PARK COUNTY, MONTANA

Fiscal Year Ended June 30, 2024

AUDIT REPORT

Denning, Downey & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

PARK COUNTY, MONTANA

Fiscal Year Ended June 30, 2024

TABLE OF CONTENTS

PARK COUNTY, MONTANA

Fiscal Year Ended June 30, 2024

TABLE OF CONTENTS – Continued

PARK COUNTY, MONTANA

ORGANIZATION

Fiscal Year Ended June 30, 2024

BOARD OF COUNTY COMMISSIONERS

Clint Tinsley	Commissioner
Mike Story	Commissioner
Bryan Wells	Commissioner

COUNTY OFFICIALS

Maritza Reddington	Clerk & Recorder
Chad Glenn	County Attorney
Lisa Rosberg	County Superintendent of Schools
Brad Bichler	County Sheriff
Clay Herbst	Justice of the Peace
Erica Strickland	Finance Director

Park County's management offers readers of the county's financial statements this narrative overview and analysis of its financial activities for the fiscal year ended June 30, 2024. Readers are encouraged to consider the information presented here, in conjunction with the basic financial statements.

FINANCIAL HIGHLIGHTS

- Net position for Park County was $45,514,027.

- The County's total net position increased 16.1% for this year's operations. Net position of governmental activities increased by $6,751,216 or 17.4%, while net position of business-type activities decreased by $424,890 or 94.8%.

- During the year, governmental revenues of $26,137,834 were $6,285,996 more than the $19,851,838 in expenses, before transfers out. The total cost of governmental activities (expenses) increased over the prior year by $708,711 or 3.7%.

- In the business-type activities before transfers in and out, revenues increased $125,775 or 7.3% and expenses increased $623,067 or 39.3%).

- The General Fund balance reported an increase this year of $2,747,414. For 2024, PILT (Payment in Lieu of Taxes) has been included as part of General Fund activities due to the unrestricted nature of the funds.

USING THIS AUDIT REPORT

This audit report consists of a series of financial statements. The government-wide financial statements provide information about the activities of the government as a whole and present a longer-term view of the county's finances. For governmental activities, fund statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the government's operations in more detail than the all-inclusive, government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which the government acts solely as a trustee or agent for the benefit of those outside of county government.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here is intended to serve as an introduction to Park County's basic financial statements. The county basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of Park County's finances in a manner similar to a private-sector business.

The Statement of Net Position and the Statement of Activities report information about the government as a whole. These statements include all assets and deferred outflows and liabilities and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

These two statements also report the net position and changes in them. Over time, increases or decreases in the county's net position are one indicator of its financial condition. The reader will need to consider other non-financial factors, such as changes in the property tax base and the condition of our capital assets, to assess overall health.

In the Statement of Net Position and the Statement of Activities, Park County's finances are divided into two categories:

Governmental activities: Basic services are reported here, including general government, public safety, public works, public health, social and economic services, conservation of natural resources, and culture and recreation. Property taxes and state and federal grants finance most of these activities.

Business-type activities: The County charges fees to customers to help it cover all or most of the cost of certain services it provides. Solid waste services are reported here.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Park County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, and to help it control and manage money for particular purposes. All of the county's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds: Basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps the reader to determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are described in reconciliations (pages 13 and 15).

Proprietary Funds: The County charges fees to customers for the services it provides – whether to outside customers or to other units of the government – and these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. The county has two enterprise funds, Landfill and Refuse, which deal with solid waste. Internal service funds (the other component of proprietary funds) report activities that provide supplies and services to other departments of the government. The county has no internal service funds.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds use the accrual basis of accounting. Fiduciary funds are *not* included in the government-wide financial statements because these assets are not available to finance Park County operations. The county is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE GOVERNMENT AS A WHOLE

Net position: Net position may serve over time as a useful indicator of a government's financial position. The following schedules provide summaries of changes in net position of the county's governmental and business-type activities.

Table 1 - Net Position

	Governmental Activities			Business-type Activities		
	FY24	FY23	Change Inc (Dec)	FY24	FY23	Change Inc (Dec)
Current and other assets	$ 20,829,462	$ 20,921,646	$ (92,184)	$ 192,962	$ 566,995	$ (374,033)
Capital assets	38,117,172	31,806,371	6,310,801	2,002,630	1,601,950	400,680
Total assets	$ 58,946,634	$ 52,728,017	$ 6,218,617	$ 2,195,592	$ 2,168,945	$ 26,647
Long-term debt outstanding	$ 10,323,544	$ 9,174,342	$ 1,149,202	$ 559,867	$ 458,465	$ 101,402
Other liabilities	3,132,244	4,814,045	(1,681,801)	1,612,544	1,262,409	350,135
Total liabilities	$ 13,455,788	$ 13,988,387	$ (532,599)	$ 2,172,411	$ 1,720,874	$ 451,537
Net investment in capital assets	$ 36,256,135	$ 29,945,294	$ 6,310,841	$ 2,002,630	$ 1,601,950	$ 400,680
Restricted	5,490,924	13,479,194	(7,988,270)	-	228,888	(228,888)
Unrestricted (deficit)	3,743,787	(4,684,858)	8,428,645	(1,979,449)	(1,382,767)	(596,682)
Total net position	$ 45,490,846	$ 38,739,630	$ 6,751,216	$ 23,181	$ 448,071	$ (424,890)

A large portion of the County's net position reflects its investment in capital assets (land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. We use these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the county's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position in the governmental and business-type activities, $5,490,924, represent resources that are subject to external restrictions on how they may be used.

At the end of the fiscal year, the County is able to report positive balances in all reported categories of net position, both for the government as a whole as well as for its business-type activities. Net position was $45,490,846 for the governmental activities and $23,181 for the business-type activities, for a total of $45,514,027.

The County's overall net position increased 16.1% or $6,326,326 from fiscal year 2023 to 2024. There was a 17.4% increase in net position in the governmental activities of $6,751,216, mostly due to capital asset increases and FEMA activity from the 2022 flooding, and the business-type activities saw a 94.8% decrease, or $424,890, again related to capital asset changes.

Table 2 - Changes in Net Position

	Governmental Activities			Business-type Activities		
	FY24	FY23	Change Inc (Dec)	FY24	FY23	Change Inc (Dec)
Revenues						
Program revenues (by major source):						
Charges for services	$ 1,422,500	$ 1,000,914	$ 421,586	$ 1,788,050	$ 1,674,313	$ 113,737
Operating grants and contributions	7,672,176	5,620,467	2,051,709	2,240	14,966	(12,726)
Capital grants and contributions	4,576,988	3,633,364	943,624	-	-	-
General revenues (by major source):						
Property taxes for general purposes	8,579,114	9,102,784	(523,670)	-	-	-
Licenses and permits	23,034	59,347	(36,313)	-	-	-
Video poker apportionment	7,108	-	7,108	-	-	-
Miscellaneous	240,111	90,541	149,570	14,567	6,621	7,946
Interest/investment earnings	470,656	361,295	109,361	21,978	17,680	4,298
Local option taxes	1,552,562	-	1,552,562	-	-	-
Unrestricted federal/state shared revenues	65,055	3,026,140	(2,961,085)	-	-	-
Montana oil and gas production tax	471,768	-	471,768	-	-	-
State entitlement	874,177	-	874,177	-	-	-
State contributions to retirement	134,768	-	134,768	12,520	-	12,520
Contributions & donations	47,817	-	47,817	-	-	-
Total revenues	$ 26,137,834	$ 22,894,852	$ 3,242,982	$ 1,839,355	$ 1,713,580	$ 125,775
Program expenses						
General government	$ 5,583,900	$ 4,569,516	$ 1,014,384	$ -	$ -	$ -
Public safety	6,223,205	5,859,223	363,982	-	-	-
Public works	3,364,688	4,468,232	(1,103,544)	-	-	-
Public health	1,281,425	1,157,058	124,367	-	-	-
Social and economic services	602,733	577,149	25,584	-	-	-
Culture and recreation	1,908,305	1,535,415	372,890	-	-	-
Housing and community development	132,283	201,812	(69,529)	-	-	-
Debt service - interest	163,433	49,444	113,989	-	-	-
Internal services	-	159,883	(159,883)	-	-	-
Miscellaneous	591,866	565,395	26,471	-	-	-
Landfill	-	-	-	411,912	30,429	381,483
Refuse Facility	-	-	-	1,796,775	1,555,191	241,584
Total expenses	$ 19,851,838	$ 19,143,127	$ 708,711	$ 2,208,687	$ 1,585,620	$ 623,067
Excess (deficiency) before special items and transfers	$ 6,285,996	$ 3,751,725	$ 2,534,271	$ (369,332)	$ 127,960	$ (497,292)
Gain (loss) on sale or deletion of capital assets	171,707	17,718	153,989	-	87,955	(87,955)
Transfers - net	55,558	52,307	3,251	(55,558)	(52,307)	(3,251)
Increase (decrease) in net position	$ 6,513,261	$ 3,821,750	$ 2,691,511	$ (424,890)	$ 163,608	$ (588,498)

FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the major (most significant) funds. To be reported as a major fund, a fund must meet each of the two following criteria. Governments may choose to report other governmental and enterprise funds as major funds, even though they do not meet this test. The General Fund is always reported as a major fund.

Total assets and deferred outflows and liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding element total for all funds of that category or type (that is, total governmental or total enterprise funds).

The same element that met the 10 percent criterion is at least 5 percent of the corresponding element total for all governmental and enterprise funds combined.

Governmental Funds

Park County has five governmental funds that are reported as major funds in fiscal year 2024. These are: General which includes Payment in Lieu of Taxes (PILT) in 2024, Road, Public Safety (Law Enforcement), and the General Capital Improvement funds.

- *General Fund and PILT combined:* This is the primary operating fund for Park County and includes the Commissioners, Justice of the Peace, Clerk and Recorder, Elections Administration, Auditor, Treasurer, County Attorney, Building Maintenance, Public Administrator, School Superintendent, Mail/copier Services, Juvenile Detention, Coroner, Sanitarian, Health Department, Extension, Public Works, Veteran Services, Mental Health Services, County Parks, Historical Research, Accounting, Grant Administration, Human Resources, Information Technology, and Geographic Information Systems.

Besides taxes and charges for services, General fund revenue sources include a Local Option Tax, which amounted to $1,127,876 in fiscal year 2024, an increase of 7.6% over fiscal year 2023. Revenues before transfers are $8,971,092 and expenditures are $6,393,082. Transfers in from Permissive Medical Levy, Road, Records Preservation and the Enterprise funds amounted to $551,066.

- *Road Fund:* In FY 2024, FEMA grants continued to cover the 2022 flood portions of which are running through the Road fund for road repair and bridge replacement. Additionally, the Road fund was approved for internal loans to bring its equipment to usable condition. The capital asset activity created a significant negative fund balance which will be reduced over the next few years. By the end of 2024, Revenues were $4,737,208 and expenditures were $5,409,406. The 1000-year flood in 2022 will continue to have an impact for the next couple of years. In the spring of 2023, there was another flood which damaged roads and bridges. Due to a change in accounting for leases through GASB 87, leases are now expensed in the first year with long term debt issued from the lessor. The Road has leased three graders with a total price of $552,583 excluding trade-ins so it reflects as a capital outlay expense and a long-term debt issued source of funds.

- *Public Safety:* The Public Safety fund accounts for activities for Law Enforcement: Sheriff's Office, detention center, civil clerk, concealed weapons licensing, and the community service program. Revenues for fiscal year 2024 before transfers in increased $59,307, or 2.9% over the prior year. Tax revenues were up $97,470 from 2023, or 5.6%. Transfers in from other funds decreased $255,179 or 19.3%. The largest share of transfers in, $550,000, was from PILT and decreased $444,000 from 2023.

Public Safety's expenses decreased by 3.0% or $104,886 due to cuts in vehicle purchases. The ending fund balance decreased $183,619 or (65.1%).

- *General Capital Improvement Fund:* This fund represents the amount awarded to the county from a 1999 lawsuit settlement plus interest. Use of this fund is committed by resolutions passed by the County Commissioners. Revenues consist of interest from investments and loan repayments. In 2024, a $207,200 loan was significantly paid down by the Fairgrounds and Parks fund to cover capital purchases and increased pay for staff. In 2024 the Museum fund received a loan to install solar panels with the savings to offset the repayments. The loan amount was $21,050. Other equipment purchases for Road and Refuse increased debt repayments from other funds.

Whereas earlier resolutions by the Board of County Commissioners restricted expenditures for only specific purposes, Resolution No. 1145, signed in November 2012, allowed interest from the BN fund to be expended on capital improvement projects. In fiscal year 2024, $81,526 was expended for a loan payment for a new building for Search and Rescue and a loan payment for Convict Grade Bridge for $57,539. The ending fund balance was $8,557,272, a decrease of $1,582 over the prior year.

Enterprise Funds

The county's waste disposal system has been in transition since 2012. The Park County Transfer Station no longer accepts refuse or recycling; all refuse activities have moved to the city of Livingston Transfer Station. In the fall of 2016 the Park County landfill was closed. All landfill jobs have been eliminated. The net position decrease for the refuse facility of $424,890 came from a change landfill rebalancing of post closure costs. The Solid Waste Board also recommended that the Refuse department self haul to Logan Landfill in Bozeman creating a significant savings and assisting the cash balance for the fund. The balance included capital asset and depreciation adjustments and noncash changes to pension plan information.

BUDGETARY HIGHLIGHTS

Original budget compared to final budget expenditures The Disaster/Emergency budget increased $206,000 for the repurposing of the Minimum Allocation Grant for Water & Sewer from the State of Montana. The Airport timing of the Gardiner repaving project occurred in the summer of 2023 for $603,000. There were other adjustments for increased costs due to weather, operating costs and additional revenues received and distributed.

Final budget compared to actual results. Other financing sources and uses include transfers in from and out to other funds. Actual revenues for the General Fund before other financing sources were 4.7% over budget. Other financing sources were 2.7% less than the final budget. Actual General fund tax revenues were $37,067 under budget; local option taxes, which are collected in the General fund, were 7.6% more than budgeted. Investment earnings went up in 2024.

General Fund actual budgetary expenditures were 98.95% of budgeted appropriations. The net change in the General Fund balance was a decrease of $417,327 due to increased wages.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: Park County's net investment in capital assets as of June 30, 2024 totaled $38,258,765. This investment includes land, construction in progress, buildings, infrastructure, machinery, and equipment. There were significant equipment purchases in the Road department, a new bridge to replace one destroyed in the 2022 flood, and a new runway at the Gardiner Airport contributed to the increase. See the notes to financial statements for changes in capital assets.

Long Term Debt: Debt Service Funds are used to account for the payment of interest and principal on long term bonded debt other than revenue bonds. Montana statutes specify that a single debt service fund be established for each general obligation bond, special assessment bond, judgment levy, and S.I.D. revolving.

State statute limits the amount of county indebtedness to 2.5 percent of the total assessed value of taxable property. The 2024 market value of property in the County was $6,087,668,572 and the statutory limit of county indebtedness was $152,191,714. As of June 30, 2024 Park County had at total of $1,861,037 in outstanding notes, of which $1,522,813 is long term. Other long-term liabilities include the other post-employment benefits $390,633, compensated absences $822,492, net pension liability $8,199,882, and closure/postclosure liability $1,518,352.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The 2023 taxable value of property in Park County, less the value of the Tax Increment Financing Districts, was used during fiscal year 2024 financial period of tax collections. The rate increased 37.2% from $66,820,084 in fiscal year 2023 to $91,664,988 in fiscal year 2024. The value of newly taxable property county-wide accounts for a portion of that increase. For the valuation cycle, January 1, 2024 through December 31, 2024, property is valued as of January 1, 2023. The Montana Department of Revenue is required by state law to conduct periodic reappraisals of property in the interest of equal taxation.

A Tax Increment Financing District (TIF) is a vehicle by which a targeted economic development district can set aside incremental increases in tax revenues above a base year for specific uses, generally allied to infrastructure. These increases in tax revenue are not available to other affected taxing bodies. There are 2 TIF's in Park County, both of which are within the City of Livingston. The downtown TIF expires in 2034, and the west end TIF expires in 2025 when the related infrastructure bonds are paid.

County general mills are split among the General, Bridge, Weed Control, Fair, Airport, District Court, Comprehensive Insurance, Law Enforcement, and Museum Funds at the commissioners' discretion, with certain restrictions. The increase in number of authorized mills for these aggregate mills went from 70.03 in fiscal year 2023 to 53.65 in fiscal year 2024. There is an inverse relationship between rapid rises in taxable values and the decline in mills due to revenue growth limitations. Calculations were done according to Montana Code Annotated, Title 15, Section 10, Part 420, which limits the growth in mills to one half the average of inflation over the prior 3 years and new construction. The commissioners levied the full amount authorized in fiscal year 2024.

Tax revenues for the county general mills were expected to increase 5.1%, from $4,679,405 in fiscal year 2023 to $4,917,827 that was budgeted in fiscal year 2024. The actual property tax revenue received was $4,893,760, or slightly under 100% of budget.

Payment in Lieu of Taxes (PILT) funds are received annually from the federal government in lieu of taxes on federal property within the county and continue to be a major source of operating funds. The majority of appropriations from PILT are transfers out to other funds in order to finance their operations, such as Law Enforcement, General, Road, Planning, and Fair funds. PILT is also used to pay for operating costs of motor pool maintenance, litigation expenses, commissioners' special projects, and certain Public Safety services such as support of the city/county dispatch. In fiscal year 2024 the county received $2,042,165 in PILT from the federal government, or a 13.4% increase. There were other revenues received for miscellaneous and interest in the amount of $112,510. Expenditures in 2024 were $1,973,136 or 22% less than the prior year. In 2024 PILT has been combined with the General Fund since the funds are not restricted.

The county's waste disposal system has been in transition since 2012. The Park County Transfer Station now accepts refuse; refuse activities changed in fiscal year 2024 to self-haul to Logan Landfill and some recycling continues at the city of Livingston Transfer Station instead of all activities running through the City of Livingston. In the fall of 2015 the Park County Solid Waste Board recommended and the Commissioners moved to close the landfill, pending DEQ approval. All landfill jobs have been eliminated. The landfill closure project was completed in 2016, and funds held in trust to cover the costs were released to the county to cover expenditures in 2023 and 2024. As part of the year end activities the post closure landfill has been rebalanced which appears as an additional liability going forward.

The county's Compensation Board recommended that elected officials a $0.25 per hour Cost of Living Adjustment. All positions paid under $20.00 per hour were evaluated and moved up to 95% of the position's mid-point wage. The Commission extended the $0.25 increase to all staff.

Grants financed a number of projects during the year, including some capital projects which will continue into subsequent fiscal years. Recurring grants are discussed as well.

- There is one FLAP project underway. The Old Yellowstone Trail South project is a corridor study to review safety and needs. The $235,000 project is ongoing with no financial activity in 2024. The 2022 flood of the Yellowstone River has impacted the project.

- FEMA, Federal Emergency Management Agency, declared the 2022 flood as a federal disaster enabling the county to receive disaster assistance. In 2024, the county received $3,387,521 in assistance from FEMA and the state Disaster and Emergency Services. The largest project is the replacement of the Carbella Bridge in Paradise Valley.
- FEMA also approved the 2023 Shields River flood as a federal disaster area. In 2024, work began and received $5,321 in funding.
- Another FEMA project for floodplain permits ran through the Planning Department, and the county was reimbursed $20,725.
- Park County received a DNRC Channel Migration Zone grant to review the Yellowstone flow after the 2022 flood. The county received $35,061 for the study.
- The Federal government awarded Park County $3,234,521 in American Rescue Plan Act of 2021 which must be obligated by 2024. In 2024, the county used $804,473 of ARPA funds for internal and pass through grants for COVID and to support the local economy.
- The county received LATCF funding which has been almost completed. In 2024, $1,528,682 was spent from the award.
- The state also provided for Minimum Allocation grants to wastewater projects through their ARPA allocation, of which $642,839 was used for Cooke City Sewer, Wilsall Water and Fair Water Infrastructure.
- The Sheriff's Department has one active COPS grant to assist in hiring additional deputies. Each grant provides $125,000 over three years to defray the personnel cost. The COPS grant funded $5,645 for 2024 expenditures which closes out the grant.
- There are multiple on-going grants which help fund the Health Department annually. In 2024, $435,725 in state and federal grants funded Maternal Child Health, Public Health Preparedness, Immunization, Asthma, Tobacco and Women, Infant and Child programs, and a Pathways to Accreditation grant. This includes additional Funds made available for COVID-19 through Public Health Preparedness and Immunization.
- The federal government awarded grants through its Homeland Security programs. A couple of IT cyber security grants covered $36,916 in costs.
- The Victim Witness position program grant received $60,891 in 2024.
- The Disaster and Emergency Services position receives partial funding annually. In 2024, the DES position and program received $41,250.
- The state 911 continued a cyber security grant in 2024 which reimbursed $9,388 to cover a 5 year support agreement.
- The Noxious Weed program grants received a total of $82,430 for noxious weed mitigation in various parts of Park County.
- The Gardiner Airport received a state grant grants for runway rehabilitation totaling $724,078. The Livingston Mission Field airport in Livingston finished out its taxilane project for $50,510.
- The MT Board of Crime Control partially funded the Missouri River Drug Task Force position in the Sheriff's Office in the amount of $37,761.
- The Park County Transit program for Windrider public buses received a total of $262,213 for multiple grants in support of bus operations, training, and equipment purchases.
- There was a Southwest Juvenile Detention grant for $8,644. Angel Line also received grant funds in the amount of $3,300 in 2024.

- In recent years, there has been an increased focus on behavioral health. As a result, Park County has multiple grants totaling $252,843 addressing flood crisis, peer support, crisis coalition in the community and juvenile Communities that Care.
- There was a pass through economic development grant for Glassybaby LLC in the amount of $10,000.
- The state Montana Coal Endowment Program supported rebuilding three Cooke City Bridges and paid 50% of the cost at $486,406.
- Ongoing, the Junk Vehicle received $41,811 for county services. The Sheriff's Office finished a RAC grant for $3,357.
- There are some ongoing bridge projects with $52,759 for the West Boulder Bridge on Swingley Road,$20,737 for the Rock Creek Bridge on Hammond Road, and $21,476 for the Horse Creek Bridge.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Park 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 financial information should be addressed to the Park County Finance Office, 414 E. Callender Street, Livingston, MT 59047.

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Park County
Livingston, Montana

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

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

Basis for Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibility under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Park County, Montana, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle
As described in Note 1 to the financial statements, in 2024, the County adopted new accounting guidance, GASB No. 100 Accounting Changes and Error Corrections is effective for years beginning after June 15, 2023, and all reporting periods thereafter. Our opinion is not modified with respect to this matter.

As described in Note 1 to the financial statements, in 2024, the County changed its method of reporting the Payment in Lieu of Taxes (PILT), Local Assistance and Tribal Consistency Fund (LATCF), and American Rescue Plan Act (ARPA) funds. In prior years, these funds were reported as separate governmental funds. In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the PILT, LATCF, and ARPA funds are now combined with the County's General Fund. Our opinion is not modified with respect to this matter.

Emphasis of Matter – Road Fund Deficit
As described in Note 1 to the financial statements, the Road Fund reported a deficit fund balance of $1,958,638 at the end of the fiscal year. This deficit resulted from expenditures exceeding available funding in both the prior and current fiscal years, requiring loans from other funds to cover the shortfall. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Park County, Montana's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Park County, Montana's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, Budgetary Comparison Information, Schedule of Changes in the Total OPEB Liability and Related Ratios, Schedules of Proportionate Share of the Net Pension Liability and the Schedule of Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical content. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Park County, Montana's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, The Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report April 17, 2025, on our consideration of the Park County, Montana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws regulations contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Park County, Montana's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Park County, Montana's internal control over financial reporting and compliance.

Denning, Downey and Associates, CPA's, P.C.

April 17, 2025

Park County, Montana
Statement of Net Position
June 30, 2024

		Governmental Activities		Business-type Activities		Total
ASSETS						
Current assets:						
Cash and investments	$	14,650,158	$	1,440,969	$	16,091,127
Taxes and assessments receivable, net		303,041		126,820		429,861
Internal balances		1,479,432		(1,479,432)		-
Accounts receivable - net		40,322		-		40,322
Due from other governments		1,485,718		972		1,486,690
Prepaid expenses		64,911		-		64,911
Inventories		132,673		-		132,673
Total current assets	$	18,156,255	$	89,329	$	18,245,584
Noncurrent assets						
Notes and loans receivable	$	221,661	$	-	$	221,661
Leases receivable		288,784		-		288,784
Capital assets - land		621,205		52,528		673,733
Capital assets - construction in progress		4,959,232		-		4,959,232
Capital assets - depreciable, net		32,536,735		1,950,102		34,486,837
Total noncurrent assets	$	38,627,617	$	2,002,630	$	40,630,247
Total assets	$	56,783,872	$	2,091,959	$	58,875,831
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows of resources - pensions	$	2,122,988	$	100,799	$	2,223,787
Deferred outflows of resources - OPEB		39,774		2,834		42,608
Total deferred outflows of resources	$	2,162,762	$	103,633	$	2,266,395
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$	58,946,634	$	2,195,592	$	61,142,226
LIABILITIES						
Current liabilities						
Warrants payable	$	1,545,338	$	-	$	1,545,338
Accounts payable		19,837		7,261		27,098
Accrued payables		3,736		-		3,736
Accrued payroll		229,841		35,962		265,803
Revenues collected in advance		347,098		-		347,098
Current portion of long-term capital liabilities		338,224		-		338,224
Current portion of compensated absences payable		547,993		23,259		571,252
Total current liabilities	$	3,032,067	$	66,482	$	3,098,549
Noncurrent liabilities						
Landfill closure postclosure liability	$	-	$	1,518,352	$	1,518,352
Other post-employment benefit liability		364,649		25,984		390,633
Noncurrent portion of long-term capital liabilities		1,522,813		-		1,522,813
Noncurrent portion of compensated absences		196,178		55,062		251,240
Net pension liability		7,718,336		481,546		8,199,882
Total noncurrent liabilities	$	9,801,976	$	2,080,944	$	11,882,920
Total liabilities	$	12,834,043	$	2,147,426	$	14,981,469
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources - leases	$	288,784	$	-	$	288,784
Deferred inflows of resources - pensions		223,349		17,175		240,524
Deferred inflows of resources - OPEB		109,612		7,810		117,422
Total deferred inflows of resources	$	621,745	$	24,985	$	646,730
NET POSITION						
Net investment in capital assets	$	36,256,135	$	2,002,630	$	38,258,765
Restricted for special projects		5,490,924		-		5,490,924
Unrestricted		3,743,787		(1,979,449)		1,764,338
Total net position	$	45,490,846	$	23,181	$	45,514,027
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$	58,946,634	$	2,195,592	$	61,142,226

See accompanying Notes to the Financial Statements

Park County, Montana
Statement of Activities
For the Fiscal Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position – Primary Government: Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	$ 5,583,900	$ 618,050	$ 1,462,051	$ -	$ (3,503,799)	$ -	$ (3,503,799)
Public safety	6,223,205	305,545	1,361,959	-	(4,555,701)	-	(4,555,701)
Public works	3,364,688	188,196	3,781,668	4,072,162	4,677,338	-	4,677,338
Public health	1,281,425	147,681	587,890	-	(545,854)	-	(545,854)
Social and economic services	602,733	1,098	275,513	-	(326,122)	-	(326,122)
Culture and recreation	1,908,305	139,166	203,095	504,826	(1,061,218)	-	(1,061,218)
Housing and community development	132,283	22,764	-	-	(109,519)	-	(109,519)
Debt service - interest	163,433	-	-	-	(163,433)	-	(163,433)
Miscellaneous	591,866	-	-	-	(591,866)	-	(591,866)
Total governmental activities	$ 19,851,838	$ 1,422,500	$ 7,672,176	$ 4,576,988	$ (6,180,174)	$ -	$ (6,180,174)
Business-type activities:							
Landfill	$ 411,912	$ -	$ -	$ -	$ -	(411,912)	(411,912)
Refuse Facility	1,796,775	1,788,050	2,240	-	-	(6,485)	(6,485)
Total business-type activities	$ 2,208,687	$ 1,788,050	$ 2,240	$ -	$ -	$ (418,397)	$ (418,397)
Total primary government	$ 22,060,525	$ 3,210,550	$ 7,674,416	$ 4,576,988	$ (6,180,174)	$ (418,397)	$ (6,598,571)

	Governmental Activities	Business-type Activities	Total
General Revenues:			
Property taxes for general purposes	$ 8,579,114	$ -	$ 8,579,114
Licenses and permits	23,034	-	23,034
Video poker apportionment	7,108	-	7,108
Miscellaneous	240,111	14,567	254,678
Interest/investment earnings	470,656	21,978	492,634
Local option taxes	1,552,562	-	1,552,562
Unrestricted federal/state shared revenues	65,055	-	65,055
Montana oil and gas production tax	471,768	-	471,768
State entitlement	874,177	-	874,177
State contributions to retirement	134,768	12,520	147,288
Contributions & donations	47,817	-	47,817
Gain (loss) on sale or deletion of capital assets	171,707	-	171,707
Transfers - net	55,558	(55,558)	-
Total general revenues, special items and transfers	$ 12,693,435	$ (6,493)	$ 12,686,942
Change in net position	$ 6,513,261	$ (424,890)	$ 6,088,371
Net position - beginning	$ 38,739,630	$ 448,071	$ 39,187,701
Restatements	237,955	-	237,955
Net position - beginning - restated	$ 38,977,585	$ 448,071	$ 39,425,656
Net position - end	$ 45,490,846	$ 23,181	$ 45,514,027

See accompanying Notes to the Financial Statements

Park County, Montana
Balance Sheet
Governmental Funds
June 30, 2024

	General	Road	Public Safety	General Capital Improvements	Other Governmental Funds	Total Governmental Funds
ASSETS						
Current assets:						
Cash and investments	$ 4,273,161	$ -	$ 165,618	$ 6,398,909	$ 3,812,470	$ 14,650,158
Taxes and assessments receivable, net	50,403	20,928	62,480	-	169,230	303,041
Accounts receivable - net	-	-	-	770	39,552	40,322
Due from other funds	1,088,966	-	-	-	-	1,088,966
Due from other governments	126,295	1,008,304	4,038	-	347,081	1,485,718
Prepaid expenses	16,600	-	-	-	48,311	64,911
Inventories	-	11,677	-	-	120,996	132,673
Total current assets	$ 5,555,425	$ 1,040,909	$ 232,136	$ 6,399,679	$ 4,537,640	$ 17,765,789
Noncurrent assets:						
Advances to other funds	$ -	$ -	$ -	$ 2,157,593	$ 1,271,381	$ 3,428,974
Notes and loans receivable	-	-	-	-	221,661	221,661
Leases receivable	9,598	-	-	-	279,186	288,784
Total noncurrent assets	$ 9,598	$ -	$ -	$ 2,157,593	$ 1,772,228	$ 3,939,419
TOTAL ASSETS	$ 5,565,023	$ 1,040,909	$ 232,136	$ 8,557,272	$ 6,309,868	$ 21,705,208
LIABILITIES						
Current liabilities:						
Warrants payable	$ 1,545,338	$ -	$ -	$ -	$ -	$ 1,545,338
Accounts payable	15,710	700	1,360	-	2,067	19,837
Accrued payables	3,736	-	-	-	-	3,736
Accrued payroll	92,290	17,129	69,797	-	50,625	229,841
Due to other funds	-	689,641	-	-	39,918	729,559
Revenues collected in advance	1,600	-	-	-	345,498	347,098
Total current liabilities	$ 1,658,674	$ 707,470	$ 71,157	$ -	$ 438,108	$ 2,875,409
Noncurrent liabilities:						
Advances payable	$ -	$ 2,271,149	$ -	$ -	$ 37,800	$ 2,308,949
Total noncurrent liabilities	$ -	$ 2,271,149	$ -	$ -	$ 37,800	$ 2,308,949
Total liabilities	$ 1,658,674	$ 2,978,619	$ 71,157	$ -	$ 475,908	$ 5,184,358
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources - taxes and assessments	$ 50,403	$ 20,928	$ 62,480	$ -	$ 169,230	$ 303,041
Deferred inflows of resources - leases	9,598	-	-	-	279,186	288,784
Total deferred inflows of resources	$ 60,001	$ 20,928	$ 62,480	$ -	$ 448,416	$ 591,825
FUND BALANCES						
Nonspendable	$ 16,600	$ 11,677	$ -	$ 2,157,593	$ 1,440,688	$ 3,626,558
Restricted	-	-	98,499	-	3,730,010	3,828,509
Committed	-	-	-	6,399,679	231,046	6,630,725
Unassigned fund balance	3,829,748	(1,970,315)	-	-	(16,200)	1,843,233
Total fund balance	$ 3,846,348	$ (1,958,638)	$ 98,499	$ 8,557,272	$ 5,385,544	$ 15,929,025
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 5,565,023	$ 1,040,909	$ 232,136	$ 8,557,272	$ 6,309,868	$ 21,705,208

See accompanying Notes to the Financial Statements

Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position
June 30, 2024

Total fund balances - governmental funds	$	15,929,025
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		38,117,172
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.		303,041
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(2,605,208)
Net pension and other post-employment benefit liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(8,082,985)
The changes between actuarial assumptions, differences in expected vs actual pension experiences, changes in proportionate share allocation, and current year retirement contributions as they relate to the net pension liability are a deferred outflow of resources and are not payable in current period, therefore are not reported in the funds.		2,122,988
The changes between actuarial assumptions, differences in projected vs actual investment earnings, and changes in proportionate share allocation as they relate to the net pension liability are a deferred inflows of resources and are not available to pay for current expenditures, there for are not reported in the funds.		(223,349)
The changes between actuarial assumptions and differences in projected vs actual liability as they relate to the total other post-employment benefits liability are a deferred outflows of resources and are not payable in the current period, therefore are not reported in the funds.		39,774
The changes between actuarial assumptions and differences in projected vs actual liability as they relate to the total other post-employment beneits liability are a deferred inflows of resources and are not available to pay for current expenditures, therefore are not reported in the funds.		(109,612)
Total net position - governmental activities	$	45,490,846

See accompanying Notes to the Financial Statements

Park County, Montana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2024

	General	Road	Public Safety	General Capital Improvements	Disaster	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes and assessments	$ 2,582,741	$ 614,739	$ 1,848,952	$ -	$ -	$ 5,067,795	$ 10,114,227
Licenses and permits	73,528	3,450	11,480	-	-	2,804	91,262
Intergovernmental	5,463,423	4,055,327	150,814	-	-	4,272,297	13,941,861
Charges for services	509,488	654	91,000	-	-	265,809	866,951
Fines and forfeitures	114,798	-	-	-	-	12,221	127,019
Miscellaneous	97,543	63,038	12,001	-	-	297,561	470,143
Investment earnings	129,571	-	-	137,483	-	203,602	470,656
Total revenues	$ 8,971,092	$ 4,737,208	$ 2,114,247	$ 137,483	$ -	$ 10,122,089	$ 26,082,119
EXPENDITURES							
General government	$ 3,886,626	$ -	$ -	$ -	$ -	$ 790,518	$ 4,677,144
Public safety	832,160	-	3,129,754	-	-	1,628,783	5,590,697
Public works	149,809	1,516,934	-	-	-	737,671	2,404,414
Public health	491,528	-	-	-	-	775,637	1,267,165
Social and economic services	170,874	-	-	-	-	392,953	563,827
Culture and recreation	145,914	-	-	-	-	1,633,892	1,779,806
Housing and community development	31,500	-	-	-	-	100,783	132,283
Debt service - principal	71,516	156,081	42,296	-	-	197,040	466,933
Debt service - interest	6,471	106,837	3,544	-	-	46,581	163,433
Miscellaneous	-	-	-	-	-	591,866	591,866
Capital outlay	606,654	3,629,554	168,617	-	-	3,414,626	7,819,451
Total expenditures	$ 6,393,052	$ 5,409,406	$ 3,344,211	$ -	$ -	$ 10,310,350	$ 25,457,019
Excess (deficiency) of revenues over expenditures	$ 2,578,040	$ (672,198)	$ (1,229,964)	$ 137,483	$ -	$ (188,261)	$ 625,100
OTHER FINANCING SOURCES (USES)							
Proceeds from the sale of general capital asset disposition	$ -	$ 133,973	$ 36,356	$ -	$ -	$ 18,932	$ 189,261
Transfers in	551,066	983,206	1,067,989	-	-	2,266,642	4,868,903
Transfers out	(2,144,690)	(1,206,780)	(58,000)	(139,065)	-	(1,264,810)	(4,813,345)
Total other financing sources (uses)	$ (1,593,624)	$ (89,601)	$ 1,046,345	$ (139,065)	$ -	$ 1,020,764	$ 244,819
Net Change in Fund Balance	$ 984,416	$ (761,799)	$ (183,619)	$ (1,582)	$ -	$ 832,503	$ 869,919
Fund balances - beginning	$ 1,098,934	$ (1,196,839)	$ 282,118	$ 8,558,854	$ 136,047	$ 5,940,901	$ 14,820,015
Restatements	1,762,998	-	-	-	(136,047)	(1,387,860)	239,091
Fund balances - beginning, restated	$ 2,861,932	$ (1,196,839)	$ 282,118	$ 8,558,854	$ -	$ 4,553,041	$ 15,059,106
Fund balance - ending	$ 3,846,348	$ (1,958,638)	$ 98,499	$ 8,557,272	$ -	$ 5,385,544	$ 15,929,025

See accompanying Notes to the Financial Statements

Park County, Montana
Reconciliation of the Statement of Revenues, Expenditures.
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2024

Amounts reported for *governmental activities* in the statement of activities are different because:

Net change in fund balances - total governmental funds	$	869,919
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
- Capital assets purchased		7,819,451
- Depreciation expense		(1,956,853)
In the Statement of Activities, the loss or gain on the sale or disposal of capital assets is recognized. The fund financial statements recognize only the proceeds from the sale of these assets:		
- Proceeds from the sale of capital assets		(189,261)
- Gain on the sale of capital assets		171,707
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
- Long-term receivables (deferred inflows)		17,449
The change in compensated absences is shown as an expense in the Statement of Activities		(36,860)
Repayment of debt principal is an expenditures in the governmental funds, but the repayment reduces long-term debt in the Statement of Net Position:		
- Long-term debt principal payments		466,933
Termination benefits are shown as an expense in the Statement of Activities and not reported on the Statement of Revenues, Expenditures and Changes in Fund Balance:		
- Post-employment benefits other than retirement liability		173,891
Pension expense related to the net pension liablity is shown as an expense on the Statement of Activities and not reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance		(1,487,476)
State aid revenue related to net pension liability is shown as a revenue on the Statement of Activities and not reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance		38,266
Current year contributions to retirement benefits are shown as deferred outflows of resources on the Statement of Net Position and shown as expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balance when paid.		626,095
Change in net position - Statement of Activities	$	6,513,261

See accompanying Notes to the Financial Statements

Park County, Montana
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities - Enterprise Funds		
	Landfill	**Refuse Facility**	**Totals**
ASSETS			
Current assets:			
Cash and investments	$ 1,440,969	$ -	$ 1,440,969
Taxes and assessments receivable, net	-	126,820	126,820
Due from other governments	-	972	972
Total current assets	$ 1,440,969	$ 127,792	$ 1,568,761
Noncurrent assets:			
Capital assets - land	$ -	$ 52,528	$ 52,528
Capital assets - depreciable, net	-	1,950,102	1,950,102
Total noncurrent assets	$ -	$ 2,002,630	$ 2,002,630
Total assets	$ 1,440,969	$ 2,130,422	$ 3,571,391
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pensions	$ -	$ 100,799	$ 100,799
Deferred outflows of resources - OPEB	-	2,834	2,834
Total deferred outflows of resources	$ -	$ 103,633	$ 103,633
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,440,969	$ 2,234,055	$ 3,675,024
LIABILITIES			
Current liabilities:			
Accounts payable	$ -	$ 7,261	$ 7,261
Accrued payroll	-	35,962	35,962
Due to other funds	130,638	228,769	359,407
Current portion of compensated absences payable	-	23,259	23,259
Total current liabilities	$ 130,638	$ 295,251	$ 425,889
Noncurrent liabilities:			
Advances payable	$ -	$ 1,120,025	$ 1,120,025
Landfill closure postclosure liability	1,518,352	-	1,518,352
Other post-employment benefit liability	-	25,984	25,984
Noncurrent portion of compensated absences	-	55,062	55,062
Net pension liability	-	481,546	481,546
Total noncurrent liabilities	$ 1,518,352	$ 1,682,617	$ 3,200,969
Total liabilities	$ 1,648,990	$ 1,977,868	$ 3,626,858
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pensions	$ -	$ 17,175	$ 17,175
Deferred inflows of resources - OPEB	-	7,810	7,810
Total deferred inflows of resources	$ -	$ 24,985	$ 24,985
NET POSITION			
Net investment in capital assets	$ -	$ 2,002,630	$ 2,002,630
Unrestricted	(208,021)	(1,771,428)	(1,979,449)
Total net position	$ (208,021)	$ 231,202	$ 23,181
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSTION	$ 1,440,969	$ 2,234,055	$ 3,675,024

See accompanying Notes to the Financial Statements

Park County, Montana
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds		
	Landfill	**Refuse Facility**	**Totals**
OPERATING REVENUES			
Charges for services	$ -	$ 20,779	$ 20,779
Miscellaneous revenues	-	14,567	14,567
Special assessments	-	1,767,271	1,767,271
Total operating revenues	$ -	$ 1,802,617	$ 1,802,617
OPERATING EXPENSES			
Personal services	$ -	$ 743,840	$ 743,840
Supplies	-	146,305	146,305
Purchased services	2,407	634,224	636,631
Building materials	29,513	-	29,513
Fixed charges	379,992	78,870	458,862
Depreciation	-	161,252	161,252
Total operating expenses	$ 411,912	$ 1,764,491	$ 2,176,403
Operating income (loss)	$ (411,912)	$ 38,126	$ (373,786)
NON-OPERATING REVENUES (EXPENSES)			
Intergovernmental revenue	$ -	$ 14,760	$ 14,760
Interest revenue	21,978	-	21,978
Debt service interest expense	-	(32,284)	(32,284)
Total non-operating revenues (expenses)	$ 21,978	$ (17,524)	$ 4,454
Income (loss) before contributions and transfers	$ (389,934)	$ 20,602	$ (369,332)
Transfers out	-	(55,558)	(55,558)
Change in net position	$ (389,934)	$ (34,956)	$ (424,890)
Net Position - Beginning of the year	$ 181,913	$ 266,158	$ 448,071
Net Position - End of the year	$ (208,021)	$ 231,202	$ 23,181

See accompanying Notes to the Financial Statements

Park County, Montana
Combined Statement of Cash Flows
All Proprietary Fund Types
Fiscal Year Ended June 30, 2024

	Business - Type Activities		
	Landfill	**Refuse Facility**	**Totals**
Cash flows from operating activities:			
Cash received from providing services	$ -	$ 20,779	$ 20,779
Cash received from special assessments	-	1,777,333	1,777,333
Cash received from miscellaneous sources	-	14,567	14,567
Cash payments to suppliers	(29,513)	(146,305)	(175,818)
Cash payments for professional services	(54,151)	(705,833)	(759,984)
Cash payments to employees	-	(634,886)	(634,886)
Net cash provided (used) by operating activities	$ (83,664)	$ 325,655	$ 241,991
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	$ -	$ (561,932)	$ (561,932)
Interest paid on debt	-	(32,284)	(32,284)
Proceeds from bonds, loans and advances	-	1,120,025	1,120,025
Net cash provided (used) by capital and related financing activities	$ -	$ 525,809	$ 525,809
Cash flows from non-capital financing activities:			
Cash received from other governments	$ -	$ 7,820	$ 7,820
Cash transfers to other funds	$ 92,888	$ (920,432)	$ (827,544)
Net cash provided (used) from non-capital financing activities	$ 92,888	$ (912,612)	$ (819,724)
Cash flows from investing activities:			
Interest on investments	$ 21,978	$ -	$ 21,978
Net cash provided (used) by investing activities	$ 21,978	$ -	$ 21,978
Net increase (decrease) in cash and cash equivalents	$ 31,202	$ (61,148)	$ (29,946)
Cash and cash equivalents at beginning	1,409,767	61,148	1,470,915
Cash and cash equivalents at end	$ 1,440,969	$ -	$ 1,440,969
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (411,912)	$ 38,126	$ (373,786)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	-	161,252	161,252
Landfill closure/postclosure	328,248	-	328,248
Net Pension Liability	-	82,194	82,194
Other post-employment benefits	-	(11,473)	(11,473)
Changes in assets and liabilities:			
Special assessments	-	10,062	10,062
Accounts payable	-	7,261	7,261
Compensated absences	-	2,271	2,271
Accrued wages	-	35,962	35,962
Net cash provided (used) by operating activities	$ (83,664)	$ 325,655	$ 241,991

See accompanying notes to the financial statements

Park County, Montana
Statement of Net Position
Fiduciary Funds
June 30, 2024

	Custodial Funds	
	Custodial Funds	External Investment Pool Fund
ASSETS		
Cash and short-term investments	$ 117,262	$ 5,613,886
Taxes receivable	807,893	-
Total receivables	807,893	-
TOTAL ASSETS	$ 925,155	$ 5,613,886
LIABILITIES		
Due to others	$ 1,988,678	$ -
Total liabilities	$ 1,988,678	$ -
NET POSITION		
Restricted for:		
Pool participants	$ -	$ 5,613,886
Individuals, organizations, and other governments	(1,063,523)	-
Total net position	$ (1,063,523)	$ 5,613,886
TOTAL LIABILITIES AND NET POSTION	$ 925,155	$ 5,613,886

See accompanying Notes to the Financial Statements

Park County, Montana
Statement of Changes in Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2024

	Custodial Funds	
	Custodial Funds	**External Investment Pool Fund**
ADDITIONS		
Contributions:		
Contributions to external investment pool	$ -	$ 7,939,932
Interest and change in fair value of investments	-	302,266
Taxes, licenses, and fees collected for other govenments	21,585,269	-
Property taxes collected for school districts	9,790,100	-
Intergovernmental grants and entitlements collected for school districts	15,575,794	-
Total additions	$ 46,951,163	$ 8,242,198
DEDUCTIONS		
Distributions from external investment pool	$ -	$ 7,868,161
Taxes, licenses, and fees distributed to other govenments	22,193,265	-
School district claims and payroll expense	15,588,735	-
Distributions to school districts	11,500,639	-
Investment pool distribution - net	374,037	-
Total deductions	$ 49,656,676	$ 7,868,161
Change in net position	$ (2,705,513)	$ 374,037
Net Position - Beginning of the year	$ 6,881,839	$ 5,239,849
Restatements	(5,239,849)	-
Net Position - Beginning of the year - Restated	$ 1,641,990	$ 5,239,849
Net Position - End of the year	$ (1,063,523)	$ 5,613,886

See accompanying Notes to the Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

New Accounting Pronouncements

GASB No. 100 Accounting Changes and Error Corrections is effective for years beginning after June 15, 2023, and all reporting periods thereafter. This statement's primary objective is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. The County has implemented this pronouncement in the current fiscal year.

Change in Accounting Principle

Beginning in fiscal year 2024, the County implemented the reporting requirements of GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions.* The objective of this statement was to clarify the reporting of governmental fund balance classifications and governmental fund type definitions. The County PILT, Local Assistance and Tribal Consistency (LATCF), and American Rescue Plan Act (ARPA) Funds was combined with General Fund for reporting purposes as GASB No. 54 states the general fund should be the only fund that reports a positive unassigned fund balance. The beginning fund balances of the General Fund and PILT fund were restated for this change.

Road Fund Deficit Fund Balance

At fiscal year-end, the Road Fund reported a deficit fund balance of $1,958,638. The deficit is primarily the result of expenditures exceeding available resources, including significant capital outlays for large equipment purchases that caused the fund's cash balance to become negative. To address the cash shortfall, the Road Fund received long-term interfund loans from other County funds. As of year-end, the outstanding interfund loan balance is $2,271,149. The County is actively working to address the deficit through a combination of budget reductions and planned equipment sales. These corrective actions are expected to help restore the fund to a positive financial position in future fiscal years.

Financial Reporting Entity

In determining the financial reporting entity, the County complies with the provisions of GASB statement No. 14, *The Financial Reporting Entity*, as amended by GASB statement No. 61, *The Financial Reporting Entity: Omnibus,* and includes all component units of which the County appointed a voting majority of the component unit's board; the County is either able to impose its will on the unit or a financial benefit or burden relationship exists. In addition, the County complies with GASB statement No. 39 *Determining Whether Certain Organizations Are Component Units* which relates to organizations that raise and hold economic resources for the direct benefit of the County.

Primary Government

The County is a political subdivision of the State of Montana governed by an elected Commissioners duly elected by the registered voters of the County. The County utilizes the commission form of government. The County is considered a primary government because it is a general-purpose local government. Further, it meets the following criteria; (a) it has a separately elected governing body (b) it is legally separate and (c) it is fiscally independent from the State and other local governments.

Basis of Presentation, Measurement Focus and Basis of Accounting

<u>Government-wide Financial Statements:</u>

Basis of Presentation
The Government-wide Financial Statements (the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole and its component units. They include all funds of the County except fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Eliminations have been made in the consolidation of business-type activities.

The Statement of Net Position presents the financial condition of the governmental and business-type activities for the County at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function. The County does not charge indirect expenses to programs or functions. The types of transactions reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, 2) operating grants and contributions, and 3) capital grants and contributions. Revenues that are not classified as program revenues, including all property taxes, are presented as general revenues.

Certain eliminations have been made as prescribed by GASB 34 in regards to inter-fund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Measurement Focus and Basis of Accounting

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred regardless of the timing of the cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The County generally applies restricted resources to expenses incurred before using unrestricted resources when both restricted and unrestricted net position are available.

Fund Financial Statements

Basis of Presentation

Fund financial statements of the reporting County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Funds are organized into three categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Each major fund is displayed in a separate column in the governmental funds statements. All of the remaining funds are aggregated and reported in a single column as non-major funds. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

a. Total assets combined with deferred outflows of resources, liabilities combined with deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
b. Total assets combined with deferred outflows of resources, liabilities combined with deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise funds are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Measurement Focus and Basis of Accounting

Governmental Funds

Modified Accrual
All governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County defined the length of time used for "available" for purposes of revenue recognition in the governmental fund financial statements as collection within 60 days of the end of the current fiscal period, except for property taxes and other state grants that are recognized upon receipt.

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. General capital asset acquisitions are reported as expenditures in governmental funds and proceeds of general long-term debt and inception of leases and subscription-based IT arrangements are reported as other financing sources.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Major Funds:
The County reports the following major governmental funds:

> *General Fund* – This is the County's primary operating fund and it accounts for all financial resources of the County except those required to be accounted for in other funds.
>
> *Road Fund* – A special revenue fund that accounts for the activities of the County's Road maintenance and construction operations.
>
> *Public Safety Fund* – A special revenue fund that is used to account for public safety related activities.

General Capital Improvements Fund – A capital projects funds used to account for the committed funds set aside by the commissioners for construction of major capital facilities, equipment purchases, and any other capital outlay purchase.

***Proprietary Funds*:**
All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when earned and expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connections with a proprietary fund's principal ongoing operations. The principal operating revenues for enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Major Funds:
The County reports the following major proprietary funds:

Landfill Fund – An enterprise fund that accounts for the activities of the County's landfill post-closure costs.

Refuse Facility Fund – An enterprise fund that accounts for the activities of the County's sanitation services, that include county drop off sites and transfer station. All solid waste disposals are transported to the Logan Landfill.

Fiduciary Funds
Fiduciary funds presented using the economic resources measurement focus and the accrual basis of accounting (except for the recognition of certain liabilities of defined benefit pension plans and certain postemployment healthcare plans). The required financial statements are a statement of fiduciary net position and a statement of changes in fiduciary net position. The fiduciary funds are:

Custodial Funds – To report fiduciary activities that are not required to be reported in any of the other fiduciary categories in which the resources held by the County in a custodial capacity. This fund primarily consists of reporting resources held by the County as an agent for individuals, private organizations, other local governmental entities. The external portion of the investment pools that are not held in a trust are also reported here.

NOTE 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash Composition
Composition of cash, deposits and investments at fair value on June 30, 2024, are as follows:

		Primary Government
Cash on hand and deposits:		
Cash on hand	$	3,000
Petty Cash		530
Cash in banks:		
Demand deposits		3,546,997
Savings deposits		718,441
Time deposits		4,811,014
Investments:		
State Short-Term Investment Pool (STIP)		8,959,860
U.S. Government Securities		3,747,433
U.S. Treasury Note		35,000
Total	$	21,822,275

Cash equivalents
Cash equivalents are short-term, highly liquid deposits and investments that both readily convertible to known amounts of cash, and have maturities at purchase date of three months or less. The County's cash and cash equivalents (including restricted assets) are considered to be cash on hand, demand, savings and time deposits, STIP, U.S Government Securities, U.S. Treasury Note, and all other short-term investments with original maturity dates of three months or less from the date of acquisition.

For purposes of the statement of cash flows, the enterprise and internal services funds consider all funds (including restricted assets) held in the County's cash management pool to be cash equivalents.

Fair Value Measurements
Investments, including pooled and non-pooled investments, are reported at fair value, with the following limited exceptions: 1) investments in non-negotiable certificates of deposit are reported at cost and 2) money market investments, including U.S Treasury and Agency obligations, which mature within one year of acquisition, are reported at amortized cost. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between markets participates at the measurement date. Fair value is determined annually at fiscal year-end and requires use of valuation techniques described below.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted account principles. The hierarchy, as follows, is based on the valuation inputs used to measure fair value. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs that include the following:

(a) Level 1 Inputs – Quotes prices in active markets for identical assets; these investments are valued using prices quoted in active markets.

(b) Level 2 Inputs – Significant other observable inputs other than quoted prices included within Level 1; these investments are valued using matrix pricing.

(c) Level 3 Inputs – Significant unobservable inputs, these investments are valued using consensus pricing.

The U.S Treasury Bills and U.S Government Securities are valued using quoted market prices (Level 1 inputs).

Credit Risk

As a means of limiting exposure to credit risk, the County is required to follow specific state statutes adding security to the deposits and investments. Below are the legal provisions provided in the state Montana Code Annotated (MCA).

+Section 7-6-202, MCA, limits investments of public money of a local government in the following eligible securities:

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

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

(c) Obligations of the following agencies of the United States, subject to the limitations in subsection 2 (not included):

(i) federal home loan bank;
(ii) federal national mortgage association;
(iii) federal home mortgage corporation; and
(iv) federal farm credit bank.

With the exception of the assets of a local government group self-insurance program, investments may not have a maturity date exceeding 5 years except when the investment is used in an escrow account to refund an outstanding bond issue in advance.

Section 7-6-205 and Section 7-6-206, MCA, state that demand deposits may be placed only in banks and public money not necessary for immediate use by a county, city, or town that is not invested as authorized in Section 7-6-202, MCA, may be placed in time or savings deposits with a bank, savings and loan association, or credit union in the state or placed in repurchase agreements as authorized in Section 7-6-213, MCA.

The government has no investment policy that would further limit its investment choices.

The government has no investments that require credit risk disclosure.

Short Term Investment Pool (STIP) Credit Quality ratings by the S&P's rating services as of June 30, 2024, (in thousands):

Security Investment Type	Total Fixed Income Investments at Fair Value	Credit Quality Rating	WAM (Days)
Treasuries	$ 1,200,441	A-1+	75
Agency or Government Related	1,254,907	A-1+	67
Asset Backed Commercial Paper	151,592	A-1+	4
Corporate:			
Commercial Paper	495,575	A-1+	39
Notes	727,551	A-1+	27
Certificates of Deposit	1,485,073	A-1+	112
Total Investments	$ 5,315,139		

Audited financial statements for the State of Montana's Board of Investments are available at 2401 Colonial Drive 3rd Floor in Helena, Montana.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk other than that required by state statutes. All deposits are carried at cost plus accrued interest. As of June 30, 2024, the government's bank balance was exposed to custodial credit risk as follows:

Depository Account	June 30, 2024 Balance
Insured	$ 4,802,415
- Collateral held by the pledging bank's trust department but not in the County's name	4,271,515
Total deposits and investments	$ 9,073,930

Deposit Security

Section 7-6-207, MCA, states (1) The local governing body may require security only for that portion of the deposits which is not guaranteed or insured according to law and, as to such unguaranteed or uninsured portion, to the extent of:

(a) 50% of such deposits if the institution in which the deposit is made has a net worth of total assets ratio of 6% or more; or

(b) 100% if the institution in which the deposit is made has a net worth of total assets ratio of less than 6%.

The amount of collateral held for County deposits at June 30, 2024, equaled or exceeded the amount required by State statutes.

Interest Rate Risk

The government does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, but as stated above is limited to investment maturities of 5 years per MCA 7-6-202. The following is a list of individual investments as of June 30, 2024 alone with their related interest rates and maturity dates.

Investment	Interest Rate	Maturity	Amount
US Treasury NOTE/Bond	2.25%	12/31/2024	$ 10,000
US Treasury NOTE/Bond	4.25%	10/15/2025	25,000
Federal Agriculture Mortgage Company	1.15%	11/17/2026	99,760
Federal Agriculture Mortgage Company	3.20%	8/26/2027	69,702
Federal Agriculture Mortgage Company	4.50%	12/4/2026	101,424
Federal Farm Credit Banks Funding Corp	1.00%	10/7/2026	30,097
Federal Farm Credit Banks Funding Corp	1.82%	4/6/2026	15,882
Federal Farm Credit Banks Funding Corp	2.70%	11/25/2025	99,730
Federal Farm Credit Banks Funding Corp	4.25%	3/20/2028	10,114
Federal Farm Credit Banks Funding Corp	0.80%	9/10/2026	49,942
Federal Farm Credit Banks Funding Corp	0.95%	4/1/2025	71,150
Federal Home Loan Bank	0.48%	9/10/2024	15,004
Federal Home Loan Bank	1.25%	12/21/2026	54,248
Federal Home Loan Bank	1.75%	9/12/2025	10,501
Federal Home Loan Bank	2.05%	3/10/2026	40,277
Federal Home Loan Bank	2.63%	12/12/2025	49,710
Federal Home Loan Bank	3.13%	6/13/2025	73,898
Federal Home Loan Bank	4.38%	6/12/2026	14,963
Federal Home Loan Bank	4.50%	6/11/2027	220,072
Federal Home Loan Bank	4.63%	12/13/2024	74,918
Federal Home Loan Bank	0.63%	1/15/2025	60,079
Federal Home Loan Bank	0.65%	1/29/2025	150,412
Federal Home Loan Mortgage Ceop	1.50%	2/12/2025	50,550
Federal Home Loan Bank Bond	3.15%	11/25/2024	250,000
Federal Home Loan Mtg. Corp Note	0.40%	12/30/2024	500,000
Federal Home Loan Bank Bond	0.85%	1/28/2025	200,000
Federal Home Loan Bank Bond	0.63%	3/28/2025	500,000
Farm Credit Syst	0.31%	7/22/2024	700,000
FHLB	0.50%	10/14/2025	235,000
Total			$ 3,782,433

Cash and Investment Pool

The government maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and investments."

Investment in the Treasurer's Pools

The County Treasurer invests on behalf of most funds of the County and external participants in accordance with the County's investment policy and Montana law. The County's pools are managed by the County Treasurer. The external portion of the County's investment pools are accounted for as external investment pool, a custodial fund. There are two types of investment pool funds reported by the County, pooled and individually directed investments funds.

The County has pooled investment fund, invested in STIP, U.S Treasury Notes, U.S Government Securities, and non-negotiable certificates of deposit. The County invests funds for external entities. These investments are reported in individually directed investment funds. These funds are invested in STIP, savings deposits, and non-negotiable certificates of deposit

The County has not provided nor obtained any legally binding guarantees during the fiscal year ended June 30, 2024 to support the value of the shares in the pool. As stated previously, the fair value of the investments is determined annually following the fair value measurement hierarchy. The condensed statement below is measured at fair value at fiscal year ended June 30, 2024.

As noted above state statutes limit the type of investments but provide no other regulatory oversight, and the pool is not registered with the Securities and Exchange Commission.

Investment Income

Income from pooled investments is allocated to the individual funds or external participants based on the fund or participant's month end cash balance in relation to total pooled investments.

Condensed statements of investments pools

The following represents a condensed statement of net position and changes in net position for the Treasurer's Pool as of June 30, 2024.

Statement of Net Position		
Net position held in trust for all pool participants:		
Equity of internal pool participants	$	10,938,909
Equity of external pool participants		5,613,886
Total equity	$	16,552,795

Condensed Statement of Changes in Net Position		External		Internal
Investment earnings	$	302,266	$	632,708
Contributions to trust		7,939,932		13,457,033
Distributions paid		(7,868,161)		(20,750,666)
Net change in net position	$	374,037	$	(6,660,925)
Net position at beginning of year		5,239,849		17,599,834
Net position at end of year	$	5,613,886	$	10,938,909

NOTE 3. RECEIVABLES

Tax Receivables

Property tax levies are set in August, after the County Assessor delivers the taxable valuation information to the County, in connection with the budget process and are based on taxable values listed as of January 1 for all property located in the County. Taxable values are established by the Montana Department of Revenue, and a revaluation of all property is required to be completed on a periodic basis. Taxable value is defined by Montana statute as a fixed percentage of market value.

Real property (and certain attached personal property) taxes are billed within ten days after the third Monday in October and are due in equal installments on November 30 and the following May 31. After those dates, they become delinquent (and a lien upon the property). After three years, the County may exercise the lien and take title to the property. Special assessments are either billed in one installment due November 30 or two equal installments due November 30 and the following May 31. Personal property taxes (other than those billed with real estate) are generally billed no later than the second Monday in July (normally in May or June), based on the prior November's levies. Personal property taxes, other than mobile homes, are due thirty days after billing. Mobile home taxes are billed in two halves, the first due thirty days after billing; the second due September 30. The tax billings are considered past due after the respective due dates and are subject to penalty and interest charges.

Taxes that become delinquent are charged interest at the rate of 5/6 of 1% a month plus a penalty of 2%. Real property on which taxes remain delinquent and unpaid may be sold at tax sales. In the case of personal property, the property is to be seized and sold after the taxes become delinquent.

Lease Receivables

The County leases out land lots Livingston and Gardiner Airports to the general public. The term of the agreements are between twenty and thirty years. Each agreement requires annual payments to the County, and no interest rate is stated in the agreements. The 30-year municipal bond rate that equaled 3.60% was used for calculation of the receivables. As of June 30, 2024 the County had 18 active airport lease agreements. The county also had two miscellaneous land leases. The total value of the receivables equaled $288,784 as the end of the fiscal year. The total lease payments received during the fiscal year equaled $17,999.

NOTE 4. INVENTORIES AND PREPAIDS

The costs of inventories are recorded as an expenditure when consumed; therefore, the inventory asset amount is not available for appropriation. The County used the First In, First Out method for measuring inventory.

NOTE 5. CAPITAL ASSETS

The County's assets are capitalized at historical cost or estimated historical cost. County policy has set the capitalization threshold for reporting capital assets at $5,000. Gifts or contributions of capital assets are recorded at fair market value when received. The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Land improvements	10 – 15 years
Infrastructure	50 years
Buildings	40 – 100 years
Machinery and equipment	5 – 30 years
Right to use leased assets	3 – 20 years

A summary of changes in governmental capital assets was as follows:

Governmental activities:

	Balance July 1, 2023	Additions	Deletions	Restatements	Transfers	Balance June 30, 2024
Capital assets not being depreciated:						
Land	$ 622,193	$ -	$ (988)	$ -	$ -	$ 621,205
Construction in progress	4,013,174	5,995,409	(44,309)	-	(5,005,042)	4,959,232
Total capital assets not being depreciated	$ 4,635,367	$ 5,995,409	$ (45,297)	$ -	$ (5,005,042)	$ 5,580,437
Other capital assets:						
Buildings	$ 7,303,915	$ 17,964	$ -	$ -	$ 1,387,077	$ 8,708,956
Right-to-Use leased assets	801,069	-	-	467,256	-	1,268,325
Improvements other than buildings	5,667,243	-	-	-	84,699	5,751,942
Machinery and equipment	11,384,903	1,806,078	(111,769)	-	45,186	13,124,398
Infrastructure	16,813,625	-	-	-	3,488,080	20,301,705
Total other capital assets at historical cost	$ 41,970,755	$ 1,824,042	$ (111,769)	$ 467,256	$ 5,005,042	$ 49,155,326
Less: accumulated depreciation	(14,799,751)	(1,956,853)	95,203	42,810	-	(16,618,591)
Total	$ 31,806,371	$ 5,862,598	$ (61,863)	$ 510,066	$ -	$ 38,117,172

The leased assets consist of machinery and equipment—including three graders and two copiers—with a total cost of $1,039,616 and accumulated amortization of $185,156. In addition, the entity has several office leases with a cost of $228,709 and accumulated amortization of $159,672

Governmental activities depreciation expense was charged to functions as follows:

Governmental Activities:	
General government	$ 182,406
Public safety	632,508
Public works	960,274
Public health	14,260
Culture and recreation	38,906
Housing and community development	128,499
Total governmental activities depreciation expense	$ 1,956,853

A summary of changes in business-type capital assets was as follows:

Business-type activities:

	Balance July 1, 2023	Additions	Balance June 30, 2024
Capital assets not being depreciated:			
Land	$ 52,528	$ -	$ 52,528
Total capital assets not being depreciated	$ 52,528	$ -	$ 52,528
Other capital assets:			
Buildings	$ 593,044	$ -	$ 593,044
Improvements other than buildings	358,194	-	358,194
Machinery and equipment	2,297,046	561,932	2,858,978
Total other capital assets at historical cost	$ 3,248,284	$ 561,932	$ 3,810,216
Less: accumulated depreciation	(1,698,862)	(161,252)	(1,860,114)
Total	$ 1,601,950	$ 400,680	$ 2,002,630

NOTE 6. LONG TERM DEBT OBLIGATIONS

In the governmental-wide financial statements, outstanding debt is reported as liabilities.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

Changes in Long-Term Debt Liabilities - During the year ended June 30, 2024, the following changes occurred in liabilities reported in long-term debt:

Governmental Activities:

	Balance July 1, 2023	Additions	Deletions	$ Restatements	Balance June 30, 2024	Due Within One Year
Intercap loans	$ 1,122,445	$ -	$ (208,175)	-	$ 914,270	$ 184,442
Leases	539,154	-	(141,528)	496,893	894,519	128,158
Loans/Contracted cebt	169,478	-	(117,230)	-	52,248	25,624
Compensated absences	707,311	36,860	-	-	744,171	547,993
Total	$ 2,538,388	$ 36,860	$ (466,933)	$ 496,893	$ 2,605,208	$ 886,217

In prior years the General Fund was used to liquidate compensated absences and claims and judgments.

Business-type Activities:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
Landfill	$ 1,190,104	$ 379,992	$ (51,744)	$ 1,518,352	$ -
Compensated absences	76,049	2,272	-	78,321	23,259
Total	$ 1,266,153	$ 382,264	$ (51,744)	$ 1,596,673	$ 23,259

Loans/Contracted Debt

Loans/contracted debts outstanding as of June 30, 2024, were as follows:

Purpose	Origination Date	Interest Rate	Term	Maturity Date	Principal Amount	Balance June 30, 2024
Computers	9/30/21	2.57%	5yrs	8/31/26	Varies	$ 52,248

Reported in the governmental activities.

Annual requirement to amortize debt:

For Fiscal Year Ended	Principal	Interest
2025	$ 25,624	$ 1,343
2026	26,624	343
Total	$ 52,248	$ 1,686

Intercap Loans

Intercap loans have variable interest rates. Interest rates are subject to change annually. Interest rates to the borrower are adjusted on February 16th of each year and are based on a spread over the interest paid on one-year term, tax-exempt bonds which are sold to fund the loans.

Intercap loans outstanding as of June 30, 2024, were as follows:

Purpose	Origination Date	Interest Rate	Term	Maturity Date	Annual Payment	Balance June 30, 2024
Convict Grade Bridge	8/30/19	5.75%	15yrs	8/15/34	Varies	$ 413,086
Grader and Complex Remodel	6/5/20	5.75%	7yrs	8/15/27	Varies	211,796
Dispatch and Equipment	6/23/17	5.75%	7yrs	8/15/24	Varies	27,923
Search and Rescue Building	3/1/23	5.75%	15yrs	2/15/28	Varies	261,465
						$ 914,270

Reported in the governmental activities.

Annual requirement to amortize debt:

For Fiscal Year Ended	Principal	Interest
2025	$ 184,442	$ 49,511
2026	159,781	39,678
2027	163,123	30,444
2028	134,788	21,015
2029	38,281	15,101
2030	39,583	12,881
2031	40,928	10,586
2032	42,319	8,213
2033	43,756	5,760
2034	45,244	3,223
2035	22,025	633
Total	$ 914,270	$ 197,045

Leases

The County has entered into a several leases which meet the criteria of a lease as defined GASB Statement 87, Leases. The graders have a purchase option at the end, and the County is reasonably certain it will execute this option. This has been factored into the calculation of the lease liability and asset. The lease outstanding as of June 30, 2024, were as follows:

Purpose	Asset Type	Origination Date	Interest Rate	Term	Maturity Date	Principal Amount	Balance June 30, 2024
Extension Office Copier	M&E	2/15/22	5.00%	5yrs	2/14/27	$ 7,190	$ 3,922
Extension Office	Building	5/2/23	5.00%	3yrs	5/2/26	67,009	41,960
Co Attorney Office	Building	10/1/14	5.00%	10yrs	9/30/24	64,037	5,281
Storage/Office Public Safety	Building	9/1/20	5.00%	5yrs	8/31/25	72,382	21,715
Graders	M&E	11/9/22	5.00%	5yrs	11/8/27	552,582	821,641
Total						$ 763,200	$ 894,519

Reported in the governmental activities.

Annual requirement to amortize debt:

For Fiscal Year Ended	Principal	Interest
2025	$ 128,158	$ 43,543
2026	108,758	37,617
2027	89,652	32,850
2028	567,951	28,398
Total	$ 894,519	$ 142,408

Compensated Absences

Compensated absences are absences for which employees will be paid for time off earned for time during employment, such as earned vacation and sick leave. It is the County's policy and state law to permit employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid to employees upon separation from County service. Employees are allowed to accumulate and carry over a maximum of two times their annual accumulation of vacation, but the excess cannot be carried forward more than 90 days into the new calendar year. There is no restriction on the amount of sick leave that may be accumulated. Upon separation, employees are paid 100 percent of accumulated vacation and 25 percent of accumulated sick leave. The liability associated with governmental fund-type employees is reported in the governmental activities, while the liability associated with proprietary fund-type employees is recorded in the business-type activities/respective proprietary fund.

NOTE 7. POSTEMPLOYMENT HEALTHCARE PLAN

Plan Description. The healthcare plan provides for, as required by section 2-18-704, MCA, employees with at least 5 years of service and who are at least age 50, along with surviving spouses and dependents, to stay on the government's health care plan as long as they pay the same premium. This creates a defined benefit Other Post-Employment Benefits Plan (OPEB); since retirees are usually older than the average age of the plan participants, they receive a benefit of lower insurance rates. The OPEB plan is a single-employer defined benefit plan administered by the County. The government has not created a trust to accumulate assets to assist in covering the defined benefit plan costs, and covers these when they come due. The above described OPEB plan does not provide a stand-alone financial report.

Benefits Provided. The government provides healthcare insurance benefits for retirees and their dependents upon reaching the age and service years defined in section 2-18-704, MCA. The benefit terms require that eligible retirees cover 100 percent of the health insurance premiums, but may pay the same premiums as the other members in the group health plan.

Employees covered by benefit terms. At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefit payments	2
Active employees	104
Total employees	106

Total OPEB Liability

The County's total OPEB liability of $390,633 at June 30, 2024, and was determined by actuarial valuation using the actuarial entry age normal funding method. The measurement date of the determined liability was June 30, 2024.

Actuarial assumptions and other input. The total OPEB liability in the June 30, 2024, alternative measurement method was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Economic Assumptions

Discount Rate	4.10%
20-Year Municipal Bond Yield	4.10%
Inflation Rate	2.50%
Salary Increases	Tables below
Medical Trend Rate	6.50% as of July 1, 2023 grading to 5.00% over 5 years and then to 4.00% over the next 48 years
Dental Trend Rate	NA

Other Assumptions

Mortality	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale
Disability	None
Withdrawal	Tables below
Retirement	Tables below
Expenses	Assumed paid outside of Plan
Percent Married	Current Retirees: Actual retiree/spouse elections used. Future Retirees: Males 85%, Females 65%
Age Difference	Actual spouse birthdate for current retirees (if provided). For all others, males assumed to be 3 years older than females.
Retiree Plan Participation	Future Retirees Electing Coverage: Pre-65 subsidy available: NA Pre-65 subsidy not available: 35%
Percent of Married Retirees Electing Spouse Coverage	Percent Future Retirees Electing Pre-65 Spouse Coverage: Spouse subsidy available: NA Spouse subsidy not available: 25%
Benefits Not Included	Granite County provides access to dental insurance during retirement. However, the implicit rate liability is not significant for dental insurance and has not been included in this valuation.

Withdrawal Rates:

Safety Employees:

Years of Service	Percentage
0	24.0%
1	21.0%
2	18.0%
3	16.0%
4	14.0%
5	12.0%
6	10.0%
7	9.0%
8-9	8.0%
10-12	7.0%
13-14	6.0%
15+	5.0%

All Other Employees:

Years of Service	Percentage
0	35.0%
1	27.0%
2	18.0%
3	14.0%
4	11.0%
5	11.0%
6	10.0%
7	9.0%
8	8.0%
9	7.0%
10-11	6.0%
12-13	5.0%
14	4.5%
15+	3.0%

Retirement Rates:

Attained Age	Public Safety: Retirement % Tier 1	Public Safety: Retirement % Tier 2	Others: Retirement % Rule of 90	Others: Retirement % Not Rule of 90
50	19.0%	30.0%	0.0%	0.0%
51	19.0%	19.0%	0.0%	0.0%
52	19.0%	19.0%	0.0%	0.0%
53	19.0%	19.0%	0.0%	0.0%
54	19.0%	19.0%	0.0%	0.0%
55	29.0%	29.0%	20.0%	5.5%
56	29.0%	29.0%	15.8%	6.0%
57	29.0%	29.0%	15.8%	6.0%
58	29.0%	29.0%	15.8%	6.0%
59	29.0%	29.0%	15.8%	7.0%
60	29.0%	29.0%	15.8%	15.8%
61	29.0%	29.0%	15.8%	15.8%
62	29.0%	29.0%	50.0%	20.0%
63	29.0%	29.0%	50.0%	20.0%
64	29.0%	29.0%	50.0%	20.0%
65+	100.0%	100.0%	100.0%	100.0%

Salary Increase Rates:

Safety Employees:

Years of Service	Percentage
0	7.43%
1	5.72%
2	4.61%
3	3.70%
4	3.00%
5	2.39%
6	1.99%
7	1.99%
8	1.99%
9+	1.99%

All Other Employees:

Years of Service	Percentage
0	5.82%
1	4.81%
2	3.80%
3	3.00%
4	2.39%
5	1.79%
6	1.38%
7	0.98%
8+	0.98%

Changes in the Total OPEB Liability

Balance at 6/30/2023	$	386,235
Changes for the year:		
Service Cost	$	34,581
Interest		15,711
Differences in experience		24,958
Change in assumptions		(55,990)
Benefit payments		(14,862)
Net Changes	$	4,398
Balance at 6/30/2024	$	390,633

Sensitivity of the total OPEB liability to changes in the discount rate. The following summarizes the total OPEB liability reported, and how that liability would change if the discount rate used to calculate the OPEB liability were to decrease or increase 1%:

	1% Decrease (3.10%)	Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB Liability	$ 421,984	$ 390,633	$ 362,269

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following summarizes the total OPEB liability reported, and how that liability would change if the healthcare trend rates used in projecting the benefit payments were to decrease or increase 1%:

	1% Decrease	Healthcare Cost Trends*	1% Increase
Total OPEB Liability	$ 349,569	$ 390,633	$ 438,822

**Reference the assumptions footnotes to determine the healthcare cost trends used to calculate the OPEB liability.*

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the County recognized an OPEB expense of $4,398.

At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resourced related to OPEB from the following sources:

	Deferred Outflows of Resources - OPEB	Deferred Inflows of Resources - OPEB
Differences between expected and actual economic experience	$ 42,608	59,125
Changes in actuarial assumptions	-	58,297
Total	$ 42,608	$ 117,422

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

OPEB: Year ended June 30:		Amount recognized in OPEB Expense as an increase or (decrease) to OPEB Expense
2025	$	(38,933)
2026	$	(38,931)
2027	$	(4,015)
2028	$	3,743
2029	$	3,321
Thereafter	$	-

NOTE 8. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The landfill was officially closed in the fall of 2016. A final cover was placed on the landfill site in accordance with state and federal regulations The government is required to perform certain maintenance and monitoring functions at the site for thirty years after closure. The postclosure care costs will be paid on an annual basis and will reduce the postclosure care liability. $1,518,352 is reported as a landfill postclosure care liability as of June 30, 2024. Actual postclosure care costs may be higher due to inflation, changes in technology, or changes in regulations. If additional postclosure care requirements are determined (due to changes in technology or applicable laws and regulations), these costs may need to be covered by charges to future landfill users or from future tax revenue.

In prior years, the government was required by state and federal laws and regulations to make annual contributions to a trust to finance postclosure care costs and corrective action. The government is in compliance with the requirements, and, as of June 30, 2024, $1,440,969 had been set aside for this purpose and is restricted and reported on the statement of net position as "restricted assets." The government expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws and regulations), these costs may need to be covered by charges to future landfill users or from future tax revenue.

NOTE 9. NET PENSION LIABILITY (NPL)

As of June 30, 2024, the County reported the following balances as its proportionate share of PERS and SRS, and TRS pension amounts:

County's Proportionate Share Associated With:	PERS	SRS	TRS	Pension Totals
Net Pension Liability	$ 5,527,608	$ 2,600,728	$ 71,546	$ 8,199,882
Deferred outflows of resources*	$ 1,157,060	$ 1,020,311	$ 46,416	$ 2,223,787
Deferred inflows of resources	$ 197,155	$ 38,899	$ 4,470	$ 240,524
Pension expense	$ 1,060,678	$ 627,146	$ 27,346	$ 1,715,170

*Deferred outflows for PERS and SRS, and TRS are reported as of the reporting date which includes employer contributions made subsequent to the measurement date of $442,619 and $216,282, and $5,753, respectively. These amounts will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Total deferred inflows and outflows in the remainder of the note are as of the reporting date of June 30, 2024.

The following are the detailed disclosures for each retirement plan as required by GASB 68.

<u>Public Employee's Retirement System – Defined Benefit Retirement Plan</u>

Summary of Significant Accounting Policies
The County's employees participate in the Public Employees Retirement System (PERS) administered by the Montana Public Employee Retirement Administration (MPERA), MPERA prepared financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA for the purposes of determining the NPL; Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions; Pension Expense; the Fiduciary Net Position; and Additions to, or Deductions from, Fiduciary Net Position. Member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable.

Benefit payments and refunds are recognized in the accounting period in which they are due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adhered to all accounting principles generally accepted by the United States of America. MPERA applied all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

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

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

The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are established by state law and can only be amended by the Legislature.

Summary of Benefits

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

Early Retirement (actuarially reduced):
- Hired prior to July 1, 2011:
  - Age 50, 5 years of membership service; or
  - Any age, 25 years of membership service.
- Hired on or after July 1, 2011:
  - Age 55, 5 years of membership service.

Second Retirement (requires returning to PERS-covered employer or PERS service):
1) Retire before January 1, 2016 and accumulate less than 2 years additional service credit or retire on or after January 1, 2016 and accumulate less than 5 years additional service credit:
   a. A refund of member's contributions plus return interest (currently 2.02% effective July 1, 2018).
   b. No service credit for second employment;

   c. Start the same benefit amount the month following termination; and
   d. Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.

2) Retire before January 1, 2016 and accumulate at least 2 years of additional service credit:
   a. A recalculated retirement benefit based on provisions in effect after the initial retirement; and
   b. GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months.
3) Retire on or after January 1, 2016 and accumulate 5 or more years of service credit:
   a. The same retirement as prior to the return to service;
   b. A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and
   c. GABA starts on both benefits in the January after receiving the original and the new benefit for 12 months.

Member's highest average compensation (HAC)

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

Compensation Cap

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

Monthly benefit formula
Members hired prior to July 1, 2011:

- Less than 25 years of membership service: 1.785% of HAC per year of service credit;
- 25 years of membership service or more: 2% of HAC per year of service credit.

Members hired on or after July 1, 2011:

- Less than 10 years of membership service: 1.5% of HAC per year of service credit;
- 10 years or more, but less than 30 years of membership service: 1.785% of HAC per year of service credit;
- 30 years or more of membership service: 2% of HAC per year of service credit.

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

- 3.0% for members hired prior to July 1, 2007
- 1.5% for members hired between July 1, 2007 and June 30, 2013
- Members hired on or after July 1, 2013:
  - 1.5% for each year PERS is funded at or above 90%;

- 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
- 0% whenever the amortization period for PERS is 40 years or more.

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

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

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

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

Fiscal	Member		Local Government	
Year	Hired<07/01/11	Hired>07/01/11	Employer	State
2024	7.900%	7.900%	9.070%	0.100%
2023	7.900%	7.900%	8.970%	0.100%
2022	7.900%	7.900%	8.870%	0.100%
2021	7.900%	7.900%	8.770%	0.100%
2020	7.900%	7.900%	8.670%	0.100%
2019	7.900%	7.900%	8.570%	0.100%
2018	7.900%	7.900%	8.470%	0.100%
2017	7.900%	7.900%	8.370%	0.100%
2016	7.900%	7.900%	8.270%	0.100%
2015	7.900%	7.900%	8.170%	0.100%
2014	7.900%	7.900%	8.070%	0.100%
2012 – 2013	6.900%	7.900%	7.070%	0.100%
2010 – 2011	6.900%		7.070%	0.100%
2008 – 2009	6.900%		6.935%	0.100%
2000 - 2007	6.900%		6.800%	0.100%

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

2. Employer contributions to the system:
   a. Effective July 1, 2014, following the 2013 Legislative session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below the 25 years following the reduction of both the additional employer and additional member contributions rates.
   b. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
   c. The portion of the employer contributions allocated to the Plan Choice Rate (PCR) are included in the employers reporting. The PCR was paid off effective March 2016 and the contributions previously directed to the PCR are now directed to member accounts.
3. Non-Employer Contributions
   a. Special Funding
      i. The State contributes 0.1% of members' compensation on behalf of local government entities.
      ii. The State contributes 0.37% of members' compensation on behalf of school district entities.
      iii. The State contributed a statutory appropriation from its General Fund of $34,979,900.

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

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's Total Pension Liability (TPL). The basis for the TPL for the reporting of June 30, 2024 (reporting period), is on an actuarial valuation performed by the Plan's actuary as of June 30, 2023.

The Total Pension Liability (TPL minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the state of Montana's NPL for June 30, 2024, and 2023 (reporting periods), are displayed below. The County proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. The state's proportionate share for a particular employer equals the ratio of the contributions for the particular employer to the total state contributions paid. The County recorded a liability of $5,527,608 and the County's proportionate share was 0.226508 percent.

		Net Pension Liability as of 6/30/2024		Net Pension Liability as of 6/30/2023	Percent of Collective NPL as of 6/30/2024	Percent of Collective NPL as of 6/30/2023	Change in Percent of Collective NPL
Employer Proportionate Share	$	5,527,608	$	4,780,185	0.226508%	0.201027%	0.025481%
State of Montana Proportionate Share associated with Employer		1,531,864		1,431,652	0.062772%	0.060207%	0.002565%
Total	$	7,059,472	$	6,211,837	0.2893%	0.2612%	0.0280%

Changes in actuarial assumptions and methods:

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

Changes in benefit terms:

There were no changes in benefit terms since the previous measurement date.

Changes in proportionate share:

There were no changes between the measurement date of the collective NPL and the employer's reporting date that are expected to have a significant effect on the employer's proportionate share of the collective NPL. However, each employer may have unique circumstances that will impact the employer's proportionate share of the collective net pension. If there were changes that are expected to have an impact on the net pension liability, the employer should disclose the amount of the expected resultant change in the employer's proportionate share of the collective net pension liability, if known.

Pension Expense:

At June 30, 2024, the County recognized a Pension Expense of $916,967 for its proportionate share of the pension expense. The County also recognized grant revenue of $143,711 for the support provided by the State of Montana for its proportionate share of the pension expense that is associated with the County.

		Pension Expense as of 6/30/24		Pension Expense as of 6/30/23
Employer Proportionate Share	$	916,967	$	722,883
State of Montana Proportionate Share associated with the Employer		143,711		148,392
Total	$	1,060,678	$	871,275

Recognition of Beginning Deferred Outflow

At June 30, 2024, the County recognized a beginning deferred outflow of resources for the County's fiscal year 2023 contributions of $371,140.

Recognition of Deferred Inflows and Outflows:

At June 30, 2024, the County reported its proportionate share of the Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 220,155	$ -
Actual vs. Expected Investment Earnings	14,023	-
Changes in Assumptions	-	197,155
Changes in Proportion Share and Differences between Employer Contributions and Proportionate Share of Contributions	480,263	-
Employer contributions sunsequent to the measurement date - FY24*	442,619	-
Total	$ 1,157,060	$ 197,155

*Amounts reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date have been recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Measurement Year ended June 30:		Recognition of Deferred Outflows and Deferred Inflows in Future years as an increase or (decrease) to Pension Expense
2024	$	129,092
2025	$	94,888
2026	$	326,856
2027	$	(33,550)
Thereafter	$	-

Actuarial Assumptions
The total pension liability used to calculate the NPL was determined by taking the results of the June 30, 2023 actuarial valuation, and was determined using the following actuarial assumptions.

• Investment Return (net of admin expense)	7.30%
• Admin Expense as % of Payroll	0.28%
• General Wage Growth*	3.50%
*includes Inflation at	2.75%
• Merit Increases	0% to 4.80%

Postretirement Benefit Increases - Guaranteed Annual Benefit Adjustment (GABA)
After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage each January, Inclusive of other adjustments to the member's benefit.

- 3% for members hired prior to July 1, 2007
- 1.5% for members hired between July 1, 2007 and June 30, 2013
- Member hired on or after July 1, 2013:
    - 1.5% for each year PERS is funded at or above 90%;
    - 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
    - 0% whenever the amortization period for PERS is 40 years or more.

Mortality

- Mortality assumptions among contributing members, service retired members and beneficiaries based on PUB-2010 General Amount Weighted Employer Mortality projected to 2021 for males and females projected generationally using MP-2021.

- Mortality assumptions among Disabled members are based on PUB-2010 General Amount Weighted Disabled Retiree Mortality table, projected to 2021, set forward one year for both males and females.

- Mortality assumptions among contingent survivors are based on PUB-2010 General Amount Weighted Contingent Survivor Mortality projected to 2021 with ages set forward one year for males and projected generationally using MP-2021.

- Mortality assumptions among Healthy members are based on PUB-2010 General Amount Weighted Healthy Retiree Mortality table projected to 2021, with ages set forward one year and adjusted 104% for males and 103% for females. Projected generationally using MP-2021.

Target Allocations

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

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic Basis
Cash	3.00%	(0.33%)
Domestic Equity	30.00%	5.90%
International Equity	17.00%	7.14%
Private Investments	15.00%	9.13%
Real Assets	5.00%	4.03%
Real Estate	9.00%	5.41%
Core Fixed Income	15.00%	1.14%
Non-Core Fixed Income	6.00%	3.02%
Total	100%	

Discount Rate

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

1.0% Decrease (6.30%)	Current Discount Rate	1.0% Increase (8.30%)
$ 7,984,610	$ 5,527,608	$ 3,466,403

In accordance with GASB 68 regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the above table presents the net pension liability calculated using the discount rate of 7.30%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.30%) or 1.00% higher (8.30%) than the current rate.

PERS Disclosure for the defined contribution plan

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

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

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

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

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

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

<u>Sheriff's Retirement System</u>

Summary of Significant Accounting Policies

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

Plan Descriptions

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

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

Summary of Benefits

Service retirement:

- 20 years of membership service.
- 2.5% of HAC x years of service credit.

Early retirement:

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

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

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

Member's compensation period used in benefit calculation

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

Compensation Cap

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

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

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

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

Fiscal Year	Member	Employer
2018-2024	10.495%	13.115%
2010-2017	9.245%	10.115%
2008-2009	9.245%	9.825%
1998-2007	9.2.45%	9.535%

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

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's Total Pension Liability (TPL). The basis for the TPL for the reporting of June 30, 2024 (reporting period), is on an actuarial valuation performed by the Plan's actuary as of June 30, 2023.

The Total Pension Liability (TPL minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the County's and the state of Montana's NPL for June 30, 2024, and 2023 (reporting periods), are displayed below. The County proportionate share equals the ratio of the employer's contributions to the sum of all employer contributions during the measurement period. The County recorded a liability of $2,600,728 and the County's proportionate share was 1.7693 percent.

	Net Pension Liability as of 6/30/2024	Net Pension Liability as of 6/30/2023	Percent of Collective NPL as of 6/30/2024	Percent of Collective NPL as of 6/30/2023	Change in Percent of Collective NPL
Employer Proportionate Share	$ 2,600,728	$ 2,143,632	1.7693%	1.5656%	0.2037%
Total	$ 2,600,728	$ 2,143,632	1.7693%	1.5656%	0.2037%

Changes in actuarial assumptions and methods:

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

Changes in benefit terms:

The change in benefit terms since the previous measurement date:

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

Changes in proportionate share:

Between the measurement date of the collective NPL and the employer's reporting date there were some changes in proportion that may have an effect on the employer's proportionate share of the collective NPL.

Pension Expense:

At June 30, 2024, the County recognized a Pension Expense of $627,146 for its proportionate share of the pension expense.

	Pension Expense as of 6/30/24	Pension Expense as of 6/30/23
Employer Proportionate Share	$ 627,146	$ 375,851
Total	$ 627,146	$ 375,851

Recognition of Beginning Deferred Outflow

At June 30, 2024, the County recognized a beginning deferred outflow of resources for the County's fiscal year 2023 contributions of $237,720.

Recognition of Deferred Inflows and Outflows:

At June 30, 2024, the County reported its proportionate share of the Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 411,058	$ -
Actual vs. Expected Investment Earnings	18,478	-
Changes in Assumptions	209,553	38,899
Changes in Proportion Share and Differences between Employer Contributions and Proportionate Share of Contributions	164,940	-
Employer contributions sunsequent to the measurement date - FY24*	216,282	-
Total	$ 1,020,311	$ 38,899

*Amounts reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date have been recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Measurement Year ended June 30:		Recognition of Deferred Outflows and Deferred Inflows in Future years as an increase or (decrease) to Pension Expense
2024	$	380,052
2025	$	229,567
2026	$	174,579
2027	$	(19,068)
Thereafter	$	-

Actuarial Assumptions
The TPL used to calculate the NPL was determined by taking the results of the June 30, 2023 actuarial valuation, and was determined using the following actuarial assumptions.

• Investment Return (net of admin expense)	7.30%
• General Wage Growth*	3.50%
*includes inflation at	2.75%
• Merit Increases	1.0% to 6.40%

Post Retirement Benefit Increased - Guaranteed Annual Benefit Adjustment (GABA)
After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage each January, Inclusive of other adjustments to the member's benefit.

- 3.0% for members hired prior to July 1, 2007
- 1.5% for members hired on or after July 1, 2207

Mortality

- Mortality assumptions among contributing members are based on PUB-2010 General Amount Weighted Employer Mortality projected to 2021 for males and females projected generationally using MP-2021.

- Mortality assumptions among Disabled members are based on PUB-2010 General Amount Weighted Disabled Retiree Mortality table, projected to 2021, set forward one year for males.

- Mortality assumptions among contingent survivors are based on PUB-2010 General Amount Weighted Contingent Survivor Mortality projected to 2021 with ages set forward one year for males and projected generationally using MP-2021.

- Mortality assumptions among Healthy members are based on PUB-2010 General Amount Weighted Healthy Retiree Mortality table projected to 2021, with ages set forward one year and adjusted 105% for males. Projected generationally using MP-2021.

Target Allocations

The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the Plan about every five years. The long-term rate of return as of June 30, 2023, is based on analysis in the experience study report dated May 2, 2022, without consideration for the administrative expense analysis shown. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation or a fundamental change in the market that alters expected returns in future years. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2024, are summarized in the following table.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic Basis
Cash	3.00%	(0.33%)
Domestic Equity	30.00%	5.90%
International Equity	17.00%	7.14%
Private Investments	15.00%	9.13%
Real Assets	5.00%	4.03%
Real Estate	9.00%	5.41%
Core Fixed Income	15.00%	1.14%
Non-Core Fixed Income	6.00%	3.02%
Total	100%	

Discount Rate

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

1.0% Decrease (6.30%)	Current Discount Rate	1.0% Increase (8.30%)
$ 4,224,839	$ 2,600,728	$ 1,279,088

In accordance with GASB 68 regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the above table presents the net pension liability calculated using the discount rate of 7.30%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.30%) or 1.00% higher (8.30%) than the current rate.

The stand-alone financial statements (76d) of the Montana Public Employees Retirement Board (PERB) *Annual Comprehensive Financial Report* (ACFR) and the GASB 68 Report disclose the Plan's fiduciary net position. These reports, as well as the actuarial valuations and experience study, are available from the PERB at PO Box 200131, Helena 620-0131, (406) 444-3154 or are available on the MPERA website at https://mpera.mt.gov/about/annualreports1/annualreports.

Teachers Retirement System

Summary of Significant Accounting Policies

The Teachers' Retirement System prepares its financial statements using the accrual basis of accounting. For the purposes of measuring the Net Pension Liability, deferred inflows of resources and deferred outflows of resources related to pensions, pension expense, information about the fiduciary net position of the Teachers' Retirement System (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same accrual basis as they are reported by TRS. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. TRS adheres to all applicable Governmental Accounting Standards Board (GASB) statements.

TRS' stand-alone financial statements, actuarial valuations and experience studies can be found online at https://trs.mt.gov/TrsInfo/NewsAnnualReports.

Plan Descriptions

Teachers' Retirement System (TRS or the System) is a mandatory-participation multiple-employer cost-sharing defined-benefit public pension plan that provides retirement services to individuals employed as teachers, administrators, and in other professional and skilled positions employed in public education in Montana.

The TRS Board is the governing body of the System and the TRS staff administers the system in conformity with the laws set forth in Title 19, chapter 20 of the Montana Code Annotated, and administrative rules set forth in Title 2, chapter 44 of the Administrative Rules of Montana. Additional information pertaining to membership, benefit structure, and prior years' actuarial valuations, as well as links to applicable statutes and administrative rules, may be obtained by visiting the TRS web site at trs.mt.gov.

Summary of Benefits
Through June 30, 2013, all members enrolled in TRS participated in a single-tiered plan ("Tier One"). Employees with a minimum of 25 years of service or who have reached age 60 with 5 years of service are eligible to receive an annual retirement benefit equal to creditable service years divided by 60 times the average final compensation. Final compensation is the average of the highest three consecutive years of earned compensation. Benefits fully vest after 5 years of creditable service. Vested employees may retire at or after age 50 and receive reduced retirement benefits. Beginning July 1, 2013, new members in TRS participate in a second benefit tier ("Tier Two"), which differs from Tier One as follows:

- Tier Two uses a 5-year average final compensation (as opposed to 3-year AFC in Tier One)
- Tier Two provides for unreduced service retirement benefits at age 60 with 5 years of creditable service or at age 55 with at least 30 years of creditable service (rather than at age 60 with 5 years of service or at any age with creditable service in 25 years in Tier One)
- Tier Two provides for early retirement benefits with 5 years of creditable service at age 55 (rather than age 50 in Tier One)
- Tier Two has a one percent higher normal employee contribution rate (though a temporary 1% supplemental employee contribution rate is also now currently in place for Tier One members), and
- Tier Two provides for an enhanced benefit calculation - 1.85% x AFC x years of creditable service - for members retiring with at least 30 years of creditable service and at least 60 years of age (rather than 1.6667 x AFC x years of creditable service)

A guaranteed annual benefit adjustment (GABA) is payable on January 1st of each calendar year for each retiree who has received at least 36 monthly retirement benefit payments prior to that date. The GABA is applicable to both Tier One and Tier Two members. The GABA for Tier One members is 1.5% of the benefit payable as of January 1st. For Tier Two members the GABA each year may vary from 0.5% to 1.5% based on the retirement system's funding status and the period required to amortize any unfunded accrued actuarial liability as determined in the prior actuarial valuation.

Contributions
The System receives a portion of the total required statutory contributions directly from the State for all employers. The employers are considered to be in a special funding situation as defined by GASB 68 and the State is treated as a non-employer contributing entity in TRS. The System receives 2.49% of reportable compensation from the State's general fund for School Districts and Other Employers. The System also receives 0.11% of reportable compensation from the State's general fund for all TRS Employers including State Agency and University System Employers. Finally, the State is also required to contribute $25 million in perpetuity payable July 1st of each year.

MCA 19-20-605 requires each employer to contribute 9.85% of total compensation paid to all re-employed TRS retirees employed in a TRS reportable position. Pursuant to MCA 19-20-609, this amount shall increase by 1.00% for fiscal year 2014 and increase by 0.10% each fiscal year through 2024 until the total employer contribution is equal to 11.85% of re-employed retiree compensation.

The tables below show the legislated contribution rates for TRS members, employers and the State.

School District and Other Employers

	Members	Employers	General fund	Total employee & employer
Prior to July 1, 2007	7.15%	7.47%	0.11%	14.73%
July 1, 2007 to June 30, 2009	7.15%	7.47%	2.11%	16.73%
July 1, 2009 to June 30, 2013	7.15%	7.47%	2.49%	17.11%
July 1, 2013 to June 30, 2014	8.15%	8.47%	2.49%	19.11%
July 1, 2014 to June 30, 2015	8.15%	8.57%	2.49%	19.21%
July 1, 2015 to June 30, 2016	8.15%	8.67%	2.49%	19.31%
July 1, 2016 to June 30, 2017	8.15%	8.77%	2.49%	19.41%
July 1, 2017 to June 30, 2018	8.15%	8.87%	2.49%	19.51%
July 1, 2018 to June 30, 2019	8.15%	8.97%	2.49%	19.61%
July 1, 2019 to June 30, 2020	8.15%	9.07%	2.49%	19.71%
July 1, 2020 to June 30, 2021	8.15%	9.17%	2.49%	19.81%
July 1, 2021 to June 30, 2022	8.15%	9.27%	2.49%	19.91%
July 1, 2022 to June 30, 2023	8.15%	9.37%	2.49%	20.01%
July 1, 2023 to June 30, 2024	8.15%	9.47%	2.49%	20.11%

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

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers are required to recognize and report certain amounts associated with their participation in the Montana Teachers' Retirement System (TRS or the System). Statement 68 became effective June 30, 2015, and includes requirements to record and report their proportionate share of the collective Net Pension Liability. In accordance with Statement 68, the System has a special funding situation in which the State of Montana is legally responsible for making contributions directly to TRS that are used to provide pension benefits to the retired members of TRS. Due to the existence of a special funding situation, employers are also required to report the portion of the State of Montana's proportionate share of the collective Net Pension Liability that is associated with the employer. The following table displays the amounts and the percentages of Net Pension Liability for the fiscal years ended June 30, 2024, and June 30, 2023 (reporting dates).

	Net Pension Liability as of 6/30/2024	Net Pension Liability as of 6/30/2023	Percent of Collective NPL as of 6/30/2024	Percent of Collective NPL as of 6/30/2023	Change in Percent of Collective NPL
Employer Proportionate Share	$ 71,546	$ 64,552	0.0037%	0.0033%	0.0004%
State of Montana Proportionate Share associated with Employer	37,024	33,822	0.0019%	0.0017%	0.0002%
Total	$ 108,570	$ 98,374	0.0056%	0.0050%	0.0006%

At June 30, 2024, the County recorded a liability of $71,546 for its proportionate share of the Net Pension Liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. Therefore, no update procedures were used to roll forward the total pension liability to the measurement date. The County's proportion of the net pension liability was based on the County's contributions received by TRS during the measurement period July 1, 2022, through June 30, 2023, relative to the total County contributions received from all of TRS' participating employers. At June 30, 2024, the County's proportion was 0.0037 percent.

Changes in actuarial assumptions and methods:

There have been no changes in actuarial assumptions since the previous measurement date.

Changes in benefit terms:

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

Changes in proportionate share:

There were no changes between the measurement date of the collective net pension liability and the reporting date. However, each employer may have unique circumstances that will impact the employer's proportionate share of the collective net pension liability. If there were changes that are expected to have an impact on the net pension liability, the employer should disclose the amount of the expected resultant change in the employer's proportionate share of the collective net pension liability, if known.

Pension Expense:

At June 30, 2024, the County recognized a Pension Expense of $27,346 for its proportionate share of the TRS' pension expense. The County also recognized grant revenue of $3,439 for the support provided by the State of Montana for its proportionate share of the pension expense that is associated with the County.

		Pension Expense as of 6/30/24
Employer Proportionate Share	$	23,907
State of Montana Proportionate Share associated with the Employer		3,439
Total	$	27,346

Recognition of Beginning Deferred Outflow

At June 30, 2024, the County recognized a beginning deferred outflow of resources for the County's fiscal year 2023 contributions of $5,146.

Recognition of Deferred Inflows and Outflows:

At June 30, 2024, the County reported its proportionate share of the Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual economic experience	$	1,354	$	-
Actual vs. Expected Investment Earnings		1,038		4,470
Changes in Assumptions		155		-
Changes in Proportion Share and Differences between Employer Contributions and Proportionate Share of Contributions		38,116		-
Employer contributions sunsequent to the measurement date - FY24*		5,753		-
Total	$	46,416	$	4,470

*Amounts reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Measurement Year ended June 30:		Recognition of Deferred Outflows and Deferred Inflows in Future years as an increase or (decrease) to Pension Expense
2025	$	15,769
2026	$	13,158
2027	$	6,368
2028	$	897
2029	$	-
Thereafter	$	-

Actuarial Assumptions

The Total Pension Liability as of June 30, 2023, is based on the results of an actuarial valuation date of July 1, 2023. There were several significant assumptions and other inputs used to measure the total pension liability. The actuarial assumptions used in the July 1, 2023 valuation were based on the results of the last actuarial experience study, dated May 3, 2022. Among those assumptions were the following:

- Total Wage Increases* 3.50% - 9.00% for Non-University Members and 4.25% for University Members
- Investment Return 7.30%
- Price Inflation 2.75%

Postretirement Benefit Increases

- Tier One Members: If the retiree has received benefits for at least 3 years, the retirement allowance will be increased by 1.5% on January 1st.
- Tier Two Members, the retirement allowance will be increased by an amount equal to or greater than 0.5% but no more than 1.5% if the most recent actuarial valuation shows the System to be at least 90% funded and the provisions of the increase is not projected to cause the funded ratio to be less than 85%.

Mortality

- Mortality among contributing members
  - PUBT-2010 General Employee mortality projected to 2021. Projected generationally using MP-2021.
- Mortality among service retired members
  - PUBT-2010 Retiree mortality projected to 2021 adjusted 102% for males and 103% for females. Projected generationally using MP-2021.
- Mortality among beneficiaries
  - PUBT-2010 Contingent Survivor tale projected to 2021. Projected generationally using MP-2021.
- Mortality among disabled members
  - PUBt-2010 Disabled Retiree mortality table projected to 2021.

*Total Wage Increases include 3.50% general wage increase assumption.

Discount Rate

The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. In addition to the contributions the State general fund will contribute $25 million annually to the System payable July 1st of each year. Based on those assumptions, the System's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2132. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. No municipal bond rate was incorporated in the discount rate.

Target Allocations

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return*
Domestic Equity	30.00%	5.90%
International Equity	17.00%	7.14%
Private Equity	15.00%	9.13%
Natural Resources	5.00%	4.03%
Real Estate	9.00%	5.41%
Core Fixed Income	15.00%	1.14%
Non-Core Fixed Income	6.00%	3.02%
Cash	3.00%	(0.33)%
Total	100.00%	

* The assumed rate is comprised of a 2.50% inflation rate and a real long-term expected rate of return of 5.00%.

The long-term expected rate of return on pension plan investments of 7.30% is reviewed as part of regular experience studies prepared for the System about every five years. The current long-term rate of return is based on analysis in the experience study report dated May 3, 2022, without consideration for the administrative expense analysis shown. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Sensitivity Analysis

1.0% Decrease (6.30%)	Current Discount Rate	1.0% Increase (8.30%)
$ 101,072	$ 71,546	$ 46,858

In accordance with GASB 68 regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the above table presents the net pension liability calculated using the discount rate of 7.30%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.30%) or 1.00% higher (8.30%) than the current rate.

NOTE 10. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2024, was as follows:

Due to/from other funds

Purpose	Receivable Fund	Payable Fund	Amount
Cover negative cash balances	General – Major Governmental	Museum – Nonmajor Governmental	$ 2,578
Cover negative cash balances	General – Major Governmental	DES – Nonmajor Governmental	1,909
Cover negative cash balances	General – Major Governmental	Behavioral Health Grant – Nonmajor Governmental	34,181
Cover negative cash balances	PILT* – Major Governmental	Road – Major Governmental	689,641
Cover negative cash balances	PILT* – Major Governmental	Comprehensive Insurance – Nonmajor Governmental	1,250
Cover negative cash balances	PILT* – Major Governmental	Landfill – Major Proprietary	130,638
Cover negative cash balances	PILT* – Major Governmental	Refuse Facility- Major Proprietary	228,769
			$ 1,088,966

*PILT was combined with the General Fund for GASB 54 reporting.

Advances to/from other funds

Purpose	Receivable Fund	Payable Fund	Amount
Funding for roof project	Hard Rock Mine Trust – Nonmajor Governmental	Refuse Facility- Major Proprietary	$ 253,763
Funding for recycling container purchases	Hard Rock Mine Trust – Nonmajor Governmental	Refuse Facility- Major Proprietary	20,437
Funding for tire cutter	Hard Rock Mine Trust – Nonmajor Governmental	Refuse Facility- Major Proprietary	27,022
Funding for John Deere 85G	Hard Rock Mine Trust – Nonmajor Governmental	Refuse Facility- Major Proprietary	129,358
Funding for equipment purchases	General Capital Improvements – Major Governmental	Refuse Facility- Major Proprietary	309,747
Funding for autocar front load truck	General Capital Improvements – Major Governmental	Refuse Facility- Major Proprietary	379,698
Funding for excavator purchase	Hard Rock Mine Trust – Nonmajor Governmental	Road – Major Governmental	265,102
Funding for grader purchase	Hard Rock Mine Trust – Nonmajor Governmental	Road – Major Governmental	363,483
Funding for paver purchase	Hard Rock Mine Trust – Nonmajor Governmental	Road – Major Governmental	212,215
Funding for crusher purchase	General Capital Improvements – Major Governmental	Road – Major Governmental	1,089,783
Funding for multiple equipment purchases	General Capital Improvements – Major Governmental	Road – Major Governmental	340,566
Funding to support operating costs	General Capital Improvements – Major Governmental	Fair – Nonmajor Governmental	20,440
Funding to support operating costs	General Capital Improvements – Major Governmental	Museum – Nonmajor Governmental	17,360
			$3,428,974

Interfund Transfers

The following is an analysis of operating transfers in and out during fiscal year 2024:

Purpose	Receivable Fund	Payable Fund	Amount
Contribution to fund public works director	General – Major Governmental	Road – Major Governmental	$ 27,719
Metal mines trust transfer	Hard Rock Mine Trust – Nonmajor Governmental	Metal Mines Tax – Nonmajor Governmental	90,667
Contribution to fund public works director	General – Major Governmental	Bridge – Nonmajor Governmental	27,718
Contribution to fund public works director	General – Major Governmental	Weed – Nonmajor Governmental	6,929
Contribution to fund public works director	General – Major Governmental	Refuse Facility	55,436
Transfer of permissive health levy to support health insurance costs	General – Major Governmental	Permissive Medical Levy – Nonmajor Governmental	366,661
Transfer of clerk and record fees	General – Major Governmental	Record Preservation – Nonmajor Governmental	66,604
Transfer of permissive health levy to support health insurance costs	Road – Major Governmental	Permissive Medical Levy – Nonmajor Governmental	74,876
Operating transfer	Road – Major Governmental	PILT* – Major Governmental	750,000
Operating transfer	Road – Major Governmental	LACTF – Nonmajor Governmental	158,000
Transfer of revenues	Road – Major Governmental	RD-BR CIP – Nonmajor Governmental	330
Transfer of permissive health levy to support health insurance costs	Bridge – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	18,073
Transfer of revenues	Bridge – Nonmajor Governmental	RD-BR CIP – Nonmajor Governmental	3,672
Transfer of revenues	Bridge – Nonmajor Governmental	BN Capital – Nonmajor Governmental	57,539

Transfer of permissive health levy to support health insurance costs	Weed – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	7,229
Transfer of permissive health levy to support health insurance costs	Fair – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	17,041
Operating transfer	Fair – Nonmajor Governmental	PILT* – Major Governmental	130,000
Operating transfer	Fair – Nonmajor Governmental	LACTF – Nonmajor Governmental	159,188
Transfer of permissive health levy to support health insurance costs	District Court – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	41,311
Transfer of permissive health levy to support health insurance costs	Planning – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	20,655
Operating transfer	Planning – Nonmajor Governmental	Metal Mines Tax – Nonmajor Governmental	50,371
Operating transfer	Planning – Nonmajor Governmental	PILT* – Major Governmental	60,000
Operating transfer	Senior Citizens – Nonmajor Governmental	PILT* – Major Governmental	4,500
Transfer of permissive health levy to support health insurance costs	Angelline – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	14,459
Transfer of permissive health levy to support health insurance costs	Park County Transit – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	8,262
Operating transfer	Park County Transit – Nonmajor Governmental	PILT* – Major Governmental	5,000
Operating transfer	Law Enforcement – Nonmajor Governmental	General – Major Governmental	39,853
Transfer of permissive sheriff retirement levy	Law Enforcement – Nonmajor Governmental	Permissive Retirement – Nonmajor Governmental	50,108

Transfer of permissive health levy to support health insurance costs	Law Enforcement – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	253,028
Operating transfer	Public Safety – Major Governmental	PILT* – Major Governmental	375,000
Operating transfer	Public Safety – Major Governmental	LACTF – Nonmajor Governmental	350,000
Transfer of permissive health levy to support health insurance costs	Museum – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	30,983
Operating transfer	Museum – Nonmajor Governmental	PILT* – Major Governmental	44,000
Operating transfer	Museum – Nonmajor Governmental	LACTF – Nonmajor Governmental	1,104
Transfer of permissive health levy to support health insurance costs	Search & Rescue – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	5,164
Transfer of revenues	Search and Rescue – Nonmajor Governmental	BN Capital – Nonmajor Governmental	81,526
Transfer of permissive health levy to support health insurance costs	Connect Program Grant – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	4,131
Operating transfer	MRDTF – Nonmajor Governmental	Law Enforcement – Nonmajor Governmental	58,000
Transfer of permissive health levy to support health insurance costs	MRDTF – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	10,328
Operating transfer	Junk Vehicle – Nonmajor Governmental	Refuse Facility – Nonmajor Governmental	122
Transfer of permissive health levy to support health insurance costs	Victim Witness Program – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	10,328
Operating transfer	Victim Witness Program – Nonmajor Governmental	Crime Victims Assistance – Nonmajor Governmental	31,218

Transfer of permissive health levy to support health insurance costs	DUI Task Force – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	516
Transfer of permissive health levy to support health insurance costs	DES – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	10,328
Operating transfer	DES – Nonmajor Governmental	PILT* – Major Governmental	48,700
Transfer of permissive health levy to support health insurance costs	PHHV – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	2,582
Transfer of permissive health levy to support health insurance costs	Public Health Preparedness – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	8,779
Transfer of permissive health levy to support health insurance costs	Immunization – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	4,131
Transfer of permissive health levy to support health insurance costs	Asthma Grant – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	3,098
Transfer of permissive health levy to support health insurance costs	Chronic Disease & Prevention – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	5,164
Transfer of permissive health levy to support health insurance costs	WIC – Women, Infant & Children – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	7,746
Fund future capital costs	Road & Bridge CIP – Nonmajor Governmental	Bridge – Nonmajor Governmental	168
Fund future capital costs	Road – Major Governmental	Road – Major Governmental	1,179,062
Fund future capital costs	Junk Vehicles CIP – Nonmajor Governmental	Junk Vehicle – Nonmajor Governmental	6,496
Fund future capital costs	Angelline Capital Equipment – Nonmajor Governmental	Angelline – Nonmajor Governmental	25,000
			$4,868,903

*PILT was combined with the General Fund for GASB 54 reporting.

NOTE 11. FUND BALANCE CLASSIFICATION POLICIES AND PROCEDURES

Governmental Fund equity is classified as fund balance. The County categorizes fund balance of the governmental funds into the following categories:

Non-spendable – Includes resources not in spendable form, such as inventory, or those legally required to be maintained intact, such as principle portion of permanent funds.

Restricted – includes constraint for specific purposes which are externally imposed by a third party, State Constitution, or enabling legislation.

Committed – includes constraint for specific purposes which are internally imposed by the formal action of the board. This is the government's highest level of decision-making authority, Commissioners, and a formal action is required to establish, modify, or rescind the fund balance commitment.

Unassigned – includes negative fund balances in all funds, or fund balance with no constraints in the General Fund.

The County considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

The County considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Nonspendable Fund Balance

Major Fund	Amount	Reason Nonspendable
General	$ 16,600	Prepaid expenses
Road	11,677	Inventory
General Capital Improvements	2,157,593	Advances to other funds
All Other Aggregate	169,307	Inventory/prepaid expenses
	1,271,381	Advances to other funds
	$ 3,626,558	

Restricted Fund Balance

Major Fund	Amount	Purpose of Restriction
Public Safety	$ 98,499	Law Enforcement, emergency services, & supplies
All Other Aggregate	258,774	General Government administration & services
	666,113	Law Enforcement, emergency services, & supplies
	793,854	Road Repair, maintenance & supplies
	762,255	Public Health Services & Supplies
	85,034	Noxious Weed Management
	35,202	Repairs & maintenance
	17,300	Animal Control
	685,089	Economic development
	202,478	Social, Economic Services & travel
	143,972	Culture & recreation
	14,396	Conservation of Natural Resources
	7,026	Miscellaneous
	58,404	Airport repair, maintenance & supplies
	113	Cost of employer provided benefits
	$ 3,828,509	

Committed Fund Balance

Major Fund	Amount	Purpose of Commitment
General Capital Improvements	$ 6,399,679	Constructions and/or capital asset purchases
All Other Aggregate	231,046	Constructions and/or capital asset purchases
	$ 6,630,725	

NOTE 12. DEFICIT FUND BALANCES/NET POSITION

Fund Name	Amount	Reason for Deficit	How Deficit will be Eliminated
Road	$ (1,970,315)	Insufficient available resources to cover interfund loans	Future tax revenues, sale of equipment, and reduction in costs
Comprehensive Insurance	(1,250)	Insufficient available resources to cover interfund loan	Collection of tax receivables
Museum	(12,457)	Insufficient available resources to cover interfund loan	Collection of tax and accounts receivables
DHS/FEMA	(2,493)	Unrecognized revenue from grant	Wrap up grant obligations to recognize revenues collected in advance
Total Governmental	$ (1,986,515)		
Landfill	$ (208,021)	Insufficient cash to cover postclosure liability	Funding from refuse assessment or transfer from governmental funds

NOTE 13. RESTATEMENTS

During the current fiscal year, the following adjustments relating to prior years' transactions were made to fund balance and net position.

Fund	Amount	Reason for Adjustment
Emergency Disaster	$ (136,047)	Restatement for change in major funds from prior year per GASB 100
Other Governmental	136,047	Restatement for change in major funds from prior year per GASB 100
General	1,762,998	Restate beginning balance sheet balances of the other unassigned funds per GASB 54
PILT	(1,751,618)	Restate beginning balance sheet balances to general fund for GASB 54 fund combination
LACTF	(11,380)	Restate beginning balance sheet balances to general fund for GASB 54 fund combination
Immunization	239,091	Restate beginning revenue collected in advance
Governmental	465,757	Restate depreciable assets for value of purchase option not included in GASB 87 calculation
Governmental	(466,893)	Restate long-term liabilities for value of purchase option not included in GASB 87 calculation
Total Governmental	$ 237,955	
Custodial Funds	$(5,239,849)	Restate asset balance in custodial fund for portion of external pool cash.

NOTE 14. SERVICES PROVIDED FROM OTHER GOVERNMENTS

Park County provides various financial services to other governmental entities located within the County. The County serves as the billing agent, cashier and treasurer for tax and assessment collections for various taxing jurisdictions. The County also serves as a bank for such agencies as school districts, irrigation districts, rural fire districts, and other special purpose districts. The funds collected and held by the County for other entities are accounted for in agency funds. Funds collected for incorporated cities and towns are periodically remitted to those entities by the County Treasurer. The County has not recorded any service charges for the services it provides other governmental entities.

NOTE 15. RISK MANAGEMENT

The County faces a considerable number of risks of loss, including (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability, i.e., errors and omissions, (d) environmental damage, (e) workers' compensation, i.e., employee injuries, and (f) medical insurance costs of employees. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Property and Casualty Insurance
The County is part of a public entity risk pool called the Montana Association of Counties Property and Casualty Trust (MACo PCT). The MACo PCT pool is a group self-insurance program that offers a package concept combining multiple lines of coverages designed to meet the coverage and service needs for Montana Counties and Special Districts. Liability coverages are provided for at $750,000/claim and $1,500,000/occurrence.

PCT Coverage Includes:

- Public officials' errors and omissions
- Employment practices including legal advice on employment issues
- Law enforcement liability
- Auto liability
- General liability
- Defense only coverage for subdivisions approval and denials
- Property
- Faithful performance of duty
- Boiler and Machinery
- Fidelity and Crime
- Professional liability

Workers Compensation Insurance
The County is part of a public entity self-insured risk sharing pool that provides statutorily mandated workers' compensation called the Montana Association of Counties Workers' Compensation Trust (MACo WCT). Coverage is proved to member counties to protect member employees from on-the-job injuries and occupational diseases.

Health Care Insurance
The County is part of a public entity risk sharing pool that provides group health benefits for Montana Counties called the Montana Association of Counties Health Care Trust (MACo HCT). The plan provides medical, pharmacy, Vision and Dental benefits.

NOTE 16. PENDING LITIGATION

The following is a list of litigation pending against the County and the amount of damages claimed by the Plaintiff. The County Attorney has made no evaluation as to the outcome of each case. The County has liability insurance which may cover all or part of the damages requested.

Case	Damages Requested	Potential of Loss
Salk Family Trust v. Park County v. K. Brooke Lair and H. Dobbs Laird, Trustees of the Howard Dobbs Laird Trust	Not stated	Unknown
Paul Proffit v. Park County	$750,000	Unknown

REQUIRED SUPPLEMENTARY INFORMATION

Park County, Montana
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	General							
	BUDGETED AMOUNTS				ACTUAL AMOUNTS (BUDGETARY BASIS) See Note A		VARIANCE WITH FINAL BUDGET	
	ORIGINAL		FINAL					
RESOURCES (INFLOWS):								
Taxes and assessments	$	2,619,808	$	2,619,808	$	2,582,741	$	(37,067)
Licenses and permits		32,000		32,000		73,528		41,528
Intergovernmental		579,925		579,925		700,864		120,939
Charges for services		542,670		542,670		509,488		(33,182)
Fines and forfeitures		115,000		115,000		114,798		(202)
Miscellaneous		45,200		45,200		61,385		16,185
Investment earnings		10,000		10,000		88,718		78,718
Amounts available for appropriation	$	3,944,603	$	3,944,603	$	4,131,522	$	186,919
CHARGES TO APPROPRIATIONS (OUTFLOWS):								
General government	$	3,804,771	$	3,804,771	$	3,824,474	$	(19,703)
Public safety		276,588		276,588		337,653		(61,065)
Public works		149,696		149,696		141,370		8,326
Public health		478,050		478,050		491,528		(13,478)
Social and economic services		239,737		239,737		165,874		73,863
Culture and recreation		-		-		400		(400)
Housing and community development		-		-		31,500		(31,500)
Debt service - principal		-		-		38,921		(38,921)
Debt service - interest		-		-		3,201		(3,201)
Capital outlay		51,500		51,500		5,796		45,704
Total charges to appropriations	$	5,000,342	$	5,000,342	$	5,040,717	$	(40,375)
OTHER FINANCING SOURCES (USES)								
Transfers in	$	565,326	$	565,326	$	551,066	$	(14,260)
Transfers out		(59,345)		(59,345)		(59,198)		147
Total other financing sources (uses)	$	505,981	$	505,981	$	491,868	$	(14,113)
Net change in fund balance					$	(417,327)		
Fund balance - beginning of the year					$	1,098,934		
Fund balance - end of the year					$	681,607		

Park County, Montana
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Road			
	BUDGETED AMOUNTS		ACTUAL AMOUNTS (BUDGETARY BASIS) See Note A	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
RESOURCES (INFLOWS):				
Taxes and assessments	$ 616,932	$ 616,932	$ 614,739	$ (2,193)
Licenses and permits	12,500	12,500	3,450	(9,050)
Intergovernmental	4,820,262	4,820,262	4,055,327	(764,935)
Charges for services	-	-	654	654
Miscellaneous	50,000	50,000	63,038	13,038
Amounts available for appropriation	$ 5,499,694	$ 5,499,694	$ 4,737,208	$ (762,486)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Public works	$ 1,505,974	$ 1,505,974	$ 1,516,934	$ (10,960)
Debt service - principal	141,267	141,267	156,081	(14,814)
Debt service - interest	110,117	110,117	106,837	3,280
Capital outlay	4,100,000	4,100,000	3,629,554	470,446
Total charges to appropriations	$ 5,857,358	$ 5,857,358	$ 5,409,406	$ 447,952
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of general capital asset disposition	$ -	$ -	$ 133,973	$ 133,973
Transfers in	1,914,659	1,914,659	983,206	(931,453)
Transfers out	(1,711,168)	(1,711,168)	(1,206,780)	504,388
Total other financing sources (uses)	$ 203,491	$ 203,491	$ (89,601)	$ (293,092)
Net change in fund balance			$ (761,799)	
Fund balance - beginning of the year			$ (1,196,839)	
Fund balance - end of the year			$ (1,958,638)	

Park County, Montana
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Public Safety			
	BUDGETED AMOUNTS		ACTUAL AMOUNTS (BUDGETARY BASIS) See Note A	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
RESOURCES (INFLOWS):				
Taxes and assessments	$ 1,853,550	$ 1,853,550	$ 1,848,952	$ (4,598)
Licenses and permits	3,000	3,000	11,480	8,480
Intergovernmental	152,432	152,432	150,814	(1,618)
Charges for services	105,000	105,000	91,000	(14,000)
Miscellaneous	4,500	4,500	12,001	7,501
Amounts available for appropriation	$ 2,118,482	$ 2,118,482	$ 2,114,247	$ (4,235)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Public safety	$ 3,203,148	$ 3,203,148	$ 3,129,754	$ 73,394
Debt service - principal	-	-	42,296	(42,296)
Debt service - interest	-	-	3,544	(3,544)
Capital outlay	155,000	155,000	168,617	(13,617)
Total charges to appropriations	$ 3,358,148	$ 3,358,148	$ 3,344,211	$ 13,937
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of general capital asset disposition	$ 5,000	$ 5,000	$ 36,356	$ 31,356
Transfers in	1,078,028	1,078,028	1,067,989	(10,039)
Transfers out	-	-	(58,000)	(58,000)
Total other financing sources (uses)	$ 1,083,028	$ 1,083,028	$ 1,046,345	$ (36,683)
Net change in fund balance			$ (183,619)	
Fund balance - beginning of the year			$ 282,118	
Fund balance - end of the year			$ 98,499	

Park County, Montana
Budgetary Comparison Schedule
Budget-to-GAAP Reconciliation

Note A - Explanation of differences between budgetary inflows and outflows and GAAP Revenues and Expenditures

	General	Road	Public Safety
Sources/Inflows of resources			
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	$ 4,079,459	$ 4,737,208	$ 2,114,247
Combined funds (GASBS 54) revenues	4,839,570	-	-
GASB 85 noncash on behalf revenues	52,063	-	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds.	$ 8,971,092	$ 4,737,208	$ 2,114,247
Uses/Outflows of resources			
Actual amounts (Budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 4,988,654	$ 5,409,406	$ 3,344,211
Combined funds (GASBS 54) expenditures	1,352,335	-	-
GASB 85 noncash pension expenditures	52,063	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 6,393,052	$ 5,409,406	$ 3,344,211

Park County, Montana
Schedules of Required Supplementary Information
SCHEDULE OF CHANGES IN THE
TOTAL OPEB LIABILITY AND RELATED RATIOS
For Fiscal Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service Cost	$ 34,581	$ 33,084	$ 31,965	$ 51,848	$ 50,095	$ 112,525	$ 110,848
Interest	15,711	14,398	12,556	11,980	51,302	46,842	40,328
Differences in experience	24,958	-	(147,815)	-	(805,031)	-	53,200
Change in assumptions and inputs	(55,990)	-	(26,773)	-	(104,289)	-	(12,449)
Benefit payments	(14,862)	(13,990)	(16,669)	(23,154)	(17,434)	(29,877)	(24,434)
Net change in total OPEB liability	4,398	33,492	(146,736)	40,674	(825,357)	129,490	167,493
Total OPEB Liability - beginning	386,235	352,743	499,479	458,805	1,284,162	1,154,672	987,179
Total OPEB Liability - ending	$ 390,633	$ 386,235	$ 352,743	$ 499,479	$ 458,805	$ 1,284,162	$ 1,154,672
Covered-employee payroll	$ 6,406,481	$ 5,659,047	$ 5,467,678	$ 5,208,131	$ 5,032,011	$ 4,143,314	$ 3,983,956
Total OPEB liability as a percentage of covered -employee payroll	6%	7%	6%	10%	9%	31%	29%

**The above schedule is presented by combining the required schedules from GASB 75 paragraphs 170a and 170b. The GASB requires that 10 years of information related to the OPEB liability be presented, additional data will be provided as it becomes available.*

Park County, Montana
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2024

	PERS 2024	PERS 2023	PERS 2022	PERS 2021	PERS 2020	PERS 2019	PERS 2018	PERS 2017	PERS 2016	PERS 2015
Employer's proportion of the net pension liability	0.226508%	0.201027%	0.190638%	0.174854%	0.170330%	0.156132%	0.206693%	0.202197%	0.224178%	0.224178%
Employer's proportionate share of the net pension liability associated with the Employer	$ 5,527,608	$ 4,780,185	$ 3,456,697	$ 4,613,027	$ 3,560,417	$ 3,258,699	$ 4,025,616	$ 3,444,108	$ 2,860,745	$ 2,793,286
State of Montana's proportionate share of the net pension liability associated with the Employer	$ 1,531,864	$ 1,431,652	$ 1,019,827	$ 1,456,069	$ 1,162,304	$ 1,095,427	$ 57,927	$ 42,083	$ 35,139	$ 34,110
Total	$ 7,059,472	$ 6,211,837	$ 4,476,524	$ 6,069,096	$ 4,722,721	$ 4,354,126	$ 4,083,543	$ 3,486,191	$ 2,895,884	$ 2,827,396
Employer's covered payroll	$ 4,137,565	$ 3,502,175	$ 3,343,215	$ 2,933,819	$ 2,810,418	$ 2,567,692	$ 2,564,017	$ 2,421,961	$ 2,388,307	$ 2,559,683
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	133.60%	136.49%	103.39%	157.24%	126.69%	126.91%	157.00%	142.20%	119.78%	111.22%
Plan fiduciary net position as a percentage of the total pension liability	73.93%	73.66%	79.91%	68.90%	73.85%	73.47%	73.75%	74.71%	78.40%	79.87%

	SRS 2024	SRS 2023	SRS 2022	SRS 2021	SRS 2020	SRS 2019	SRS 2018	SRS 2017	SRS 2016	SRS 2015
Employer's proportion of the net pension liability	1.7693%	1.5656%	1.5153%	1.5004%	1.4591%	1.4829%	1.5115%	1.5870%	1.6073%	1.5860%
Employer's proportionate share of the net pension liability associated with the Employer	$ 2,600,728	$ 2,143,632	$ 1,103,762	$ 1,828,759	$ 1,216,854	$ 1,114,703	$ 1,150,173	$ 2,787,990	$ 1,549,455	$ 660,064
Total	$ 2,600,728	$ 2,143,632	$ 1,103,762	$ 1,828,759	$ 1,216,854	$	$ 1,150,173	$ 2,787,990	$ 1,549,455	$ 660,064
Employer's covered payroll	$ 1,812,578	$ 1,508,898	$ 1,377,159	$ 1,273,945	$ 1,171,527	$ 1,150,523	$ 1,130,869	$ 1,120,309	$ 1,093,721	$ 1,025,736
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	143.48%	142.07%	80.15%	143.55%	103.87%	96.89%	101.71%	248.86%	141.67%	64.35%
Plan fiduciary net position as a percentage of the total pension liability	77.09%	77.07%	86.94%	75.92%	81.89%	82.89%	81.30%	63.00%	75.40%	87.24%

	TRS 2024	TRS 2023	TRS 2022	TRS 2021	TRS 2020	TRS 2019	TRS 2018	TRS 2017	TRS 2016	TRS 2015
Employer's proportion of the net pension liability	0.0037%	0.0033%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Employer's proportionate share of the net pension liability associated with the Employer	$ 71,546	$ 64,552	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State of Montana's proportionate share of the net pension liability associated with the Employer	$ 37,024	$ 33,822	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 108,570	$ 98,374	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 54,917	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	130.28%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	71.75%	70.61%	75.54%	64.92%	68.64%	69.09%	70.09%	66.69%	69.30%	70.36%

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

Park County, Montana
Required Supplementary Information
Schedule of Contributions
For the Year Ended June 30, 2024

	PERS 2024	PERS 2023	PERS 2022	PERS 2021	PERS 2020	PERS 2019	PERS 2018	PERS 2017	PERS 2016	PERS 2015
Contractually required contributions	$ 442,619	$ 380,892	$ 314,196	$ 298,416	$ 257,037	$ 241,715	$ 217,482	$ 214,614	$ 202,441	$ 196,806
Contributions in relation to the contractually required contributions	$ 442,619	$ 380,892	$ 314,196	$ 298,416	$ 257,037	$ 241,715	$ 217,482	$ 214,614	$ 212,925	$ 209,627
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 4,880,033	$ 4,137,565	$ 3,502,175	$ 3,343,215	$ 2,933,819	$ 2,810,418	$ 2,567,692	$ 2,564,017	$ 2,421,961	$ 2,388,307
Contributions as a percentage of covered payroll	9.07%	9.21%	8.97%	8.93%	8.76%	8.60%	8.47%	8.37%	8.79%	8.78%

	SRS 2024	SRS 2023	SRS 2022	SRS 2021	SRS 2020	SRS 2019	SRS 2018	SRS 2017	SRS 2016	SRS 2015
Contractually required contributions	$ 216,282	$ 238,544	$ 198,880	$ 180,277	$ 167,671	$ 154,264	$ 153,717	$ 114,388	$ 116,115	$ 110,946
Contributions in relation to the contractually required contributions	$ 216,282	$ 238,544	$ 198,880	$ 180,277	$ 167,671	$ 154,264	$ 153,717	$ 114,388	$ 116,115	$ 110,946
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 1,649,119	$ 1,812,578	$ 1,508,898	$ 1,377,159	$ 1,273,945	$ 1,171,527	$ 1,150,523	$ 1,130,869	$ 1,120,309	$ 1,093,721
Contributions as a percentage of covered payroll	13.12%	13.16%	13.18%	13.09%	13.16%	13.17%	13.36%	10.12%	10.36%	10.14%

	TRS 2023	TRS 2023	TRS 2022	TRS 2021	TRS 2020	TRS 2019	TRS 2018	TRS 2017	TRS 2016	TRS 2015
Contractually required contributions	$ 5,753	$ 5,146	$ 4,466	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contributions	$ 5,753	$ 5,146	$ 4,466	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 60,754	$ 54,917	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions as a percentage of covered payroll	9.47%	9.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Park County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions
For the Year ended June 30, 2024

<u>Public Employees' Retirement System of Montana (PERS)</u>

Changes of Benefit Terms
The following changes to the plan provision were made as identified:

2013 Legislative Changes

Working Retirees - House Bill 95 - PERS, SRS, and FURS, effective July 1, 2013

- The law requires employer contributions on working retiree compensation.
- Member contributions are not required.
- Working retiree limitations are not impacted. PERS working retirees may still work up to 960 hours a year, without impacting benefits.

Highest Average Compensation (HAC) Cap - House Bill 97, effective July 1, 2013

- All PERS members hired on or after July 1, 2013 are subject to a 110% annual cap on compensation considered as part of a member's highest or final average compensation.
- All bonuses paid to PERS members on or after July 1, 2013 will not be treated as compensation for retirement purposes.

Permanent Injunction Limits Application of the GABA Reduction – Passed under House Bill 454

Guaranteed Annual Benefit Adjustment (GABA) - for PERS
After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of all other adjustments to the member's benefit.

- 3% for members hired prior to July 1, 2007
- 1.5% for members hired on or after July 1, 2007 and before July 1, 2013
- Members hired on or after July 1, 2013:
    - 1.5% each tear PERS is funded at or above 90%;
    - 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
    - 0% whenever the amortization period for PERS is 40 years or more.

2015 Legislative Changes

General Revisions - House Bill 101, effective January 1, 2016

Second Retirement Benefit - for PERS

- Applies to PERS members who return to active service on or after January 1, 2016. Members who retire before January 1, 2016, return to PERS-covered employment, and accumulate less than 2 years of service credit before retiring again:
    - Refund of member's contributions from second employment, plus regular interest (currently 2.5%);
    - No service credit for second employment;
    - Start same benefit amount the month following termination; and
    - GABA starts again in the January immediately following second retirement.

- For members who retire before January 1, 2016, return to PERS-covered employment and accumulate two or more years of service credit before retiring again:
  - Member receives a recalculated retirement benefit based on laws in effect at second retirement; and,
  - GABA starts in the January after receiving recalculated benefit for 12 months.
- For members who retire on or after January 1, 2016, return to PERS-covered employment and accumulate less than 5 years of service credit before retiring again:
  - Refund of member's contributions from second employment, plus regular interest (currently 2.5%);
  - No service credit for second employment
  - Start same benefit amount the month following termination; and,
  - GABA starts again in the January immediately following second retirement.
- For members who retire on or after January 1, 2016, return to PERS-covered employment, and accumulate five or more years of service credit before retiring again:
  - Member receives same retirement benefit as prior to return to service;
  - Member receives second retirement benefit for second period of service based on laws in effect at second retirement; and
  - GABA starts on both benefits in January after member receives original and new benefit for 12 months.

Revise DC Funding Laws - House Bill 107, effective July 1, 2015

Employer Contributions and the Defined Contribution Plan – for PERS and MUS-RP
The PCR was paid off effective March 2016, and the contributions of 2.37%, 0.47%, and the 1.0% increase previously directed to the PCR are now directed to the Defined Contribution or MUS-RP member's account.

2017 Legislative Changes

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

Refunds

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

Lump-sum payouts

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

Disabled PERS Defined Contribution (DC) Members

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

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

Actuarially determined contributions are determined on the valuation date payable in the fiscal year beginning immediately following the valuation date. The following actuarial assumptions and methods were used to determine contribution rates reported for fiscal year ending June 30, 2023, which were based on the results of the June 30, 2022 actuarial valuation:

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

Park County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions
For the Year ended June 30, 2024

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

<u>Sheriffs' Retirement System of Montana (SRS)</u>

Changes of Benefit Terms
The following changes to the plan provision were made as identified:

2013 Legislative Changes
Working Retirees - House Bill 95 - PERS, SRS, and FURS, effective July 1, 2013

- The law requires employer contributions on working retiree compensation.
- Member contributions are not required.
- Working retiree limitations are not impacted. SRS working retirees may still work up to 480 hours a year, without returning to active service.

Highest Average Compensation (HAC) Cap - House Bill 97, effective July 1, 2013

- All SRS members hired on or after July 1, 2013 are subject to a 110% annual cap on compensation considered as part of a member's highest or final average compensation.
- All bonuses paid to SRS members on or after July 1, 2013 will not be treated as compensation for retirement purposes.

2015 Legislative Changes

There were no legislative changes with regards to SRS in 2015.

2017 Legislative Changes

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

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

Second Retirement Benefit – for SRS
Applies to retirement system members who return on or after July 1, 2017 to active service covered by the system from which they retired.

- If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
    - is not awarded service credit for the period of reemployment;
    - is refunded the accumulated contributions associated with the period of reemployment;

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

Refunds

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

Interest credited to member accounts

- Effective July 1, 2017, the interest rate credited to member accounts increased from 0.25% to 0.77%.

Lump-sum payouts

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

2023:
Retirement eligibility

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

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

Actuarially determined contributions are determined on the valuation date payable in the fiscal year beginning immediately following the valuation date. The following actuarial assumptions and methods were used to determine contribution rates reported for fiscal year ending June 30, 2023, which were based on the results of the June 30, 2022 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.30%, net of pension plan investments and administrative expenses
*Includes inflation at	2.75%
Merit salary increases	1% to 6.40%
Asset valuation method	Four-year smoothed market
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of pay, open
Mortality	
• Active Participation	PUB-2010 Safety Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021.
• Healthy Retiree	PUB-2010 Safety Amount Weighted Healthy Retiree Mortality table projected to 2021, set forward one year and adjusted 105% for males and 100% for females. Projected generationally using MP-2021.
• Disabled Retiree	PUB-2010 Safety Amount Weighted Disabled Retiree Mortality table projected to 2021, set forward one year for males.
• Contingent Survivor	PUB-2010 Safety Amount Weighted Contingent Survivor Mortality projected to 2021, set forward one year for males. Projected generationally using MP-2021.

Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for the System. This amount varies from year to year based on the prior year's actual administrative expenses.

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

Park County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions
For the Year ended June 30, 2024

<u>Teachers' Retirement System of Montana (TRS)</u>

Changes of Benefit Terms:
The following changes to the plan provision were made as identified:

The 2013 Montana Legislature passed HB 377 which provides additional revenue and created a two tier benefit structure. A Tier One Member is a person who first became a member before July 1, 2013 and has not withdrawn their member's account balance. A Tier Two Member is a person who first becomes a member on or after July 1, 2013 or, after withdrawing their member's account balance, becomes a member again on or after July 1, 2013.

The GABA for Tier 1 members has also been modified as follows:

- If the most recent actuarial valuation of the System shows that the funded ratio is less than 90%, then the maximum increase that can be granted is 0.50%.
- If the funded ratio is at least 90% and the increase is not projected to cause the System's funded ratio to be less than 85%, an increase can be granted to that is greater than 0.50% but not more than 1.50%.

The second tier benefit structure for members hired on or after July 1, 2013 is summarized below:

- *Final Average Compensation:* Average of earned compensation paid in five consecutive years of full-time service that yields the highest average
- *Service Retirement:* Eligible to receive a service retirement benefit if the member has been credited with at least five full years of creditable service and has attained the age of 60; or has been credited with 30 or more years of full-time or part-time creditable service and has attained age 55
- *Early Retirement:* Eligible to receive an early retirement allowance if a member is not eligible for service retirement but has at least five years of creditable service and attained age 55
- *Professional Retirement Option:* If the member has been credited with 30 or more years of service and has attained the age of 60, they are eligible for an enhanced allowance equal to 1.85% of average final compensation times all service at retirement. Otherwise, the multiplier used to calculate the retirement allowance will be equal to 1.67%.
- Annual Contribution: 8.15% of member's earned compensation
- Supplemental Contribution Rate: On or after July 1, 2023, the TRS Board may require a supplemental contribution up to 0.5%, if the following three conditions are met:
    - The average funded ratio of the System based on the last three annual actuarial valuations is equal to or less than 80%; and
    - The period necessary to amortize all liabilities of the System based on the latest annual actuarial valuation is greater than 20 years; and
    - A State or employer contribution rate increase or a flat dollar contribution to the Retirement System Trust fund has been enacted that is equivalent to or greater than the supplemental contribution rate imposed by the TRS Board.

- Disability Retirement: A member will not be eligible for a disability retirement if the member is or will be eligible for a service retirement on the date of termination
- Guaranteed Annual Benefit Adjustment (GABA):
  If the most recent actuarial valuation shows that Retirement System liabilities are at least 90% funded, and the provision of the increase is not projected to cause the System's liabilities to be less than 85% funded, the GABA may increase from the 0.5% floor up to 1.5%, as set by the Board.

HB 377 increased revenue from the members, employers and the State as follows:

- Annual State contribution equal to $25 million paid to the System in monthly installments.
- One-time contribution payable to the Retirement System by the trustees of a school district maintaining a retirement fund. The one-time contribution to the Retirement System shall be the amount earmarked as an operating reserve in excess of 20% of the adopted retirement fund budget for the fiscal year 2013. The amount received was $22 million in FY 2014.
- 1% supplemental employer contribution. This will increase the current employer rates:
  - School Districts contributions will increase from 7.47% to 8.47%
  - The Montana University System and State Agencies will increase from 9.85% to 10.85%.
  - The supplemental employer contribution will increase by 0.1% each fiscal year for fiscal year 2014 thru fiscal year 2024. Fiscal years beginning after June 30, 2024 the total supplemental employer contribution will be equal to 2%.
- Members hired prior to July 1, 2013 (Tier 1) under HB 377 are required to contribute a supplemental contribution equal to an additional 1% of the member's earned compensation.
- Each employer is required to contribute 9.85% of total compensation paid to all re-employed TRS retirees employed in a TRS reportable position to the System.

Changes in actuarial assumptions and other inputs:

The following changes to the actuarial assumptions were adopted in 2022:

- The discount rate was increased from 7.06% to 7.30%.
- The investment rate of return assumption was increased from 7.06% to 7.30%.
- The inflation rate was increased from 2.40% to 2.75%.
- Updated all mortality tables to the PUB-2010 tables for teachers.
- Updated the rates of retirement and termination.
- Updated the salary scale merit rates.

The following changes to the actuarial assumptions were adopted in 2021:

- The discount rate was lowered from 7.34% to 7.06%.
- The investment rate of return assumption was lowered from 7.34% to 7.06%.

The following changes to the actuarial assumptions were adopted in 2020:

- The discount rate was lowered from 7.50% to 7.34%.
- The investment rate of return assumption was lowered from 7.50% to 7.34%.
- The inflation rate was reduced from 2.50% to 2.40%.

The following changes to the actuarial assumptions were adopted in 2019:

- The Guaranteed Annual Benefit Adjustment (GABA) for Tier Two members is a variable rate between 0.50% and 1.50% as determined by the Board. Since an increase in the amount of the GABA is not automatic and must be approved by the Board, the assumed increase was lowered from 1.50% to the current rate of 0.50% per annum.

The following changes to the actuarial assumptions were adopted in 2018:

- Assumed rate of inflation was reduced from 3.25% to 2.50%
- Payroll growth assumption was reduced from 4.00% to 3.25%
- Investment return assumption was reduced from 7.75% to 7.50%.
- Wage growth assumption was reduced from 4.00% to 3.25%
- Mortality among contributing members, service retired members, and beneficiaries was updated to the following:
    - For Males and Females: RP-2000 Healthy Combined Mortality Table projected to 2022 adjusted for partial credibility setback for two years.
    - The tables include margins for mortality improvement which is expected to occur in the future.
- Mortality among disabled members was updated to the following:
    - For Males: RP 2000 Disabled Mortality Table, set back three years, with mortality improvements projected by Scale BB to 2022.
    - For Females: RP 2000 Disabled Mortality Table, set forward two years, with mortality improvements projected by Scale BB to 2022.
- Retirement rates were updated
- Termination rates were updated
- Rates of salary increases were updated

The following changes to the actuarial assumptions were adopted in 2016:

- The normal cost method has been updated to align the calculation of the projected compensation and the total present value of plan benefits so that the normal cost rate reflects the most appropriate allocation of plan costs over future compensation.

The following changes to the actuarial assumptions were adopted in 2015:

- Correctly reflect the proportion of members that are assumed to take a refund of contributions upon termination and appropriately reflect the three-year COLA deferral period for Tier 2 Members.
- The 0.63% load applied to the projected retirement benefits of the university members “to account for larger than average annual compensation increases observed in the years immediately preceding retirement” is not applied to benefits expected to be paid to university members on account of death, disability and termination (prior to retirement eligibility.
- The actuarial valuation was updated to reflect the assumed rate of retirement for university members at age 60 is 8.50% as stated in the actuarial valuation report.
- The actuarial valuation was updated to reflect the fact that vested terminations are only covered by the $500 death benefit for the one year following their termination and, once again when the terminated member commences their deferred retirement annuity (they are not covered during the deferral period). Additionally, only the portion of the terminated members that are assumed to “retain membership in the System” are covered by the $500 death benefit after termination.

The following changes to the actuarial assumptions were adopted in 2014:

- Assumed rate of inflation was reduced from 3.50% to 3.25%
- Payroll Growth Assumption was reduced from 4.50% to 4.00%
- Assumed real wage growth was reduced from 1.00% to 0.75%
- Investment return assumption was changed from net of investment and administrative expenses to net of investment expenses only.
- Mortality among contributing members, service retired members, and beneficiaries was updated to the following:

  For Males: RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back four years, with mortality improvements projected by Scale BB to 2018.

  For Females: RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back two years, with mortality improvements projected by Scale BB to 2018.

- Mortality among disabled members was updated to the following:

  For Males: RP 2000 Disabled Mortality Table for Males, set forward one year, with mortality improvements projected by Scale BB to 2018.

  For Females: RP 2000 Disabled Mortality Table for Females, set forward five years, with mortality improvements projected by Scale BB to 2018.

Park County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions
For the Year ended June 30, 2024

Method and assumptions used in calculations of actuarially determined contributions:

Actuarial cost method	Entry age
Amortization method	Level percentage of pay, open
Remaining amortization period	25 years
Asset valuation method	4-year smoothed market
Inflation	2.75 percent
Salary Increase	3.50 to 9.00 percent, including inflation for Non-University Members and 4.25% for University Members
Investment rate of return	7.30 percent. Net of pension plan investment expense, and including inflation

SINGLE AUDIT SECTION

Park County
Schedule of Expenditures of Federal Awards By Grant
For the Year Ended June 30, 2024

Federal Grantor/Program or Cluster Title	*Federal CFDA Number*	*Pass-through Grantor and Number*	*Federal Expenditures($)*
Forest Service Schools and Roads Cluster-Cluster			
United States Department of Agriculture			
Schools and Roads - Grants to States			
Schools and Roads - Grants to States	10.665		$ 253,604
Total Schools and Roads - Grants to States			253,604
Total United States Department of Agriculture			253,604
Total Forest Service Schools and Roads Cluster-Cluster			253,604
Other Programs			
Department of Homeland Security			
Flood Mitigation Assistance			
Flood Mitigation Assistance	97.029	Montana Department of Military Affairs	2,457,626
Total Flood Mitigation Assistance			2,457,626
Hazard Mitigation Grant			
Hazard Mitigation Grant	97.039	Montana Department of Emergency Services,DR 4508 Covid	18,652
Total Hazard Mitigation Grant			18,652
Emergency Management Performance Grants			
Emergency Management Performance Grants	97.042	Montana Department of Emergency Services,EMD-2022-EP-00005	41,249
Total Emergency Management Performance Grants			41,249
Homeland Security Grant Program			
Homeland Security Grant Program	97.067	Montana Department of Emergency Services	31,300
Total Homeland Security Grant Program			31,300
Total Department of Homeland Security			2,548,827
United States Department of Justice			
Violence Against Women Formula Grants			
Violence Against Women Formula Grants	16.588	Montana Board of Crime Control,23-W03-1480	60,890
Total Violence Against Women Formula Grants			60,890
Total United States Department of Justice			60,890
Department of Health and Human Services			
Public Health Emergency Preparedness			
Public Health Emergency Preparedness	93.069	Montana Department of Public Health and Human Services,24-07-6-11-039-0	35,512
Total Public Health Emergency Preparedness			35,512
Immunization Cooperative Agreements			
Immunization Cooperative Agreements	93.268	Montana Department of Public Health and Human Services,23-07-4-31-131-0	79,217
Total Immunization Cooperative Agreements			79,217
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations			
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	Montana Department of Public Health and Human Services,23-07-3-01-167-0	40,000
Total Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations			40,000
Block Grants for Prevention and Treatment of Substance Abuse			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Montana Department of Public Health and Human Services,23-102-74033-0	82,898
Total Block Grants for Prevention and Treatment of Substance Abuse			82,898

Park County
Schedule of Expenditures of Federal Awards By Grant
For the Year Ended June 30, 2024 - Continued

Federal Grantor/Program or Cluster Title	***Federal CFDA Number***	***Pass-through Grantor and Number***	***Federal Expenditures($)***
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health			
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	Montana Department of Public Health and Human Services,HHS-PHSE-00000622	15,000
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	Montana Department of Public Health and Human Services,24-07-1-01-134-0	66,747
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	Montana Department of Public Health and Human Services,23-07-1-01-194-0	30,000
Total Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health			111,747
Mental Health Disaster Assistance and Emergency Mental Health			
Mental Health Disaster Assistance and Emergency Mental Health	93.982	Montana Department of Public Health and Human Services,23-102-74062-0	95,547
Total Mental Health Disaster Assistance and Emergency Mental Health			95,547
Maternal and Child Health Services Block Grant to the States			
Maternal and Child Health Services Block Grant to the States	93.994	Montana Department of Public Health and Human Services,24-25-5-01-034-0	12,975
Total Maternal and Child Health Services Block Grant to the States			12,975
Total Department of Health and Human Services			457,896
Department of the Treasury			
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS			
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027		1,191,711
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027		22,000
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027		804,473
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027		504,826
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027		133,684
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027		35,060
Total CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS			2,691,754
Local Assistance and Tribal Consistency Fund			
Local Assistance and Tribal Consistency Fund	21.032		1,528,682
Total Local Assistance and Tribal Consistency Fund			1,528,682
Total Department of the Treasury			4,220,436
United States Department of Agriculture			
WIC Special Supplemental Nutrition Program for Women, Infants, and Children			
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Montana Department of Public Health and Human Services,22-25-5-21-032-0	69,522
Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children			69,522
Total United States Department of Agriculture			69,522
Total Other Programs			7,357,571
Total Expenditures of Federal Awards			$ 7,611,175

The accompanying notes are an integral part of this schedule

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 2024

Basis of Presentation and Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of Park County, Montana. The information in this schedule is presented in accordance with the requirements Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of the basic financial statements.

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The County has elected not to use the 10 percent de Minimis indirect cost rate as provided in Sec. 200.414 Indirect Costs under Uniform Guidance.

Denning, Downey & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of County Commissioners
Park County
Livingston, Montana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing* Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Park County, Montana, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 17, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Park County, Montana's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Park County, Montana's internal control. Accordingly, we do not express an opinion on the effectiveness of Park County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses listed as item(s) 2024-001 and 2024-002.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item(s) 2024-003.

Park County's Response to Findings
Park County's response to the findings identified in our audit is described in the Auditee's Corrective Action Plan. Park County's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Denning, Downey and Associates, CPA's, P.C.

April 17, 2025

Denning, Downey & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

1740 U.S. Hwy 93 South, P.O. Box 1957, Kalispell, MT 59903-1957

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of County Commissioners
Park County
Livingston, Montana

Report on Compliance for each Major Federal Program

Opinion on Each Major Federal Program

We have audited Park County's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Park County's Major federal programs for the year ended June 30, 2024. Park County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Park County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Park County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Park County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Park County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Park County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Park County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Park County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Park County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Park County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-003. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Park County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Park County's response was not subjected to other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that here is a reasonable possibility that material noncompliance with a types of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during out audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirement of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Denning, Downey and Associates, CPA's, P.C.

April 17, 2025

PARK COUNTY, MONTANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Fiscal Year Ended June 30, 2024

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	*Unmodified*
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(s) identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(s) identified	None Reported
Type of auditor's report issued on compliance for major programs:	*Unmodified*
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	Yes

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
21.032	Local Assistance and Tribal Consistency Fund
21.027	Coronavirus State and Local Fiscal Recovery Funds
10.665	School and Roads - Grants to States

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

2024-001 Segregation of Duties (Repeated 2023-001)

Condition:
There is a lack of segregation of duties at the smaller offices/departments throughout the County.

Context:
The County has several smaller offices/departments in which there is very limited staff.

Criteria:
Duties should be segregated to provide reasonable assurance that transactions are handled properly and there are checks and balances in place.

Effect:
A lack of segregation of duties could lead to misappropriation of assets.

Cause:
There is very limited staff in various County offices/departments and it would not be cost effective to hire additional staff members in these offices.

Recommendation:
We recommend the County segregate duties as much as possible and the County Commissioners and/or other management oversee these departments as much as possible.

2024-002 Road Fund Deficit Fund Balance (Repeated 2023-002)

Condition:
The County does not have adequate internal control procedures to monitor the Road Fund activities to ensure that it has adequate resources to meet the needs of the department. This is a repeated finding from the prior year.

Context:
In the prior year audit, we noted that the Road Fund significantly overspent its budget, resulting in a large deficit fund balance. Upon follow-up in the current fiscal year, we observed that the County continued to make equipment purchases for the road department without sufficient available resources, necessitating loans from the General Capital Improvement Fund to cover these expenditures.

Additionally, the County's current plan to address the deficit extends over a ten-year period, which may not provide a timely resolution to the financial imbalance. This prolonged recovery period could pose ongoing financial challenges and impact the overall fiscal health of the County.

Criteria:
The County should have sufficient monitoring procedures in place to identify when revenues and reserves are not meeting expenditure the expenditure needs, and have processes to analyze plan for addressing any shortfalls or expenditure cuts needed to keep the cash balances of the Road Fund at a healthy amount.

Effect:
The Road Fund reported a deficit fund balance of $1,958,638 at the end of fiscal year 2024. The deficit increased by $761,799 from the prior year.

Cause:
The County's continues to overspend the available resources in the Road Fund, and does not have adequate monitoring procedures to identify and make necessary changes to the prevent overspending.

Recommendation:
We recommend that the County develop a structured plan to eliminate the Road Fund deficit in a timelier manner. Additionally, the County should implement a monitoring system to actively track revenues and expenditures, ensuring that any potential shortfalls are identified promptly. This system should facilitate immediate corrective actions to prevent the Road Fund from being overdrawn in the future.

Section III – Federal Award Findings and Questioned Costs

2024-003 Audit report deadline

CFDA Number	Name of Federal Program or Cluster
21.032	Local Assistance and Tribal Consistency Fund
21.027	Coronavirus State and Local Fiscal Recovery Funds
10.665	School and Roads - Grants to States

Condition:
Montana local governments with a June 30th fiscal year end must submit their audit report to the MT Department of Administration and the Federal Clearing house by March 31st, following the fiscal year end. The County audit was not completed until April 2025.

Context:
Per review of the audit compliance requirements for both the State of Montana and the Federal government.

Criteria:
The audit for the fiscal year ended June 30, 2024, was due to the State and the Federal government by March 31, 2025 as required by MT Administrative Rules 2.4.411 and the Federal Uniform Guidance/A-133 rules.

Effect:
The County is late in completing the audit for fiscal year 2024.

Cause:
The County was required to engage a new auditor for fiscal year 2024; however, the contract with the new auditor was not finalized until the end of September 2024. As a result, there was insufficient time to adequately plan and complete the audit by the required deadline.

Recommendation:
We recommend the County complete their annual audits in compliance with MT Administrative Rules 2.4.411 and federal rules described in the Uniform Guidance/A-133.

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REPORT ON PRIOR AUDIT REPORT RECOMMENDATIONS

Board of County Commissioners
Park County
Livingston, Montana

The prior audit report contained ten recommendations. The action taken on each recommendation is as follows:

Recommendation	Action Taken
2023-001 Segregation of Duties	Repeated
2023-002 Deficit Fund Balance in the Road Fund	Repeated
2023-003 Develop a Schedule of Month-End and Year-End Closing Procedures	Implemented
2023-004 Grant Management	Implemented
2023-005 Budgets	Implemented
2023-006 Excess Vacation Leave	Not Repeated
2023-007 Bidding	Implemented
2023-008 & 2023-011 Noncompliance with procurement, suspension & debarment requirements, Coronavirus State & Local Fiscal Recovery Funds; AL No. 21.027, Year Ended June 30, 2023	Implemented
2023-009 & 2023-012 Noncompliance with Grant Terms & conditions; Formula Grants for Rural areas & Tribal Transit Program; AL No. 20.509, Grant No. 111604, Year Ended June 30, 2023	Implemented
2023-010 & 2023-013 Noncompliance with Allowable Cost/Cost Principles; Formula Grants for Rural areas & Tribal Transit Program; AL No. 20.509, Grant No. 112761 & 112626 Year Ended June 30, 2023	Implemented

Denning, Downey and Associates, CPA's, P.C.

April 17, 2025

Contact Person:
Contact name and information for corrective action plan - Erica Strickland, Finance Director
estrickland@parkcounty.org – Ph. 406-222-4135

Expected Completion Date of Corrective Action Plan:
Date of expected completion - Immediately

CORRECTIVE ACTION PLAN

FINDING 2024-001: Segregation of Duties (Repeated 2023-001)

Response: Ongoing finding due to nature of county operations within a small county. County will continue to segregate duties to the best degree possible.

FINDING 2024-002: Road Fund Deficit Fund Balance (Repeated 2023-002)

Response: The road department will reduce expenditures going forward so revenues exceed expenditures to reverse the negative fund balance.

FINDING 2024-003: Audit Report Deadline

Response: Park County will comply with MCA code and findings. The County entered into a contract with new auditors in the fall of 2024 causing a delay.

STATUS OF PRIOR YEAR FINDINGS

FINDING 2023-001: Segregation of Duties

Response: Ongoing finding due to nature of county operations within a small county. County will continue to segregate duties to the best degree possible.

FINDING 2023-002: Deficit Fund Balance in Road Fund

Response: The road department will reduce expenditures going forward so revenues exceed expenditures to reverse the negative fund balance.

FINDING 2023-003: Develop a Schedule of Month-End and Year-End Closing Procedures

Response: Implemented

FINDING 2023-004: Grant Management

Response: Implemented

FINDING 2023-005: Budgets

Response: Implemented

FINDING 2023-006: Excess Vacation Leave

Response: Not Repeated

FINDING 2023-007: Bidding

Response: Implemented

FINDING 2023-008 and 2023-011: Noncompliance with procurement, suspension & debarment requirements, Coronavirus State & Local Fiscal Recovery Funds; AL No. 21.027, Year Ended June 30, 2023

Response: Implemented

FINDING 2023-009 and 2023-012: Noncompliance with Grant Terms & conditions; Formula Grants for Rural areas & Tribal Transit Program; AL No. 20.509, Grant No. 111604, Year Ended June 30, 2023

Response: Implemented

FINDING 2023-010 and 2023-013: Noncompliance with Allowable Cost/Cost Principles; Formula Grants for Rural areas & Tribal Transit Program; AL No. 20.509, Grant No. 112761 & 112626 Year Ended June 30, 2023

Response: Implemented