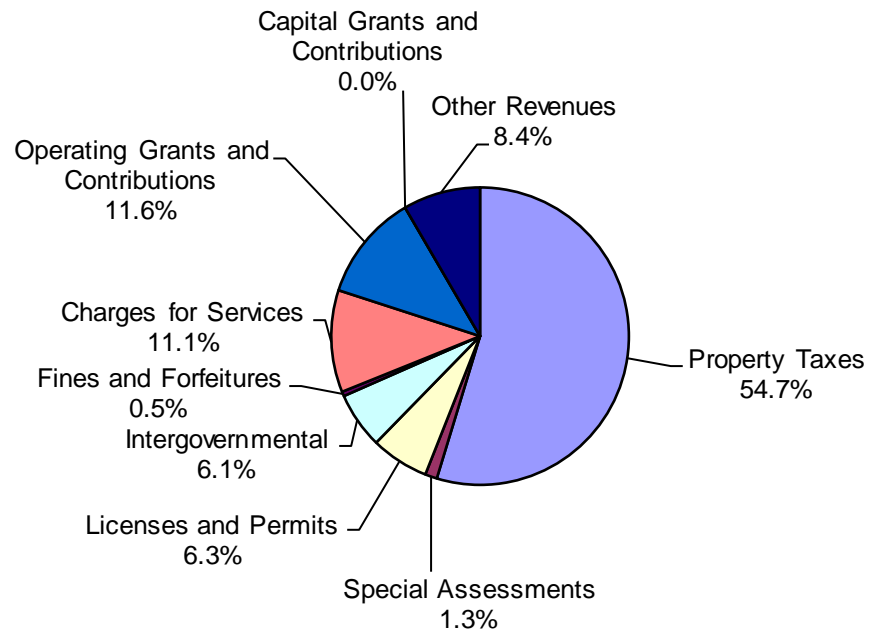
See the Statement of Activities on page 24 for additional detailed information regarding revenues and expenditures.

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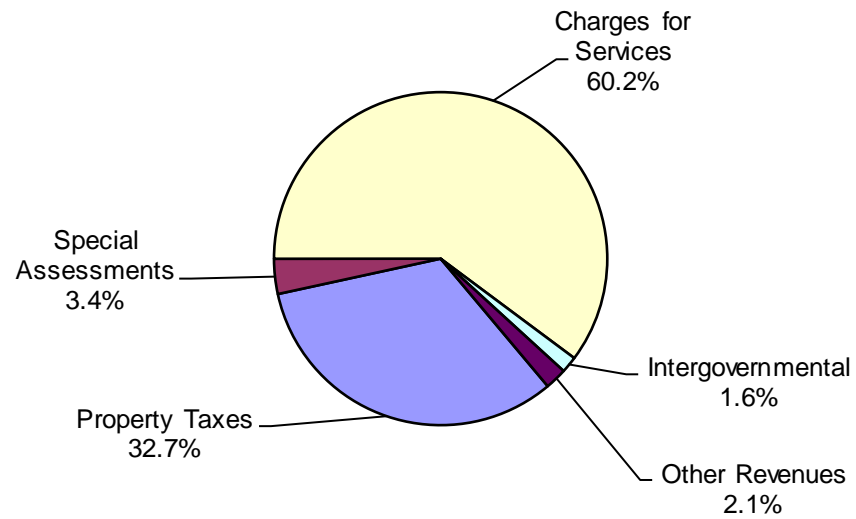
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Total Revenues by Source - Governmental Activities



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Total Revenues by Source - Business Type Activities



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Fund Financial Statement Analysis

Governmental funds.

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

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

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

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

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

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

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

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Proprietary funds.

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

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

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

Governmental Fund Budgetary Highlights.

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

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

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

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

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

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

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

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Capital Assets

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

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

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

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

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

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

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

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

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Long-term Liabilities

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

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

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

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

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

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

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

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

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Economic Factors and Next Year's Budget

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

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

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

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

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

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

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

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

Requests for Information

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

Yellowstone County Finance Director
P.O. Box 35003
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