PARK COUNTY, MONTANA

Fiscal Year Ended June 30, 2025

AUDIT REPORT

NEXUS CPA GROUP

PARK COUNTY, MONTANA

Fiscal Year Ended June 30, 2025

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PARK COUNTY, MONTANA

ORGANIZATION

Fiscal Year Ended June 30, 2025

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, 2025. Readers are encouraged to consider the information presented here, in conjunction with the basic financial statements.

FINANCIAL HIGHLIGHTS

- Net position for Park County was $46,754,142

- The County's total net position increased 2.7% for this year's operations. Net position of governmental activities increased by $878,584 or 1.9%, while net position of business-type activities increased by $361,531 or > 1000%.

- During the year, governmental revenues of $20,606,660 were $5,758,493 less than 2024 due to the drop in FEMA funding for the 2022 flood. Revenues were $406,060 less than the $21,226,173 in expenses, before transfers out. The total cost of governmental activities (expenses) increased over the prior year by $1,374,335 or 6.9%.

- In the business-type activities before transfers in and out, revenues increased $553,472 or 31.02% and expenses decreased $244,592 or 11.07%). This was set up to rebalance Refuse activities funding.

- The General Fund balance reported a decrease this year of $1,325,017, or (34.5%). For 2025, 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		
	FY25	FY24	Change Inc (Dec)	FY25	FY24	Change Inc (Dec)
Current and other assets	$ 19,078,192	$ 20,829,462	$ (1,751,270)	$ 721,354	$ 192,962	$ 528,392
Capital assets	39,733,152	38,117,172	1,615,980	1,861,709	2,002,630	(140,921)
Total assets	$ 58,811,344	$ 58,946,634	$ (135,290)	$ 2,583,063	$ 2,195,592	$ 387,471
Long-term debt outstanding	$ 9,352,702	$ 10,323,544	$ (970,842)	$ 577,902	$ 559,867	$ 18,035
Other liabilities	3,089,212	3,132,244	(43,032)	1,620,449	1,612,544	7,905
Total liabilities	$ 12,441,914	$ 13,455,788	$ (1,013,874)	$ 2,198,351	$ 2,172,411	$ 25,940
Net investment in capital assets	$ 38,139,361	$ 36,256,135	$ 1,883,226	$ 1,861,709	$ 2,002,630	$ (140,921)
Restricted	5,756,126	5,490,924	265,202	-	-	-
Unrestricted (deficit)	2,473,943	3,743,787	(1,269,844)	(1,476,997)	(1,979,449)	502,452
Total net position	$ 46,369,430	$ 45,490,846	$ 878,584	$ 384,712	$ 23,181	$ 361,531

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, $5,792,597, 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 $46,405,901 for the governmental activities and $384,712 for the business-type activities, for a total of $46,790,613.

The County's overall net position increased 3.2% or $1,276,586 from fiscal year 2024 to 2025. There was a 2.01% increase in net position in the governmental activities of $915,055, mostly due to capital asset increases and FEMA activity from the 2022 flooding, and the business-type activities saw an increase over 1,000%, or $361,531, again related to capital asset changes.

CHANGES IN NET POSITION

Table 2 - Changes in Net Position

	Governmental Activities			Business-type Activities		
	FY25	FY24	Change Inc (Dec)	FY25	FY24	Change Inc (Dec)
Revenues						
Program revenues (by major source):						
Charges for services	$ 1,341,897	$ 1,422,500	$ (80,603)	$ 2,101,906	$ 1,788,050	$ 313,856
Operating grants and contributions	5,546,989	7,672,176	(2,125,187)	-	2,240	(2,240)
Capital grants and contributions	504,752	4,576,988	(4,072,236)	-	-	-
General revenues (by major source):						
Property taxes for general purposes	9,518,623	8,579,114	939,509	8,179	-	8,179
Licenses and permits	81,701	23,034	58,667	-	-	-
Video poker apportionment	8,750	7,108	1,642	-	-	-
Miscellaneous	451,942	240,111	211,831	16,149	14,567	1,582
Interest/investment earnings	521,040	470,656	50,384	38,119	21,978	16,141
Local option taxes	1,172,330	1,552,562	(380,232)	-	-	-
Unrestricted federal/state shared revenues	206,175	65,055	141,120	-	-	-
Montana oil and gas production tax	-	471,768	(471,768)	-	-	-
State entitlement	901,394	874,177	27,217	-	-	-
State contributions to retirement	458,456	134,768	323,688	7,012	12,520	(5,508)
Contributions & donations	6,208	47,817	(41,609)	-	-	-
Total revenues	$ 20,720,257	$ 26,137,834	$ (5,417,577)	$ 2,171,365	$ 1,839,355	$ 332,010
Program expenses						
General government	$ 5,232,349	$ 5,583,900	$ (351,551)	$ -	$ -	$ -
Public safety	7,160,410	6,223,205	937,205	-	-	-
Public works	3,842,034	3,364,688	477,346	-	-	-
Public health	1,589,952	1,281,425	308,527	-	-	-
Social and economic services	631,809	602,733	29,076	-	-	-
Culture and recreation	1,871,424	1,908,305	(36,881)	-	-	-
Housing and community development	121,512	132,283	(10,771)	-	-	-
Debt service - interest	112,912	163,433	(50,521)	-	-	-
Miscellaneous	663,771	591,866	71,905	-	-	-
Landfill	-	-	-	100,103	411,912	(311,809)
Refuse Facility	-	-	-	1,863,992	1,796,775	67,217
Total expenses	$ 21,226,173	$ 19,851,838	$ 1,374,335	$ 1,964,095	$ 2,208,687	$ (244,592)
Excess (deficiency) before special items and transfers	$ (505,916)	$ 6,285,996	$ (6,791,912)	$ 207,270	$ (369,332)	$ 576,602
Gain (loss) on sale of capital assets	9,436	171,707	(162,271)	6,400	-	6,400
Transfers - net	(159,504)	55,558	(215,062)	159,504	(55,558)	215,062
Increase (decrease) in net position	$ (655,984)	$ 6,513,261	$ (7,169,245)	$ 373,174	$ (424,890)	$ 798,064

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 2025. These are: General which includes Payment in Lieu of Taxes (PILT) in 2025, 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 $1,172,330 in fiscal year 2025, an increase of 3.9% over fiscal year 2024. Revenues before transfers are $6,632,873 and expenditures are $6,631,344. Transfers in from Permissive Medical Levy, Records Preservation and the Enterprise funds amounted to $707,547.

- *Road Fund:* In FY 2025, 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 which had a significant negative fund balance in 2024, and in 2025 $1,875,000 was forgiven by the Commission to resolve the negative fund balance. By the end of 2025, Operating Revenues were $2,006,961 with transfers and operating expenditures were $1,899,512. Total revenues before transfers with grants was $2,032,615 and total expenditures were 2,461,205. Transfers in were $791.826. 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.

- *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 2025 before transfers in increased $526,027, or 24.8% over the prior year. Tax revenues were up $83,563 from 2024, or 4.5%. Transfers in from other funds increased $236,499 or 22%. The largest share of transfers in, $907,382, was from PILT and increased $357382 from 2024.

Public Safety's expenses increased by 21% or $686,472 vehicle purchases, overtime and medical expenses for detention. The ending fund balance decreased $91,927 or (93%).

- *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 consists of interest from investments and loan repayments. In 2025, by the Commission forgave $1,875,000 in advances to the Road department, and the funds were paid to the Road Department to satisfy a large negative fund balance. The advances were approved in prior years to replace aging equipment. The Fairgrounds and Parks fund, the Museum fund and the Refuse fund still have outstanding payments of principal balances totaling $239,354 to cover capital purchases.

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 2025, $78,493 was expended for a loan payment for a new building for Search and Rescue and a loan payment for Convict Grade Bridge for $56,762. The ending fund balance was $6,764,912, a decrease of $1,792,360 over the prior year which includes the advance forgiveness.

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 increase for the refuse facility of $384,712 came from a change to landfill rebalancing of post closure costs and improved Refuse financial position. The balance included capital asset and depreciation adjustments and noncash charges for pension plan information.

BUDGETARY HIGHLIGHTS

Original budget compared to final budget expenditures
The BN fund budget increased $1,875,000 to account for the Commission loan forgiveness. PILT increased $645,000 to account for increased costs primarily for Public Safety and the General Fund juvenile and adult detention and mental health involuntary commitments. The Park County Transit Grant was able to acquire a new transport vehicle which increased the budget by $205,000.

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 4.8% under budget which included a larger than normal uncollected property tax receivable. Other financing sources were 2.7% less than the final budget. Actual General fund tax revenues were $25,000 under budget; local option taxes, which are collected in the General fund, were 6.2% less than budgeted. Investment earnings went up in 2025.

General Fund actual budgetary expenditures required a budget amendment of $184,500 to account for increased juvenile detention and involuntary commitment costs. The net change in the General Fund balance was a decrease of $408,604 due to increased wages and costs overall.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: Park County's net investment in capital assets as of June 30, 2025 totaled $40,001,070. 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 vehicle for Park County Transit 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 2025 market value of property in the County was $6,270,436,983 and the statutory limit of county indebtedness was $156,760,925. As of June 30, 2025 Park County had at total of $1,593,791 in outstanding notes, of which $1,273,165 is long term. Park County's total debt decreased $267,246.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The 2024 taxable value of property in Park County, less the value of the Tax Increment Financing Districts, was used during fiscal year 2025 financial period of tax collections. The rate increased 2.7% from $91,664,988 in fiscal year 2024 to $94,149,524 in fiscal year 2025. The value of newly taxable property county-wide accounts for a portion of that increase. For the valuation cycle, January 1, 2025 through December 31, 2025, property is valued as of January 1, 2024. 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 53.65 in fiscal year 2024 to 55.74 in fiscal year 2025. In cases where the mills drop, there is an inverse relationship between rapid rises in taxable values and the decline in mills due to revenue growth limitations. Since 2025 was not a reappraisal year the mills increased. 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 2025.

Tax revenues for the county general mills were expected to increase 5.1%, from $4,917,827 in fiscal year 2024 to $5,428,125 that was budgeted in fiscal year 2025. The actual property tax revenue received was $5,108,578, or slightly under 94% of budget. Property tax collections were notably down at the end of 2025 that are expected to be paid in 2026.

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 2025, the county received $2,143,825 in PILT from the federal government, or a 5% increase. There were other revenues received for miscellaneous and interest in the amount of $37,893. Expenditures in 2025 were $2,658,043 or 34.7% less than the prior year. In 2025 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 2024 and 2025. 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 2% per hour Cost of Living Adjustment. The Commission extended the 2% 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 2025. 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 2025, the county received $603,491 in assistance from FEMA and the state Disaster and Emergency Services.
- FEMA also approved the 2024 Shields River flood as a federal disaster area. In 2025, work began and received $172,347 in funding.
- Park County received a DNRC Channel Migration Zone grant to review the Yellowstone flow after the 2022 flood. The county received $14,729 to complete the study.
- The Federal government awarded Park County $3,234,521 in American Rescue Plan Act of 2021 which must be obligated by 2025. In 2025, the county used $448,326 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 2025, $38,289 was spent from the award.
- The Sheriff's Department Received a $75,000 grant to purchase a vehicle and equipment package. The grant funded $25,268 for 2025 expenditures which will be completed in 2026.
- There are multiple on-going grants which help fund the Health Department annually. In 2025, $319,471 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. There was an additional $74,007 made available for COVID-19 through Public Health Preparedness and Immunization.
- The federal government awarded grants through its Homeland Security programs. A cyber security grants covered $7,873 in costs.
- The Victim Witness position program grant received $67,700 in 2025.
- The Disaster and Emergency Services position receive partial funding annually. In 2025, the DES position and program received $36,500.
- The state 911 continued a cyber security grant in 2025 which reimbursed $9,388 to cover a 5-year support agreement.
- The Noxious Weed program grants received a total of $114,149 for noxious weed mitigation in various parts of Park County.
- The MT Board of Crime Control partially funded the Missouri River Drug Task Force position in the Sheriff's Office in the amount of $34,996.
- The Park County Transit program for Windrider public buses received a total of $281,689 for multiple grants in support of bus operations, training, and equipment purchases.
- There was a Southwest Juvenile Detention grant for $7,451. Angel Line also received grant funds in the amount of $3,300 in 2025.
- In recent years, there has been an increased focus on behavioral health. As a result, Park County has multiple grants totaling $237,181 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 $20,000.
- Multiple bridges through Park County are under repair and in process of being replaced. In 2025, $463,271 was spent on bridge grant opportunities.
- There's a Community for Wildfire Protection Plan grant that began in 2025 and received $98,804.
- Ongoing, the Junk Vehicle received $43,102 for county services.

- The Gardiner Pedestrian Utility Bridge started work began services to redirect sewer services from Mammoth Hot Springs in Yellowstone Park to Gardiner Water and Sewer. The line was damaged during the 2022 flood.
- The Fairgrounds and Parks received a $75,580 grant for HVAC installation in the exhibit building.

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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INDEPENDENT AUDITOR'S REPORT

Board of CountyCommissioners
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, 2025, 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, 2025, 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 2025, the County has implemented GASB Statement No. 101 Compensated Absences for the fiscal year ended June 30, 2025. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. 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 May 1, 2026, 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.

Nexus CPA Group

May 1, 2026

Park County, Montana
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	$ 14,498,189	$ -	$ 14,498,189
Taxes and assessments receivable, net	479,521	191,029	670,550
Internal balances	1,076,325	(1,076,325)	-
Accounts receivable - net	19,515	-	19,515
Due from other governments	1,049,297	-	1,049,297
Prepaid expenses	35,391	-	35,391
Inventories	17,598	-	17,598
Other receivable	7,442	-	7,442
Total current assets	$ 17,183,278	$ (885,296)	$ 16,297,982
Noncurrent assets			
Restricted cash and investments	$ -	$ 1,535,804	$ 1,535,804
Leases receivable	340,097	-	340,097
Notes and loans receivable	221,661	-	221,661
Capital assets - land	2,258,726	52,528	2,311,254
Capital assets - construction in progress	383,886	-	383,886
Capital assets - depreciable, net	37,090,540	1,809,181	38,899,721
Total noncurrent assets	$ 40,294,910	$ 3,397,513	$ 43,692,423
Total assets	$ 57,478,188	$ 2,512,217	$ 59,990,405
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pensions	$ 1,303,796	$ 68,723	$ 1,372,519
Deferred outflows of resources - OPEB	29,360	2,123	31,483
Total deferred outflows of resources	$ 1,333,156	$ 70,846	$ 1,404,002
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 58,811,344	$ 2,583,063	$ 61,394,407
LIABILITIES			
Current liabilities			
Warrants payable	$ 1,474,081	$ -	$ 1,474,081
Accounts payable	56,409	14,062	70,471
Other payroll liabiliites	4,173	-	4,173
Accrued payroll	275,827	18,923	294,750
Revenues collected in advance	65,250	-	65,250
Deposits payable	8,035	-	8,035
Current portion of long-term capital liabilities	320,626	-	320,626
Current portion of compensated absences payable	995,034	61,536	1,056,570
Total current liabilities	$ 3,199,435	$ 94,521	$ 3,293,956
Noncurrent liabilities			
Landfill closure postclosure liability	$ -	$ 1,535,804	$ 1,535,804
Noncurrent portion of OPEB	393,360	28,446	421,806
Noncurrent portion of long-term capital liabilities	1,273,165	-	1,273,165
Noncurrent portion of compensated absences	277,000	14,560	291,560
Net pension liability	6,486,877	501,806	6,988,683
Total noncurrent liabilities	$ 8,430,402	$ 2,080,616	$ 10,511,018
Total liabilities	$ 11,629,837	$ 2,175,137	$ 13,804,974
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - Leases	$ 340,097	$ -	$ 340,097
Deferred inflows of resources - pensions	409,158	18,671	427,829
Deferred inflows of resources - OPEB	62,822	4,543	67,365
Total deferred inflows of resources	$ 812,077	$ 23,214	$ 835,291
NET POSITION			
Net investment in capital assets	$ 38,139,361	$ 1,861,709	$ 40,001,070
Restricted for special projects	5,756,126	-	5,756,126
Unrestricted	2,473,943	(1,476,997)	996,946
Total net position	$ 46,369,430	$ 384,712	$ 46,754,142
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 58,811,344	$ 2,583,063	$ 61,394,407

See accompanying Notes to the Financial Statements

Park County, Montana
Statement of Activities
For the Fiscal Year Ended June 30, 2025

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	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Business-type Activities	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Total
Primary government:							
Governmental activities:							
General government	$ 5,232,349	$ 759,662	$ 2,412,350	$ -	$ (2,060,337)	$ -	$ (2,060,337)
Public safety	7,160,410	235,044	538,167	-	(6,387,199)	-	(6,387,199)
Public works	3,842,034	240,971	1,478,131	504,752	(1,618,180)	-	(1,618,180)
Public health	1,589,952	23,647	612,897	-	(953,408)	-	(953,408)
Social and economic services	631,809	-	362,605	-	(269,204)	-	(269,204)
Culture and recreation	1,871,424	48,281	127,300	-	(1,695,843)	-	(1,695,843)
Housing and community development	121,512	34,292	15,539	-	(71,681)	-	(71,681)
Debt service - interest	112,912	-	-	-	(112,912)	-	(112,912)
Miscellaneous	663,771	-	-	-	(663,771)	-	(663,771)
Total governmental activities	$ 21,226,173	$ 1,341,897	$ 5,546,989	$ 504,752	$ (13,832,535)	$ -	$ (13,832,535)
Business-type activities:							
Landfill	$ 100,103	$ -	$ -	$ -	$ -	$ (100,103)	$ (100,103)
Refuse Facility	1,863,992	2,101,906	-	-	-	237,914	237,914
Total business-type activities	$ 1,964,095	$ 2,101,906	$ -	$ -	$ -	$ 137,811	$ 137,811
Total primary government	$ 23,190,268	$ 3,443,803	$ 5,546,989	$ 504,752	$ (13,832,535)	$ 137,811	$ (13,694,724)
General Revenues:							
Property taxes for general purposes					$ 9,518,623	$ 8,179	$ 9,526,802
Licenses and permits					81,701	-	81,701
Video poker apportionment					8,750	-	8,750
Miscellaneous					451,942	16,149	468,091
Interest/investment earnings					521,040	38,119	559,159
Local option taxes					1,172,330	-	1,172,330
Unrestricted federal/state shared revenues					206,175	-	206,175
State entitlement					901,394	-	901,394
State contributions to retirement					458,456	7,012	465,468
Contributions & donations					6,208	-	6,208
Gain (loss) on sale of capital assets					9,436	6,400	15,836
Transfers - net					(159,504)	159,504	-
Total general revenues, special items and transfers					$ 13,176,551	$ 235,363	$ 13,411,914
Change in net position					$ (655,984)	$ 373,174	$ (282,810)
Net position - beginning					$ 45,490,846	$ 23,181	$ 45,514,027
Restatements					1,534,568	(11,643)	1,522,925
Net position - beginning - restated					$ 47,025,414	$ 11,538	$ 47,036,952
Net position - end					$ 46,369,430	$ 384,712	$ 46,754,142

See accompanying Notes to the Financial Statements

Park County, Montana
Balance Sheet
Governmental Funds
June 30, 2025

	General	Road	Public Safety	Hard Rock Mine Trust	General Capital Improvements	Other Governmental Funds	Total Governmental Funds
ASSETS							
Current assets:							
Cash and investments	$ 3,734,935	$ 404,668	$ 55,271	$ 762,027	$ 6,525,558	$ 3,015,730	$ 14,498,189
Taxes and assessments receivable, net	77,797	36,444	100,380	-	-	264,900	479,521
Accounts receivable - net	-	-	-	-	-	19,515	19,515
Due from other funds	177,642	-	-	-	-	-	177,642
Due from other governments	180,033	176,413	57,558	-	-	635,293	1,049,297
Prepaid expenses	16,600	-	-	-	-	18,791	35,391
Inventories	-	5,598	-	-	-	12,000	17,598
Other receivable	-	-	6,572	870	-	-	7,442
Total current assets	$ 4,187,007	$ 623,123	$ 219,781	$ 762,897	$ 6,525,558	$ 3,966,229	$ 16,284,595
Noncurrent assets:							
Advances to other funds	$ -	$ -	$ -	$ 1,118,388	$ 239,354	$ -	$ 1,357,742
Leases receivable	66,086	-	-	-	-	274,011	340,097
Notes and loans receivable	-	-	-	-	-	221,661	221,661
Total noncurrent assets	$ 66,086	$ -	$ -	$ 1,118,388	$ 239,354	$ 495,672	$ 1,919,500
TOTAL ASSETS	$ 4,253,093	$ 623,123	$ 219,781	$ 1,881,285	$ 6,764,912	$ 4,461,901	$ 18,204,095
LIABILITIES							
Current liabilities:							
Warrants payable	$ 1,474,081	$ -	$ -	$ -	$ -	$ -	$ 1,474,081
Accounts payable	1,441	20,431	-	-	-	34,537	56,409
Other payroll liabiliites	4,173	-	-	-	-	-	4,173
Accrued payroll	100,149	16,151	89,442	-	-	70,085	275,827
Due to other funds	-	-	-	-	-	74,342	74,342
Revenues collected in advance	-	36,471	-	-	-	28,779	65,250
Deposits payable	8,035	-	-	-	-	-	8,035
Total current liabilities	$ 1,587,879	$ 73,053	$ 89,442	$ -	$ -	$ 207,743	$ 1,958,117
Noncurrent liabilities:							
Advances payable	$ -	$ 351,993	$ -	$ -	$ -	$ 32,724	$ 384,717
Total noncurrent liabilities	$ -	$ 351,993	$ -	$ -	$ -	$ 32,724	$ 384,717
Total liabilities	$ 1,587,879	$ 425,046	$ 89,442	$ -	$ -	$ 240,467	$ 2,342,834
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows of resources - taxes and assessments	$ 77,797	$ 36,444	$ 100,380	$ -	$ -	$ 264,900	$ 479,521
Deferred inflows of resources - Leases	66,086	-	-	-	-	274,011	340,097
Total deferred inflows of resources	$ 143,883	$ 36,444	$ 100,380	$ -	$ -	$ 538,911	$ 819,618
FUND BALANCES							
Nonspendable	$ 16,600	$ 5,598	$ -	$ 1,118,388	$ 239,354	$ 30,791	$ 1,410,731
Restricted	-	156,035	29,959	762,897	-	3,255,044	4,203,935
Committed	-	-	-	-	6,525,558	401,089	6,926,647
Unassigned fund balance	2,504,731	-	-	-	-	(4,401)	2,500,330
Total fund balance	$ 2,521,331	$ 161,633	$ 29,959	$ 1,881,285	$ 6,764,912	$ 3,682,523	$ 15,041,643
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 4,253,093	$ 623,123	$ 219,781	$ 1,881,285	$ 6,764,912	$ 4,461,901	$ 18,204,095

See accompanying Notes to the Financial Statements

Park County, Montana
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position
June 30, 2025

Total fund balances - governmental funds	$	15,041,643
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		39,733,152
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.		479,521
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(2,865,825)
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.		(6,880,237)
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.		1,303,796
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.		(409,158)
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.		29,360
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.		(62,822)
Total net position - governmental activities	$	46,369,430

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, 2025

	General	Road	Public Safety	Hard Rock Mine Trust	General Capital Improvements	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes and assessments	$ 2,665,809	$ 634,822	$ 1,932,515	$ -	$ -	$ 5,281,285	$ 10,514,431
Licenses and permits	65,273	2,000	8,155	-	-	6,273	81,701
Intergovernmental	2,931,694	1,300,825	594,562	-	-	2,859,424	7,686,505
Charges for services	607,498	1,451	84,125	-	-	355,063	1,048,137
Fines and forfeitures	119,826	-	-	-	-	10,435	130,261
Miscellaneous	109,030	57,046	20,917	-	-	389,164	576,157
Investment earnings	133,743	-	-	68,407	217,895	100,994	521,039
Total revenues	$ 6,632,873	$ 1,996,144	$ 2,640,274	$ 68,407	$ 217,895	$ 9,002,638	$ 20,558,231
EXPENDITURES							
General government	$ 4,054,207	$ -	$ -	$ -	$ -	$ 811,574	$ 4,865,781
Public safety	970,180	-	3,878,473	-	-	1,698,884	6,547,537
Public works	152,552	1,719,755	-	-	-	871,342	2,743,649
Public health	759,089	-	-	-	-	814,424	1,573,513
Social and economic services	172,667	-	-	-	-	399,742	572,409
Culture and recreation	35,397	-	-	-	-	1,705,119	1,740,516
Housing and community development	93,948	-	-	-	-	27,564	121,512
Debt service - principal	57,108	150,130	44,327	-	-	105,222	356,787
Debt service - interest	6,613	64,956	1,772	-	-	39,571	112,912
Miscellaneous	-	-	-	-	-	663,771	663,771
Capital outlay	329,583	526,364	106,111	-	-	1,163,077	2,125,135
Total expenditures	$ 6,631,344	$ 2,461,205	$ 4,030,683	$ -	$ -	$ 8,300,290	$ 21,423,522
Excess (deficiency) of revenues over expenditures	$ 1,529	$ (465,061)	$ (1,390,409)	$ 68,407	$ 217,895	$ 702,348	$ (865,291)
OTHER FINANCING SOURCES (USES)							
Proceeds of general long term debt	$ 61,213	$ -	$ 2,161	$ -	$ -	$ 26,167	$ 89,541
Proceeds from the sale of general capital asset disposition	-	11,796	35,220	-	-	856	47,872
Forgiveness of Interfund Loan	-	1,875,000	-	-	(1,875,000)	-	-
Transfers in	707,547	791,826	1,304,488	78,551	-	1,056,990	3,939,402
Transfers out	(2,095,306)	(93,290)	(20,000)	-	(135,255)	(1,755,055)	(4,098,906)
Total other financing sources (uses)	$ (1,326,546)	$ 2,585,332	$ 1,321,869	$ 78,551	$ (2,010,255)	$ (671,042)	$ (22,091)
Net Change in Fund Balance	$ (1,325,017)	$ 2,120,271	$ (68,540)	$ 146,958	$ (1,792,360)	$ 31,306	$ (887,382)
Fund balances - beginning	$ 3,846,348	$ (1,958,638)	$ 98,499	$ -	$ 8,557,272	$ 5,385,544	$ 15,929,025
Restatements	-	-	-	1,734,327	-	(1,734,327)	-
Fund balances - beginning, restated	$ 3,846,348	$ (1,958,638)	$ 98,499	$ 1,734,327	$ 8,557,272	$ 3,651,217	$ 15,929,025
Fund balance - ending	$ 2,521,331	$ 161,633	$ 29,959	$ 1,881,285	$ 6,764,912	$ 3,682,523	$ 15,041,643

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, 2025

Amounts reported for *governmental activities* in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	(887,382)
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		2,125,135
- Depreciation expense		(2,108,240)
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		(47,872)
- Gain on the sale of capital assets		9,436
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)		176,480
The change in compensated absences is shown as an expense in the Statement of Activities		(424,910)
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		356,787
Long term debt proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position:		
- Proceeds from the sale of long-term debt		(89,541)
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		7,665
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		(426,618)
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		(14,454)
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.		667,530
Change in net position - Statement of Activities	$	(655,984)

See accompanying Notes to the Financial Statements

Park County, Montana
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-Type Activities - Enterprise Funds		
	Landfill	**Refuse Facility**	**Totals**
ASSETS			
Current assets:			
Taxes and assessments receivable, net	$ -	$ 191,029	$ 191,029
Total current assets	$ -	$ 191,029	$ 191,029
Noncurrent assets:			
Restricted cash and investments	$ 1,535,804	$ -	$ 1,535,804
Capital assets - land	-	52,528	52,528
Capital assets - depreciable, net	-	1,809,181	1,809,181
Total noncurrent assets	$ 1,535,804	$ 1,861,709	$ 3,397,513
Total assets	$ 1,535,804	$ 2,052,738	$ 3,588,542
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pensions	$ -	$ 68,723	$ 68,723
Deferred outflows of resources - OPEB	-	2,123	2,123
Total deferred outflows of resources	$ -	$ 70,846	$ 70,846
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,535,804	$ 2,123,584	$ 3,659,388
LIABILITIES			
Current liabilities:			
Accounts payable	$ -	$ 14,062	$ 14,062
Accrued payroll	-	18,923	18,923
Due to other funds	-	103,300	103,300
Current portion of compensated absences payable	-	61,536	61,536
Total current liabilities	$ -	$ 197,821	$ 197,821
Noncurrent liabilities:			
Advances payable	$ -	$ 973,025	$ 973,025
Landfill closure postclosure liability	1,535,804	-	1,535,804
Noncurrent portion of OPEB	-	28,446	28,446
Noncurrent portion of compensated absences	-	14,560	14,560
Net pension liability	-	501,806	501,806
Total noncurrent liabilities	$ 1,535,804	$ 1,517,837	$ 3,053,641
Total liabilities	$ 1,535,804	$ 1,715,658	$ 3,251,462
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pensions	$ -	$ 18,671	$ 18,671
Deferred inflows of resources - OPEB	-	4,543	4,543
Total deferred inflows of resources	$ -	$ 23,214	$ 23,214
NET POSITION			
Net investment in capital assets	$ -	$ 1,861,709	$ 1,861,709
Unrestricted	-	(1,476,997)	(1,476,997)
Total net position	$ -	$ 384,712	$ 384,712
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSTION	$ 1,535,804	$ 2,123,584	$ 3,659,388

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, 2025

	Business-Type Activities - Enterprise Funds		
	Landfill	**Refuse Facility**	**Totals**
OPERATING REVENUES			
Charges for services	$ -	$ 26,679	$ 26,679
Miscellaneous revenues	-	2,264	2,264
Special assessments	-	2,097,291	2,097,291
Total operating revenues	$ -	$ 2,126,234	$ 2,126,234
OPERATING EXPENSES			
Personal services	$ -	$ 749,075	$ 749,075
Supplies	-	145,941	145,941
Purchased services	177	681,657	681,834
Fixed charges	99,926	83,879	183,805
Depreciation	-	161,957	161,957
Total operating expenses	$ 100,103	$ 1,822,509	$ 1,922,612
Operating income (loss)	$ (100,103)	$ 303,725	$ 203,622
NON-OPERATING REVENUES (EXPENSES)			
Intergovernmental revenue	$ -	$ 7,012	$ 7,012
Interest revenue	38,119	-	38,119
Debt service interest expense	-	(41,483)	(41,483)
Total non-operating revenues (expenses)	$ 38,119	$ (34,471)	$ 3,648
Income (loss) before contributions and transfers	$ (61,984)	$ 269,254	$ 207,270
Transfers in	270,005	324	270,329
Transfers out	-	(110,825)	(110,825)
SPECIAL AND EXTRAORDINARY ITEMS			
Gain (loss) on sale of capital assets	$ -	$ 6,400	$ 6,400
Change in net position	$ 208,021	$ 165,153	$ 373,174
Net Position - Beginning of the year	$ (208,021)	$ 231,202	$ 23,181
Restatements	-	(11,643)	(11,643)
Net Position - Beginning of the year - Restated	$ (208,021)	$ 219,559	$ 11,538
Net Position - End of the year	$ -	$ 384,712	$ 384,712

See accompanying Notes to the Financial Statements

Park County, Montana
Combined Statement of Cash Flows
All Proprietary Fund Types
Fiscal Year Ended June 30, 2025

	Business - Type Activities		
	Landfill	Refuse Facility	Totals
Cash flows from operating activities:			
Cash received from providing services	$ -	$ 26,679	$ 26,679
Cash received from special assessments	-	2,033,082	2,033,082
Cash received from miscellaneous sources	-	2,264	2,264
Cash payments to suppliers	-	(145,941)	(145,941)
Cash payments for fixed charges	(99,926)	-	(99,926)
Cash payments for professional services	17,275	(758,735)	(741,460)
Cash payments to employees	-	(719,232)	(719,232)
Net cash provided (used) by operating activities	$ (82,651)	$ 438,117	$ 355,466
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	$ -	$ (21,036)	$ (21,036)
Gain on sale of capital assets	-	6,400	6,400
Principal paid on advances	-	(147,000)	(147,000)
Interest paid on advances	-	(41,483)	(41,483)
Net cash provided (used) by capital and related financing activities	$ -	$ (203,119)	$ (203,119)
Cash flows from non-capital financing activities:			
Cash received from other governments	$ -	$ 972	$ 972
Cash transfers between funds	$ 139,367	$ (235,970)	$ (96,603)
Net cash provided (used) from non-capital financing activities	$ 139,367	$ (234,998)	$ (95,631)
Cash flows from investing activities:			
Interest on investments	$ 38,119	$ -	$ 38,119
Net cash provided (used) by investing activities	$ 38,119	$ -	$ 38,119
Net increase (decrease) in cash and cash equivalents	$ 94,835	$ -	$ 94,835
Cash and cash equivalents at beginning	1,440,969	-	1,440,969
Cash and cash equivalents at end	$ 1,535,804	$ -	$ 1,535,804
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (100,103)	$ 303,725	$ 203,622
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	-	161,957	161,957
Landfill closure/postclosure	17,452	-	17,452
Net Pension Liability	-	60,844	60,844
Other post-employment benefits	-	(94)	(94)
Changes in assets and liabilities:			
Special assessments	-	(64,209)	(64,209)
Accounts payable	-	6,801	6,801
Compensated absences	-	(13,868)	(13,868)
Accrued wages	-	(17,039)	(17,039)
Net cash provided (used) by operating activities	$ (82,651)	$ 438,117	$ 355,466
Noncash transactions			
State on-behalf payments for pensions	$ -	$ 7,012	$ 7,012

See accompanying notes to the financial statements

Park County, Montana
Statement of Net Position
Fiduciary Funds
June 30, 2025

	Custodial Funds	
	Custodial Funds	**External Investment Pool Fund**
ASSETS		
Cash and short-term investments	$ 1,760,393	$ 4,523,891
Taxes receivable	960,087	-
TOTAL ASSETS	$ 2,720,480	$ 4,523,891
LIABILITIES		
Due to others	$ 2,455,661	$ -
Total liabilities	$ 2,455,661	$ -
NET POSITION		
Restricted for:		
Pool participants	$ -	$ 4,523,891
Individuals, organizations, and other governments	264,819	-
Total net position	$ 264,819	$ 4,523,891
TOTAL LIABILITIES AND NET POSTION	$ 2,720,480	$ 4,523,891

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, 2025

	Custodial Funds	
	Custodial Funds	**External Investment Pool Fund**
ADDITIONS		
Contributions:		
Contributions to external investment pool	$ -	$ 5,137,659
Interest and change in fair value of investments	-	150,463
Taxes, licenses, and fees collected for other govenments	25,117,463	-
Property taxes collected for school districts	9,914,625	-
Intergovernmental grants and entitlements collected for school districts	5,452,948	-
Investment pool distributions - net	1,089,995	-
Total additions	$ 41,575,031	$ 5,288,122
DEDUCTIONS		
Distributions from external investment pool	$ -	$ 6,378,117
Taxes, licenses, and fees distributed to other govenments	24,167,615	-
School district claims and payroll expense	5,459,956	-
School district transfers out	10,619,118	-
Total deductions	$ 40,246,689	$ 6,378,117
Change in net position	$ 1,328,342	$ (1,089,995)
Net Position - Beginning of the year	$ (1,063,523)	$ 5,613,886
Net Position - End of the year	$ 264,819	$ 4,523,891

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

For the fiscal year ended June 30, 2025, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. GASB Statement No. 101 requires recognition of liabilities for compensated absences for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or otherwise settled. A liability for unused leave is recognized when the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled. The liability is generally measured using the employee's pay rate as of the date of the financial statements. The Statement also requires inclusion of certain salary-related payments that are directly and incrementally associated with leave payments in the measurement of the liability.

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

Government-wide Financial Statements:

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.

Hard Rock Mine Trust Fund – A special revenue fund to account for resources received from the State of Montana related to hard rock mining activities. These funds are restricted for specified purposes, typically including environmental protection, monitoring, reclamation, and mitigation of impacts associated with hard rock mining operations. Expenditures are limited to uses in accordance with applicable state statutes and program requirements.

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, 2025, are as follows:

	Primary Government
Cash on hand and deposits:	
Cash on hand	
Petty Cash	$ 560
Cash in banks:	
Demand deposits	925,744
Savings deposits	680,920
Time deposits	7,196,389
Investments:	
State Short-Term Investment Pool (STIP)	12,101,437
U.S. Government Securities	1,026,658
U.S. Treasury Note	386,569
Total	$ 22,318,277

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, 2025, (in thousands):

Security Investment Type	Total Fixed Income Investments at Fair Value	Credit Quality Rating	WAM (Days)
Treasuries	$ 1,877,840	A-1+	85
Agency or Government Related	350,679	A-1+	296
Corporate:			
Commercial Paper	401,605	A-1+	186
Notes	882,990	A-1+	319
Certificates of Deposit	1,159,893	A-1+	129
Total Investments	$ 4,673,007		

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, 2025, the government's bank balance was exposed to custodial credit risk as follows:

Depository Account	June 30, 2025 Balance
Insured	$ 6,932,928
- Collateral held by the pledging bank's trust department but not in the County's name	2,403,951
Total deposits and investments	$ 9,336,879

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, 2025, 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, 2025 alone with their related interest rates and maturity dates.

Investment	Interest Rate	Maturity		Amount
Federal Agricultural Mortgage Corp	1.15%	11/17/2026	$	96,274
Federal Agricultural Mortgage Corp	3.20%	8/26/2027		69,016
Federal Agricultural Mortgage Corp	4.50%	12/4/2026		100,730
Federal Farm Credit Banks Funding Corp	1.00%	10/7/2026		28,894
Federal Farm Credit Banks Funding Corp	1.82%	4/6/2026		14,735
Federal Farm Credit Banks Funding Corp	2.70%	11/25/2025		99,376
Federal Farm Credit Banks Funding Corp	3.63%	5/10/2029		79,171
Federal Farm Credit Banks Funding Corp	4.00%	1/24/2030		70,449
Federal Farm Credit Banks Funding Corp	4.25%	3/20/2028		10,108
Federal Farm Credit Banks Funding Corp	0.80%	9/10/2025		48,153
Federal Home Loan Banks	1.25%	12/21/2026		52,949
Federal Home Loan Banks	1.75%	9/12/2025		9,945
Federal Home Loan Banks	2.05%	3/10/2026		39,408
Federal Home Loan Banks	2.63%	12/12/2025		49,646
Federal Home Loan Banks	4.13%	9/10/2027		20,120
Federal Home Loan Banks	4.38%	6/12/2026		15,042
Federal Home Loan Banks	4.50%	6/11/2027		222,642
United States Treasury Note/Bond	3.50%	9/30/2029		74,244
United States Treasury Note/Bond	3.50%	1/31/2028		9,949
United States Treasury Note/Bond	3.75%	12/31/2028		100,090
United States Treasury Note/Bond	4.13%	7/31/2028		50,603
United States Treasury Note/Bond	4.13%	3/31/2029		126,690
United States Treasury Note/Bond	4.25%	10/15/2025		24,993
Total			$	1,413,227

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, 2025 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, 2025.

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, 2025.

Statement of Net Position	
Net position held in trust for all pool participants:	
Equity of internal pool participants	$ 15,000,313
Equity of external pool participants	4,523,891
Total equity	$ 19,524,204

Condensed Statement of Changes in Net Position	External	Internal
Investment earnings	$ 150,463	$ 517,899
Contributions to trust	5,137,659	21,711,032
Distributions paid	(6,378,117)	(18,167,526)
Net change in net position	$ (1,089,995)	$ 4,061,405
Net position at beginning of year	5,613,886	10,938,908
Net position at end of year	$ 4,523,891	$ 15,000,313

NOTE 3. RESTRICTED CASH/INVESTMENTS

The following restricted cash/investments were held by the County as of June 30, 2025. These amounts are reported within the cash/investment account on the Statement of Net Position.

Fund	Description	Amount
Landfill	Landfill Closure/Postclosure Liability	$1,535,804

NOTE 4. 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, 2025 the County had 19 active airport lease agreements. The county also had two miscellaneous land leases and office space lease. The total value of the receivables equaled $340,097 as the end of the fiscal year. The total lease payments received during the fiscal year equaled $31,154.

NOTE 5. 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 6. 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, 2024	Additions	Disposals	Restatements	Transfers	Balance June 30, 2025
Capital assets not being depreciated:						
Land	$ 621,205	$ -	$ -	$ 1,637,521	$ -	$ 2,258,726
Construction in progress	4,959,232	1,248,775	-	-	(5,824,121)	383,886
Total capital assets not being depreciated	$ 5,580,437	$ 1,248,775	$ -	$ 1,637,521	$ (5,824,121)	$ 2,642,612
Other capital assets:						
Buildings	$ 8,708,956	$ -	$ -	$ -	$ -	$ 8,708,956
Leased assets	1,268,325	89,541	(101,906)	-	-	1,255,960
Improvements other than buildings	5,751,942	93,307	-	-	-	5,845,249
Machinery and equipment	13,124,398	499,620	(470,997)	-	-	13,153,021
Infrastructure	20,301,705	193,892	-	-	5,824,121	26,319,718
Total other capital assets at historical cost	$ 49,155,326	$ 876,360	$ (572,903)	$ -	$ 5,824,121	$ 55,282,904
Less: accumulated depreciation	(16,618,591)	(2,108,240)	534,467	-	-	(18,192,364)
Total	$ 38,117,172	$ 16,895	$ (38,436)	$ 1,637,521	$ -	$ 39,733,152

Governmental activities depreciation expense was charged to functions as follows:

Governmental Activities:	
General government	$ 190,235
Public safety	612,873
Public works	1,098,385
Public health	16,439
Culture and recreation	59,400
Housing and community development	130,908
Total governmental activities depreciation expense	$ 2,108,240

The leased assets consist of machinery and equipment—including three graders and four copiers. The total cost of the machinery and equipment was $1,055,356 and accumulated amortization of $281,944. In addition, the entity has several office leases with a cost of $200,604 and accumulated amortization of $132,495.

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

Business-type activities:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
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	2,858,978	21,036	(17,979)	2,862,035
Total other capital assets at historical cost	$ 3,810,216	$ 21,036	$ (17,979)	$ 3,813,273
Less: accumulated depreciation	(1,860,114)	(161,957)	17,979	(2,004,092)
Total	$ 2,002,630	$ (140,921)	$ -	$ 1,861,709

NOTE 7. LONG TERM DEBT OBLIGATIONS

In the governmental-wide and proprietary 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, 2025, the following changes occurred in liabilities reported in long-term debt:

Governmental Activities:

	Balance July 1, 2024	Additions	Deletions	Restatements	Balance June 30, 2025	Due Within One Year
Leases	$ 894,519	$ 89,541	$ (146,720)	$ -	$ 837,340	$ 134,221
Intercap loans	914,270	-	(184,443)	-	729,827	159,781
Loans/Contracted debt	52,248	-	(25,624)	-	26,624	26,624
Compensated absences	744,171	424,910	-	102,953	1,272,034	995,034
Total	$ 2,605,208	$ 514,451	$ (356,787)	$ 102,953	$ 2,865,825	$ 1,315,660

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

Business-type Activities:

	Balance July 1, 2024	Additions	Deletions	Restatements	Balance June 30, 2025	Due Within One Year
Landfill	$ 1,518,352	$ 17,452	$ -	$ -	$ 1,535,804	$ -
Compensated absences	78,321	-	(13,868)	11,643	76,096	61,536
Total	$ 1,596,673	$ 17,452	$ (13,868)	$ 11,643	$ 1,611,900	$ 61,536

Loans/Contracted Debt

Loans/contracted debts outstanding as of June 30, 2025, were as follows:

Purpose	Origination Date	Interest Rate	Term	Maturity Date	Annual Payment	Balance June 30, 2025
Computers	9/30/21	2.57%	5yrs	8/31/26	Varies	$ 26,624

Reported in the governmental activities.

Annual requirement to amortize debt:

For Fiscal Year Ended	Principal	Interest
2026	$ 26,624	$ 343
Total	$ 26,624	$ 343

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, 2025, were as follows:

Purpose	Origination Date	Interest Rate	Term	Maturity Date	Annual Payment	Balance June 30, 2025
Convict Grade Bridge	8/30/19	5.75%	15yrs	8/15/34	Varies	$ 379,595
Grader and Complex Remodel	6/5/20	5.75%	7yrs	8/15/27	Varies	153,154
Search and Rescue Building	3/1/23	5.75%	15yrs	2/15/28	Varies	197,078
						$ 729,827

Reported in the governmental activities.

Annual requirement to amortize debt:

For Fiscal Year Ended	Principal	Interest
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	22,024	633
Total	$ 729,827	$ 147,534

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, 2025, were as follows:

Purpose	Origination Date	Interest Rate	Term	Maturity Date	Principal Amount	Balance June 30, 2024
Extension Office Copier	2/15/22	5.00%	5yrs	2/14/27	$ 7,190	$ 2,607
Extension Office	5/2/23	5.00%	3yrs	5/2/26	67,009	19,549
Storage/Office Public Safety	9/1/20	5.00%	5yrs	8/31/25	72,382	3,181
District Court Copier	7/1/24	5.00%	5yrs	6/30/29	15,557	12,695
Graders	11/9/22	5.00%	5yrs	11/8/27	898,282	740,168
Museum Copier	2/1/25	5.00%	5yrs	1/31/30	10,610	9,783
Sheriffs Clerk Office Copier	2/18/25	5.00%	3yrs	2/17/28	2,161	1,992
Co Attorney Office (New)	10/1/24	5.00%	3yrs	9/30/27	61,213	47,365
Total					$1,134,404	$ 837,340

Reported in the governmental activities.

Annual requirement to amortize debt:

For Fiscal Year Ended	Principal	Interest
2026	$ 134,220	$ 40,612
2027	117,226	34,527
2028	578,844	28,951
2029	5,677	223
2030	1,373	23
Total	$ 837,340	$ 104,336

Compensated Absences

The County records a liability for compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*. The liability represents amounts owed to employees for (1) leave that has not been used and (2) leave that has been used but not yet paid or otherwise settled. A liability for unused leave is recognized when the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled.

The liability is measured using employees' pay rates in effect as of the end of the fiscal year and includes salary-related payments that are directly and incrementally associated with payments for leave.

The table above summarizes the activity in the compensated absences liability for the year ended June 30, 2025, presented as a net change. The net change represents the combined effect of benefits earned during the year and benefits used, paid, or forfeited.

The full liability is reported in the government-wide financial statements. In the governmental fund financial statements, only the portion of the liability expected to be liquidated with current financial resources is reported. The County has elected to present the activity for the year as a net change in the notes to the financial statements, as permitted by GASB Statement No. 101.

It is the County's policy, in accordance with state law, to permit employees to accumulate a limited amount of earned but unused vacation benefits that will be paid upon separation from service. Employees may accumulate and carry over up to two times their annual vacation accrual; however, excess vacation may not be carried forward more than 90 days into the new calendar year. There is no limit on the accumulation of sick leave. Upon separation, employees are paid 100 percent of accumulated vacation leave and 25 percent of accumulated sick leave.

NOTE 8. 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, 2025, 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 $421,806 at June 30, 2025, and was determined by actuarial valuation using the actuarial entry age normal funding method. The measurement date of the determined liability was June 30, 2025.

Actuarial assumptions and other input. The total OPEB liability in the June 30, 2025, 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 6/30/2024	$ 390,633
Changes for the year:	
Service Cost	$ 35,791
Interest	17,044
Benefit payments	(21,662)
Net Changes	$ 31,173
Balance at 6/30/2025	$ 421,806

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	$ 455,916	$ 421,806	$ 391,031

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	$ 374,390	$ 421,806	$ 477,792

**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, 2025, the County recognized an OPEB expense of $31,173.

At June 30, 2025, 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	$ 31,483	$ 29,563
Changes in actuarial assumptions	-	37,802
Total	$ 31,483	$ 67,365

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
2026	$ (38,931)
2027	$ (4,015)
2028	$ 3,743
2029	$ 3,321
Thereafter	$ -

NOTE 9. 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. $1,535,804 is reported as a landfill postclosure care liability as of June 30, 2025. 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, 2025, $1,535,804 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 10. NET PENSION LIABILITY (NPL)

As of June 30, 2025, the County reported the following balances as its proportionate share of PERS and SRS pension amounts:

County's Proportionate Share Associated With:	PERS	SRS	TRS	Pension Totals
Net Pension Liability	$ 5,119,975	$ 1,792,956	$ 75,752	$ 6,988,683
Deferred outflows of resources*	$ 701,187	$ 631,691	$ 39,641	$ 1,372,519
Deferred inflows of resources	$ 190,506	$ 233,343	$ 3,980	$ 427,829
Pension expense	$ 486,698	$ 36,909	$ 24,786	$ 548,393

*Deferred outflows for PERS, SRS, and TRS are reported as of the reporting date which includes employer contributions made subsequent to the measurement date of $442,451, and $262,374, and $6,069, respectively. These amounts will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Total deferred inflows and outflows in the remainder of the note are as of the reporting date of June 30, 2025.

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

Public Employee's Retirement System – Defined Benefit Retirement Plan

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):

a. Retire before January 1, 2016 and accumulate less than 2 years additional service credit or retire on or after January 1, 2016 and accumulate less than 5 years additional service credit:
   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.

b. 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.

c. 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 Year	Member		Local Government	
	Hired<07/01/11	Hired>07/01/11	Employer	State
2025	7.900%	7.900%	9.070%	0.100%
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 $35,329,705.

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, 2025 (reporting period), is on an actuarial valuation performed by the Plan's actuary as of June 30, 2024.

The Total Pension Liability (TPL minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the state of Montana's NPL for June 30, 2025, and 2024 (reporting period), 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 $5,119,975 and the County's proportionate share was 0.209341 percent.

	Net Pension Liability as of 6/30/2025	Net Pension Liability as of 6/30/2024	Percent of Collective NPL as of 6/30/2025	Percent of Collective NPL as of 6/30/2024	Change in Percent of Collective NPL
Employer Proportionate Share	$ 5,119,975	$ 5,527,608	0.209341%	0.226508%	-0.017167%
State of Montana Proportionate Share associated with Employer	1,334,932	1,531,864	0.054581%	0.062772%	-0.008191%
Total	$ 6,454,907	$ 7,059,472	0.263922%	0.289280%	-0.025358%

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, 2025, the County recognized a Pension Expense of $415,157 for its proportionate share of the pension expense. The County also recognized grant revenue of $71,541 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 6/30/25	Pension Expense as of 6/30/24
Employer Proportionate Share	$ 415,157	$ 916,967
State of Montana Proportionate Share associated with the Employer	71,541	143,711
Total	$ 486,698	$ 1,060,678

Recognition of Beginning Deferred Outflow

At June 30, 2025, the County recognized a beginning deferred outflow of resources for the County's fiscal year 2024 contributions of $442,619.

Recognition of Deferred Inflows and Outflows:

At June 30, 2025, 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	$ 258,736	$ -
Actual vs. Expected Investment Earnings	-	113,854
Changes in Assumptions	-	-
Changes in Proportion Share and Differences between Employer Contributions and Proportionate Share of Contributions	-	76,652
Employer contributions sunsequent to the measurement date - FY25*	442,451	-
Total	$ 701,187	$ 190,506

*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, 2025.

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	$ (933)
2026	$ 198,236
2027	$ (80,040)
2028	$ (49,033)
Thereafter	$ -

Actuarial Assumptions
The total pension liability used to calculate the NPL was determined by taking the results of the June 30, 2025 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	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, 2025, 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 target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, are summarized in the following table.

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

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 2128. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the 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%)
$ 7,463,814	$ 5,119,975	$ 3,154,552

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

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

Member and employer 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, 2024, the PERS-DCRP employer did not recognize any net pension liability or pension expense for the defined contribution plan. Plan level non-vested forfeitures for the 348 employers that have participants in the PERS-DCRP totaled $1,345,278.

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.

Sheriff's Retirement System

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:

- Members hired prior to July 1, 2023: 20 years of membership service, regardless of age.
- Members hired on or after July 1, 2023: 20 years of membership service at age 50.
- 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
2018-2025	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: Upon passage and approval of House Bill 85 during the 2025 Legislative session, the modified layered amortization policy put in place for SRS during the 2023 Legislative session, was repealed and restores the employer contribution rate to the fiscal year 2024 employer rate that existed before HB 569 was passed. The 2025 employer contribution rate for SRS that was restored with the passing of HB 85 is 13.115% instead of the 12.074% for fiscal year 2025.

For reporting date June 30, 2025, non-special funding: House Bill 569 also provides a one-time appropriation of State of Montana general fund dollars to the SRS of $26.8 million. This is a non-special funding, non-contributing entity contribution. For GASB Statement 68 reporting, the employer would recognize grant revenue of $391,770 for its proportionate share of support revenue from the State of Montana.

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, 2025 (reporting period), is on an actuarial valuation performed by the Plan's actuary as of June 30, 2024.

The Total Pension Liability (TPL minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the County's and the state of Montana's NPL for June 30, 2025, and 2024 (reporting period), 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 $1,792,956 and the County's proportionate share was 1.4618 percent.

	Net Pension Liability as of 6/30/2025	Net Pension Liability as of 6/30/2024	Percent of Collective NPL as of 6/30/2025	Percent of Collective NPL as of 6/30/2024	Change in Percent of Collective NPL
Employer Proportionate Share	$ 1,792,956	$ 2,600,728	1.4618%	1.7693%	-0.3075%
Total	$ 1,792,956	$ 2,600,728	1.4618%	1.7693%	-0.3075%

Changes in actuarial assumptions and methods:

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

Changes in benefit terms:

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

Changes in proportionate share:

There were no changes to the Plan between the measurement date of the collective NPL and the employer's reporting date that are expected to have a significant effect on the employer's proportionate share of the collective NPL.

Pension Expense:

At June 30, 2025, the County recognized a Pension Expense of $428,679 for its proportionate share of the pension expense.

	Pension Expense as of 6/30/25	Pension Expense as of 6/30/24
Employer Proportionate Share	$ 428,679	$ 627,146
Total	$ 428,679	$ 627,146

Recognition of Beginning Deferred Outflow

At June 30, 2025, the County recognized a beginning deferred outflow of resources for the County's fiscal year 2024 contributions of $216,282.

Recognition of Deferred Inflows and Outflows:

At June 30, 2025, 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	$ 311,264	$ -
Actual vs. Expected Investment Earnings	-	64,041
Changes in Assumptions	58,053	16,070
Changes in Proportion Share and Differences between Employer Contributions and Proportionate Share of Contributions	-	153,232
Employer contributions sunsequent to the measurement date - FY25*	262,374	-
Total	$ 631,691	$ 233,343

*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, 2025.

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	$ 132,601
2026	$ 73,523
2027	$ (42,953)
2028	$ (27,198)
Thereafter	$ -

Actuarial Assumptions
The TPL used to calculate the NPL was determined by taking the results of the June 30, 2024 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, 2025 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 target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, are summarized in the following table.

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

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%)
$ 3,221,561	$ 1,792,956	$ 630,267

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, 2025, and June 30, 2024 (reporting dates).

	Net Pension Liability as of 6/30/2025	Net Pension Liability as of 6/30/2024	Percent of Collective NPL as of 6/30/2025	Percent of Collective NPL as of 6/30/2024	Change in Percent of Collective NPL
Employer Proportionate Share	$ 75,752	$ 71,546	0.0040%	0.0037%	0.0003%
State of Montana Proportionate Share associated with Employer	40,095	37,024	0.0021%	0.0019%	0.0002%
Total	$ 115,847	$ 108,570	0.0061%	0.0056%	0.0005%

At June 30, 2025, the County recorded a liability of $75,752 for its proportionate share of the Net Pension Liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. 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, 2023, through June 30, 2024, relative to the total County contributions received from all of TRS' participating employers. At June 30, 2025, the County's proportion was 0.0040 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, 2025, the County recognized a Pension Expense of $22,629 for its proportionate share of the TRS' pension expense. The County also recognized grant revenue of $2,157 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 6/30/25
Employer Proportionate Share	$	22,629
State of Montana Proportionate Share associated with the Employer		2,157
Total	$	24,786

Recognition of Beginning Deferred Outflow

At June 30, 2025, the County recognized a beginning deferred outflow of resources for the County's fiscal year 2024 contributions of $6,096.

Recognition of Deferred Inflows and Outflows:

At June 30, 2025, 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	$ 1,916	$ -
Actual vs. Expected Investment Earnings	-	2,518
Changes in Assumptions	-	1,462
Changes in Proportion Share and Differences between Employer Contributions and Proportionate Share of Contributions	31,656	-
Employer contributions sunsequent to the measurement date - FY25*	6,069	-
Total	$ 39,641	$ 3,980

*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, 2025.

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
2026	$ 13,688
2027	$ 7,655
2028	$ 1,796
2029	$ 384
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%)
$ 108,874	$ 75,752	$ 48,078

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 11. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2025, was as follows:

Due to/from other funds

Purpose	Receivable Fund	Payable Fund	Amount
Cover negative cash balances	General – Major Governmental	Planning – Nonmajor Governmental	$ 2,697
Cover negative cash balances	PILT* – Major Governmental	MRDTF – Nonmajor Governmental	7,648
Cover negative cash balances	PILT* – Major Governmental	DHS/FEMA – Nonmajor Governmental	5,729
Cover negative cash balances	PILT* – Major Governmental	DES – Nonmajor Governmental	31,115
Cover negative cash balances	PILT* – Major Governmental	Gardiner UTIL/PED BR GR – Nonmajor Governmental	27,153
Cover negative cash balances	PILT* – Major Governmental	Refuse Facility – Major Business	103,300
			$ 177,642

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

The following balances are not expected to be paid within one year:

Advances to/from other funds

Purpose	Receivable Fund	Payable Fund	Amount
Funding for roof project	Solid Waste – Non-major Business	Hard Rock Mine Trust – Major Governmental	$ 220,896
Funding for recycling container purchases	Solid Waste – Non-major Business	Hard Rock Mine Trust – Major Governmental	15,570
Funding for tire cutter	Solid Waste – Non-major Business	Hard Rock Mine Trust – Major Governmental	23,851
Funding for John Deere 85G	Solid Waste – Non-major Business	Hard Rock Mine Trust – Major Governmental	118,332
Funding for autocar front load truck	Solid Waste – Non-major Business	Hard Rock Mine Trust – Major Governmental	113,393
Funding for equipment purchases	Solid Waste – Non-major Business	Hard Rock Mine Trust – Major Governmental	275,222

Funding for autocar front load truck	Solid Waste – Non-major Business	General Capital Improvements – Major Governmental	205,760
Funding for paver purchase	Road – Major Governmental	Hard Rock Mine Trust – Major Governmental	351,993
Funding to support operating costs	Fair – Nonmajor Governmental	General Capital Improvements – Major Governmental	17,300
Funding to support operating costs	Museum – Nonmajor Governmental	General Capital Improvements – Major Governmental	15,425
			$ 1,357,742

Interfund Transfers

The following is a summary of interfund transfers for the year ended June 30, 2025 (presented in total and by individual major fund, with nonmajor governmental and proprietary funds aggregated). Total transfers in equal total transfers out and agree to the amounts reported in the governmental and proprietary fund financial statements in accordance with generally accepted accounting principles.

	Transfers in:							
	General Fund	Road	Sheriff	Hard Rock Mine Trust	Nonmajor Governmental Funds	Landfill	Refuse Facility	Total Transfers out
Transfers out:								
General Fund	-	550,000	955,023	-	320,278	270,005	-	$2,095,306
Road	45,618	-	-	-	47,672	-	-	$ 93,290
Public Safety	-	-	-	-	20,000	-	-	$ 20,000
Hard Rock Mine Trust	-	-	-	-	-	-	-	$ -
General Capital Improvements	-	-	-	-	135,255	-	-	$ 135,255
Nonmajor Governmental Funds	601,104	191,826	349,465	78,551	533,785	-	324	$1,755,055
Landfill	-	-	-	-	-	-	-	$ -
Refuse Facility	60,825	50,000	-	-	-	-	-	$ 110,825
Total Transfers in	**$ 707,547**	**$ 791,826**	**$1,304,488**	**$ 78,551**	**$1,056,990**	**$ 270,005**	**$ 324**	**$4,209,731**

Transfers are used primarily to (1) allocate permissive levies (medical and retirement) to various funds to support employee benefit costs, (2) provide operating support to funds that do not generate sufficient resources to finance their activities, (3) fund capital and equipment purchases and future capital outlay, and (4) transfer restricted revenues in accordance with statutory or grantor requirements.

Significant transfers included operating support from the Payment in Lieu of Taxes (PILT) Fund, which was combined with the General Fund for GASB 54 reporting purposes, to the Law Enforcement Fund totaling $907,382, as well as transfers to various other departmental funds. In addition, permissive medical and retirement levies were allocated from the respective levy funds to multiple operating funds to support employee benefit costs.

Management considers these transfers to be routine and consistent with the purposes of the respective funds. No significant transfers were identified that were nonroutine or inconsistent with the activities of the funds making the transfers.

NOTE 12. 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	5,598	Inventory
Hard Rock Mine Trust	1,118,388	Advances to other funds
General Capital Improvements	239,354	Advances to other funds
All Other Aggregate	30,791	Inventory/prepaid expenses
	$ 1,410,731	

Restricted Fund Balance

Major Fund	Amount	Purpose of Restriction
Road	$ 156,035	Road repair, maintenance, and supplies
Public Safety	29,959	Law enforcement, emergency services, and supplies
Hard Rock Mine Trust	762,897	Mitigation of impacts associated with metal mining activities, including infrastructure, environmental, and public service needs
All Other Aggregate	147,639	General Government administration and services
	787,675	Law Enforcement, emergency services, and supplies
	908,474	Road Repair, maintenance and supplies
	602,526	Public Health Services and Supplies
	132,361	Noxious Weed Management
	28,401	Repairs and maintenance
	10,305	Animal Control
	223,303	Economic development
	156,205	Social and Economic Services and travel
	160,583	Culture and recreation
	12,510	Conservation of Natural Resources
	2,581	Miscellaneous
	82,481	Airport repair, maintenance and supplies
	$ 4,203,935	

Committed Fund Balance

Major Fund	Amount	Purpose of Commitment
General Capital Improvements	$ 6,525,558	Constructions and/or capital asset purchases
All Other Aggregate	401,089	Constructions and/or capital asset purchases
	$ 6,926,647	

NOTE 13. DEFICIT FUND BALANCES/NET POSITION

Fund Name	Amount	Reason for Deficit	How Deficit will be Eliminated
Planning	$ (1,819)	Insufficient available resources to cover interfund loans	Collection of tax receivables
DHS/FEMA	(2,492)	Insufficient available resources to cover interfund loans	Revenue recognition of funds received
Gardiner Util/Ped Br Gr	(90)	Insufficient available resources to cover interfund loans	Future grant revenues
	$ (1,909)		

NOTE 14. 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
Refuse	$ (11,643)	To restate beginning compensated absence balances after adoption of GASB 101
Government Wide	1,637,521	Restatement land assets received as part of a donation and land swap
Government Wide	(102,953)	To restate beginning compensated absence balances after adoption of GASB 101
	$1,522,925	

NOTE 15. 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 16. 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 17. 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, 2025

	General			
	BUDGETED AMOUNTS		ACTUAL AMOUNTS (BUDGETARY	VARIANCE WITH FINAL
	ORIGINAL	FINAL	BASIS) See Note A	BUDGET
RESOURCES (INFLOWS):				
Taxes and assessments	$ 2,775,979	$ 2,665,809	$ 2,665,809	$ -
Licenses and permits	57,000	65,273	65,273	-
Intergovernmental	686,724	725,137	787,869	62,732
Charges for services	617,450	607,498	607,498	-
Fines and forfeitures	120,000	119,826	119,826	-
Miscellaneous	48,500	81,430	81,430	-
Investment earnings	200,000	104,977	104,976	(1)
Amounts available for appropriation	$ 4,505,653	$ 4,369,950	$ 4,432,681	$ 62,731
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
General government	$ 4,056,844	$ 3,988,811	$ 4,024,371	$ (35,560)
Public safety	283,237	421,082	422,342	(1,260)
Public works	152,063	150,452	152,436	(1,984)
Public health	481,978	589,575	593,641	(4,066)
Social and economic services	199,599	166,980	167,667	(687)
Culture and recreation	500	36	35	1
Housing and community development	31,500	31,500	31,500	-
Debt service - principal	-	38,372	38,372	-
Debt service - interest	-	3,635	3,635	-
Capital outlay	38,000	49,367	110,580	(61,213)
Total charges to appropriations	$ 5,243,721	$ 5,439,810	$ 5,544,579	$ (104,769)
OTHER FINANCING SOURCES (USES)				
Proceeds of general long term debt	$ -	$ -	$ 61,213	$ 61,213
Transfers in	690,622	698,421	698,421	-
Transfers out	(49,000)	(37,411)	(37,411)	-
Total other financing sources (uses)	$ 641,622	$ 661,010	$ 722,223	$ 61,213
Net change in fund balance			$ (389,675)	
Fund balance - beginning of the year			$ 681,607	
Fund balance - end of the year			$ 291,932	

Park County, Montana
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Road			
	BUDGETED AMOUNTS		ACTUAL AMOUNTS (BUDGETARY	VARIANCE WITH FINAL
	ORIGINAL	FINAL	BASIS) See Note A	BUDGET
RESOURCES (INFLOWS):				
Taxes and assessments	$ 655,515	$ 655,515	$ 634,822	$ (20,693)
Licenses and permits	12,875	12,875	2,000	(10,875)
Intergovernmental	4,738,679	4,738,679	1,300,825	(3,437,854)
Charges for services	-	-	1,451	1,451
Miscellaneous	50,000	50,000	57,046	7,046
Amounts available for appropriation	$ 5,457,069	$ 5,457,069	$ 1,996,144	$ (3,460,925)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Public works	$ 1,632,474	$ 1,632,474	$ 1,719,755	$ (87,281)
Debt service - principal	262,177	262,177	150,130	112,047
Debt service - interest	124,175	124,175	64,956	59,219
Capital outlay	4,014,080	4,014,080	526,364	3,487,716
Total charges to appropriations	$ 6,032,906	$ 6,032,906	$ 2,461,205	$ 3,571,701
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of general capital asset disposition	$ 10,000	$ 10,000	$ 11,796	$ 1,796
Forgiveness of Interfund Loan	-	-	1,875,000	1,875,000
Transfers in	692,936	692,936	791,826	98,890
Transfers out	(74,566)	(74,566)	(93,290)	(18,724)
Total other financing sources (uses)	$ 628,370	$ 628,370	$ 2,585,332	$ 1,956,962
Net change in fund balance			$ 2,120,271	
Fund balance - beginning of the year			$ (1,958,638)	
Fund balance - end of the year			$ 161,633	

Park County, Montana
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Public Safety			
	BUDGETED AMOUNTS		ACTUAL AMOUNTS (BUDGETARY	VARIANCE WITH FINAL
	ORIGINAL	FINAL	BASIS) See Note A	BUDGET
RESOURCES (INFLOWS):				
Taxes and assessments	$ 1,978,841	$ 1,932,515	$ 1,932,515	$ -
Licenses and permits	5,000	8,155	8,155	-
Intergovernmental	152,684	177,948	594,562	416,614
Charges for services	121,100	84,125	84,125	-
Miscellaneous	4,500	8,940	20,917	11,977
Amounts available for appropriation	$ 2,262,125	$ 2,211,683	$ 2,640,274	$ 428,591
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Public safety	$ 3,278,879	$ 3,513,694	$ 3,878,473	$ (364,779)
Debt service - principal	18,000	18,534	44,327	(25,793)
Debt service - interest	1,600	730	1,772	(1,042)
Capital outlay	80,000	110,521	106,111	4,410
Total charges to appropriations	$ 3,378,479	$ 3,643,479	$ 4,030,683	$ (387,204)
OTHER FINANCING SOURCES (USES)				
Proceeds of general long term debt	$ -	$ -	$ 2,161	$ 2,161
Proceeds from the sale of general capital asset disposition	6,000	47,198	35,220	(11,978)
Transfers in	971,059	1,304,488	1,304,488	-
Transfers out	(20,000)	(20,000)	(20,000)	-
Total other financing sources (uses)	$ 957,059	$ 1,331,686	$ 1,321,869	$ (9,817)
Net change in fund balance			$ (68,540)	
Fund balance - beginning of the year			$ 98,499	
Fund balance - end of the year			$ 29,959	

Park County, Montana
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Hard Rock Mine Trust			
	BUDGETED AMOUNTS		ACTUAL AMOUNTS (BUDGETARY	VARIANCE WITH FINAL
	ORIGINAL	FINAL	BASIS) See Note A	BUDGET
RESOURCES (INFLOWS):				
Investment earnings	$ 50,598	$ 50,598	$ 68,407	$ 17,809
Amounts available for appropriation	$ 50,598	$ 50,598	$ 68,407	$ 17,809
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 178,125	$ 178,125	$ 78,551	$ (99,574)
Total other financing sources (uses)	$ 178,125	$ 178,125	$ 78,551	$ (99,574)
Net change in fund balance			$ 146,958	
Fund balance - beginning of the year			$ -	
Restatements			1,734,327	
Fund balance - beginning of the year - restated			$ 1,734,327	
Fund balance - end of the year			$ 1,881,285	

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	Hard Rock Mine Trust
Sources/Inflows of resources				
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	$ 4,432,681	$ 1,996,144	$ 2,640,274	$ 68,407
Combined funds (GASBS 54) revenues	2,200,192	-	-	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds.	$ 6,632,873	$ 1,996,144	$ 2,640,274	$ 68,407
Actual amounts (Budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 5,544,579	$ 2,461,205	$ 4,030,683	$ -
Combined funds (GASBS 54) expenditures	1,086,765	-	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 6,631,344	$ 2,461,205	$ 4,030,683	$ -

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, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service Cost	$ 35,791	$ 34,581	$ 33,084	$ 31,965	$ 51,848	$ 50,095	$ 112,525	$ 110,848
Interest	17,044	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	(21,662)	(14,862)	(13,990)	(16,669)	(23,154)	(17,434)	(29,877)	(24,434)
Net change in total OPEB liability	31,173	4,398	33,492	(146,736)	40,674	(825,357)	129,490	167,493
Total OPEB Liability - beginning	390,633	386,235	352,743	499,479	458,805	1,284,162	1,154,672	987,179
Total OPEB Liability - ending	$ 421,806	$ 390,633	$ 386,235	$ 352,743	$ 499,479	$ 458,805	$ 1,284,162	$ 1,154,672
Covered-employee payroll	$ 6,630,708	$ 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%	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, 2025

	PERS 2025	PERS 2024	PERS 2023	PERS 2022	PERS 2021	PERS 2020	PERS 2019	PERS 2018	PERS 2017	PERS 2016
Employer's proportion of the net pension liability	0.209341%	0.226508%	0.201027%	0.190638%	0.174854%	0.170330%	0.156132%	0.206693%	0.202197%	0.224178%
Employer's proportionate share of the net pension liability associated with the Employer	$ 5,119,975	$ 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
State of Montana's proportionate share of the net pension liability associated with the Employer	$ 1,334,932	$ 1,531,864	$ 1,431,652	$ 1,019,827	$ 1,456,069	$ 1,162,304	$ 1,095,427	$ 57,927	$ 42,083	$ 35,139
Total	$ 6,454,907	$ 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
Employer's covered payroll	$ 4,085,066	$ 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
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	125.33%	133.60%	136.49%	103.39%	157.24%	126.69%	126.91%	157.00%	142.20%	119.78%
Plan fiduciary net position as a percentage of the total pension liability	74.77%	73.93%	73.66%	79.91%	68.90%	73.85%	73.47%	73.75%	74.71%	78.40%

	SRS 2025	SRS 2024	SRS 2023	SRS 2022	SRS 2021	SRS 2020	SRS 2019	SRS 2018	SRS 2017	SRS 2016
Employer's proportion of the net pension liability	1.4618%	1.7693%	1.5656%	1.5153%	1.5004%	1.4591%	1.4829%	1.5115%	1.5870%	1.6073%
Employer's proportionate share of the net pension liability associated with the Employer	$ 1,792,956	$ 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
Total	$ 1,792,956	$ 2,600,728	$ 2,143,632	$ 1,103,762	$ 1,828,759	$ 1,216,854	$	$ 1,150,173	$ 2,787,990	$ 1,549,455
Employer's covered payroll	$ 1,621,922	$ 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
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	110.55%	143.48%	142.07%	80.15%	143.55%	103.87%	96.89%	101.71%	248.86%	141.67%
Plan fiduciary net position as a percentage of the total pension liability	82.12%	77.09%	77.07%	86.94%	75.92%	81.89%	82.89%	81.30%	63.00%	75.40%

	TRS 2025	TRS 2024	TRS 2023	TRS 2022	TRS 2021	TRS 2020	TRS 2019	TRS 2018	TRS 2017	TRS 2016
Employer's proportion of the net pension liability	0.0040%	0.0037%	0.0033%	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	$ 75,752	$ 71,546	$ 64,552	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State of Montana's proportionate share of the net pension liability associated with the Employer	$ 40,095	$ 37,024	$ 33,822	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 115,847	$ 108,570	$ 98,374	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 60,754	$ 54,917	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	124.69%	130.28%	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	73.33%	71.75%	70.61%	75.54%	64.92%	68.64%	69.09%	70.09%	66.69%	69.30%

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, 2025

	PERS 2025	PERS 2024	PERS 2023	PERS 2022	PERS 2021	PERS 2020	PERS 2019	PERS 2018	PERS 2017	PERS 2016
Contractually required contributions	$ 442,451	$ 442,619	$ 380,892	$ 314,196	$ 298,416	$ 257,037	$ 241,715	$ 217,482	$ 214,614	$ 202,441
Contributions in relation to the contractually required contributions	$ 442,451	$ 442,619	$ 380,892	$ 314,196	$ 298,416	$ 257,037	$ 241,715	$ 217,482	$ 214,614	$ 212,925
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
County's covered payroll	$ 4,888,961	$ 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
Contributions as a percentage of covered payroll	9.05%	9.07%	9.21%	8.97%	8.93%	8.76%	8.60%	8.47%	8.37%	8.79%

	SRS 2025	SRS 2024	SRS 2023	SRS 2022	SRS 2021	SRS 2020	SRS 2019	SRS 2018	SRS 2017	SRS 2016
Contractually required contributions	$ 262,374	$ 216,282	$ 238,544	$ 198,880	$ 180,277	$ 167,671	$ 154,264	$ 153,717	$ 114,388	$ 116,115
Contributions in relation to the contractually required contributions	$ 262,374	$ 216,282	$ 238,544	$ 198,880	$ 180,277	$ 167,671	$ 154,264	$ 153,717	$ 114,388	$ 116,115
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
County's covered payroll	$ 2,173,050	$ 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
Contributions as a percentage of covered payroll	12.07%	13.12%	13.16%	13.18%	13.09%	13.16%	13.17%	13.36%	10.12%	10.36%

	TRS 2022	TRS 2023	TRS 2023	TRS 2022	TRS 2021	TRS 2020	TRS 2019	TRS 2018	TRS 2017	TRS 2016
Contractually required contributions	$ 6,069	$ 5,753	$ 5,146	$ 4,466	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contributions	$ 6,069	$ 5,753	$ 5,146	$ 4,466	$ -	$ -	$ -	$ -	$ -	$ -
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 64,070	$ 60,754	$ 54,917	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions as a percentage of covered payroll	9.47%	9.47%	9.37%	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, 2025

Public Employees' Retirement System of Montana (PERS)

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

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, 2024, which were based on the results of the June 30, 2023 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.30%, net of pension plan investment and administrative expenses
*Includes inflation at	2.75%
Merit salary increase	0% to 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.

The actuarial assumptions and methods utilized in the June 30, 2023 valuation, were developed in the five-year experience study for the period ending 2021.

Sheriffs' Retirement System of Montana (SRS)

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

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

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, 2025

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.

Lump-sum payouts

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

2023:

Retirement eligibility

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

2024:

Employer contribution rate

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

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

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

General Wage Growth*	3.50%
Investment Rate of Return*	7.30%, net of pension plan 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.

The actuarial assumptions and methods utilized in the June 30, 2023 valuation, were developed in the five-year experience study for the period ending 2021.

Teachers' Retirement System of Montana (TRS)

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.

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, 2025

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

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, 2025

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.

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	24 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
For the Year Ended June 30, 2025

Award Information	*AL/other #*	*Pass-Through Entity Name*	*Pass-Through Entity #*	*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			$ 107,972
Total Schools and Roads - Grants to States				107,972
Total United States Department of Agriculture				107,972
Total Forest Service Schools and Roads Cluster-Cluster				107,972
Federal Transit Cluster-Cluster				
Department of Transportation				
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs				
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	Montana Department of Transportation	113988	20,380
Total Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs				20,380
Total Department of Transportation				20,380
Total Federal Transit Cluster-Cluster				20,380
Other Programs (Treated individually for major program determination)				
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 Health and Human Services	24-25-5-21-032-0	78,253
Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children				78,253
Forest Health Protection				
Forest Health Protection	10.680	Montana Department of Agriculture	2024-806X	32,701
Forest Health Protection	10.680	Montana Department of Agriculture	2024-804X	67,338
Total Forest Health Protection				100,039
Infrastructure Investment and Jobs Act Community Wildfire Defense Grants				
Infrastructure Investment and Jobs Act Community Wildfire Defense Grants	10.720			98,804
Total Infrastructure Investment and Jobs Act Community Wildfire Defense Grants				98,804
Total United States Department of Agriculture				277,096
Department of Housing and Urban Development				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	Montana Department of Commerce	MT-CDBG-HSP-23-02	7,564
Total Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii				7,564
Economic Development Initiative, Community Project Funding, and Miscellaneous grants				
Economic Development Initiative, Community Project Funding, and Miscellaneous grants	14.251			38,239
Total Economic Development Initiative, Community Project Funding, and Miscellaneous grants				38,239
Total Department of Housing and Urban Development				45,803
United States Department of Justice				
Violence Against Women Formula Grants				
Violence Against Women Formula Grants	16.588	Montana Board of Crime Control	25-W03-21 04	67,700
Total Violence Against Women Formula Grants				67,700

PARK COUNTY
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025 - Continued

Award Information	*AL/other #*	*Pass-Through Entity Name*	*Pass-Through Entity #*	*Federal Expenditures ($)*
Edward Byrne Memorial Justice Assistance Grant Program				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Montana Board of Crime Control	25-G01-2010	34,996
Total Edward Byrne Memorial Justice Assistance Grant Program				34,996
Total United States Department of Justice				102,696
Department of Transportation				
Formula Grants for Rural Areas and Tribal Transit Program				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	Montana Department of Transportation	113389	120,154
Formula Grants for Rural Areas and Tribal Transit Program	20.509	Montana Department of Transportation	113736	116,351
Total Formula Grants for Rural Areas and Tribal Transit Program				236,505
Total Department of Transportation				236,505
Department of Energy				
Energy Efficiency and Conservation Block Grant Program (EECBG)				
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128			75,580
Total Energy Efficiency and Conservation Block Grant Program (EECBG)				75,580
Total Department of Energy				75,580
Various Agencies – 2				
Help America Vote Act Requirements Payments				
Help America Vote Act Requirements Payments	90.401	Montana Secretary of State's Office	Unknown	12,406
Total Help America Vote Act Requirements Payments				12,406
Total Various Agencies – 2				12,406
Department of Health and Human Services				
Public Health Emergency Preparedness				
Public Health Emergency Preparedness	93.069	Montana Department of Health and Human Services	25-07-6-11-039-0	45,376
Total Public Health Emergency Preparedness				45,376
Immunization Cooperative Agreements				
Immunization Cooperative Agreements	93.268	Montana Department of Health and Human Services	25-07-4-31-131-0	78,938
Total Immunization Cooperative Agreements				78,938
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)				
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Montana Department of Health and Human Services	24-07-7-11-148-0	54,510
Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)				54,510
Block Grants for Prevention and Treatment of Substance Abuse				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Montana Department of Health and Human Services	23-102-74033-0	59,153
Total Block Grants for Prevention and Treatment of Substance Abuse				59,153
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 Health and Human Services	23-07-1-01-194-0	26,222
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	Montana Department of Health and Human Services	25-07-1-01-134-0	67,224
Total Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health				93,446

PARK COUNTY
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025 - Continued

Award Information	*AL/other #*	*Pass-Through Entity Name*	*Pass-Through Entity #*	*Federal Expenditures ($)*
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 Health and Human Services	HHS-ECFS-00000601	13,167
Total Maternal and Child Health Services Block Grant to the States				13,167
Total Department of Health and Human Services				344,590
Department of Homeland Security				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Montana Disaster and Emergency Services	4655DR-MT	466,409
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Montana Disaster and Emergency Services	4726DR-MT	136,165
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Montana Disaster and Emergency Services	4508DR-MT	18,174
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)				620,748
Hazard Mitigation Grant				
Hazard Mitigation Grant	97.039	Montana Disaster and Emergency Services	Unknown	13,985
Total Hazard Mitigation Grant				13,985
Emergency Management Performance Grants				
Emergency Management Performance Grants	97.042	Montana Disaster and Emergency Services	EMD-2021-EP-00008	36,500
Total Emergency Management Performance Grants				36,500
Homeland Security Grant Program				
Homeland Security Grant Program	97.067	Montana Disaster and Emergency Services	24HSPARK	7,873
Total Homeland Security Grant Program				7,873
Total Department of Homeland Security				$ 679,106
Total Other Programs (Treated individually for major program determination)				$ 1,773,782
Total Expenditures of Federal Awards				$ 1,902,134

The accompanying notes are an integral part of this schedule

PARK COUNTY, MONTANA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 2025

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 Park County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Park 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 Park 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.

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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 CountyCommissioners
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, 2025, and the related notes to the financial statements, which collectively comprise the Park County's basic financial statements and have issued our report thereon dated May 1, 2026.

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, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Park 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*.

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.

Nexus CPA Group

May 1, 2026

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

Board of CountyCommissioners
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, 2025. 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, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of 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.

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 there 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 our 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.

Nexus CPA Group

May 1, 2026

PARK COUNTY, MONTANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Fiscal Year Ended June 30, 2025

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?	No
Significant deficiency(s) identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

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)	No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
20.509	Formula Grants for Rural Areas and Tribal Transit Program
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

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

There were no financial statement findings.

Section III – Federal Award Findings and Questioned Costs

There were no federal award findings or questioned costs reported.

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REPORT ON PRIOR AUDIT REPORT RECOMMENDATIONS

Board of CountyCommissioners
Park County
Livingston, Montana

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

Recommendation	Action Taken
2024-001 Segregation of Duties (Repeated 2023-001)	Not Repeated
2024-002 Road Fund Deficit Fund Balance (Repeated 2023-002)	Implemented
2024-003 Audit Report Deadline	Not Repeated

Nexus CPA Group

May 1, 2026