

Annual Comprehensive Financial Report
Year Ended June 30, 2024

City of Bozeman, Montana

Prepared by the Finance Department

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Introductory Section
Year Ended June 30, 2024
City of Bozeman, Montana

December 20, 2024

To the Honorable Mayor, City Commission, and Citizens of the City of Bozeman, Montana:

The Annual Comprehensive Financial Report of the **CITY OF BOZEMAN, MONTANA** for the fiscal year ended June 30, 2024, is hereby submitted. The financial statements and supporting schedules have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and meet the requirements of the standards as prescribed by the Secretary of State Audits Division. We believe the enclosed data, as presented, is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities are included.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Eide Bailly LLP, Certified Public Accountants, have issued an unmodified or “clean” opinion on the City’s financial statements for the fiscal year ended June 30, 2024. The independent auditors report is located at the front of the Financial Section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

In addition to the financial audit, the City undertakes a single audit in conformance with the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits. The results of this single audit, including a schedule of expenditures of federal awards, and the independent auditor’s reports on the City’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards, are available in the City’s issued single audit report.

CITY OF BOZEMAN PROFILE

The City of Bozeman, home to 60,425¹ residents, sits in the center of Gallatin County, flanked by the Bridger Mountains and Custer Gallatin National Forest, just south of the Missouri River Headwaters. This diverse Rocky Mountain landscape creates easy access to year-round outdoor activities for Bozeman residents including hiking, mountain biking, climbing, camping, fishing, and downhill and cross-country skiing.

The City encompasses an area of approximately 20 square miles with its next-closest municipality being the City of Belgrade, approximately seven miles from the City’s outermost boundary. Bozeman is the county seat of Gallatin County, with a population of 132,441. Bozeman has a uniquely diverse economy, highly educated workforce, and exceptional quality of life.

The City was incorporated in April of 1883 with a city council form of government, and later in January 1922 transitioned to its current city manager/city commission form of government. The population of Bozeman in the 2020 census is 53,293 – which is a total increase of 43% from April 2010 – continues Bozeman’s standing as the fourth largest city in the state.

¹US Census; ESRI Business Analyst; Economic & Planning Systems Inc.

The government provides a full range of services. These services include police and fire protection; sanitation services; water, wastewater & storm water utilities; the construction and maintenance of transportation infrastructure; recreational activities including construction and maintenance of parks & trails; planning and zoning; and general administrative services.

ECONOMIC OUTLOOK

Bozeman has earned recognition as one of the most desirable places to live in the United States, thanks to its unparalleled access to outdoor recreation activities and uncrowded spaces. As Montana's fourth-largest city and the largest city in Gallatin County, Bozeman serves as a dynamic urban hub with a vibrant downtown featuring street festivals, farmers markets, lively nightlife, and cultural venues that attract residents and visitors alike. Bozeman's collegiate atmosphere, fueled by its role as home to Montana State University (MSU), makes it a gateway for newcomers and a driving economic force for the region.

In 2024, Bozeman was ranked #1 for Strongest Economy among the fastest growing micropolitan cities by POLICOM for the seventh consecutive year. Economic strength is defined as "the long-term tendency for an area to consistently grow in both size and quality." Bozeman's 2023 estimated population is 60,425² residents, reflecting a 3.7% average annual growth rate between 2010 and 2023. Bozeman is one of the fastest growing U.S. cities, adding an estimated 1,800 residents per year since 2010.

While Bozeman's economy has historically been concentrated in tourism and retail sectors—known for lower-wage jobs—there is notable growth in knowledge-based industries, such as professional and technical services, as well as in manufacturing. Enrollment at MSU continues to grow, particularly in high-demand technology and engineering programs, attracting talent, and contributing to population and economic growth.

Bozeman's real estate market remains robust. As of Q2 2024, the median price for a single-family home is \$784,500, a 71% increase from the 2019 median of \$460,000. Recent construction has played a role in moderating appreciation: from 2018-2023, multifamily housing accounted for 54.4% of total new residential construction, while single-family attached units made up 26.8%. More than eight major apartment complexes with 50+ units have been completed between 2023 and mid-2024. Construction activity has likely contributed to slowing home price appreciation in recent years. Bozeman saw a 3.6% decline in median home prices from 2022 to 2023, followed by a modest 1.9% increase through Q2 2024.

Bozeman's strong economic fundamentals, population growth, and expanding industries position the City for continued long-term success while maintaining its unique quality of life.

BUDGET DEVELOPMENT PROCESS

The City of Bozeman budget serves several purposes. For the citizens of the City of Bozeman, it presents a picture of the city government operations and intentions for the year. For the City Commission, it serves as a policy tool and as an expression of goals and objectives. For City Management, it is used as an operating guide and a control mechanism.

The City Manager's Recommended Budget is created and submitted to the City Commission annually. Public work sessions are then held by the Commissioners at which time the City Manager, Finance Director, and department staff explain the budget recommendations and underlying justification for the requests. Public comment is accepted at all work sessions and budget adoption agenda items. During (or following) the work sessions, the Commissioners may adjust the recommended budget. Following any adjustments to the City Manager's budget recommendation, a tentative appropriation ordinance is prepared, and another public hearing is held. The Commission may make additional adjustments following the public hearing, after which time, the Commission passes the appropriation ordinance in final form. The legal level of budgetary control is established at the service area level.

²US Census; ESRI Business Analyst; Economic & Planning Systems Inc.

FINANCIAL POLICIES

The City of Bozeman is committed to responsible fiscal management through financial integrity, transparency, and long-term planning. The policies aim to ensure proper controls over financial resources, deliver quality services efficiently, maintain infrastructure, ensure financial stability, and protect the City's credit rating. They are reviewed annually as part of the budget process.

The City avoids budgetary practices that balance current expenditures at the expense of meeting future years' expenses and seeks to maintain a diversified and stable revenue base that is estimated in a realistic and conservative manner. One-time revenues will only be used to fund capital assets or other non-recurring expenditures. On-going expenditures are limited to levels which can be supported by conservatively projected revenues.

Construction projects and capital purchases of \$25,000 or more are included in the Capital Improvement Plan (CIP), with all capital purchases of \$5,000 or more reported as capital outlays in the financial statements. Minor capital outlays of less than \$5,000 are included in the regular operating budget.

Long-term debt is limited to significant capital improvements which either cannot be financed from current revenues, or would result in intergenerational equity for tax or rate payers. All debt obligations will be repaid within a period that does not exceed the expected useful life of the project. The City does not use long-term debt for financing current operations and adheres to a policy of full public disclosure with regard to the issuance of debt.

The City updates its long-term financial projections on an on-going basis and identifies both current and long-term funding needs and challenges to ensure financial stability of the City into the future. The City maintains and updates long-term financial plans on at least an annual basis for the following funds and programs: General Fund (including Police and Fire), Water, Water Reclamation, Stormwater, Solid Waste, Parks & Trails District, Forestry District, and all Streets departments. A minimum level of General Fund operating reserve equal to 2 months of annual revenues, or 16.67%, is maintained in compliance with Bozeman Municipal Code. This reserve is committed to be used for: cash flow purposes, accrued employee payroll benefits which are not shown as a liability, unanticipated equipment acquisition and replacement, and to enable the city to meet unexpected operating expenditure demands or revenue shortfalls.

The City manages and accounts for its financial activity in accordance with Generally Accepted Accounting Principles (GAAP), as set forth by the Governmental Accounting Standards Board (GASB). The City maintains its accounting records for general governmental operations on a modified accrual basis, with revenues recorded when available and measurable, and expenditures recorded when services or goods are received, and liabilities incurred. Accounting records for proprietary fund types and similar trust funds are maintained on an accrual basis, with all revenues recorded when earned and expenses recorded at the time liabilities are incurred, without regard to receipt or payment of cash.

MAJOR INITIATIVES

City Commission Priorities – 2024-2026

Every two years, Bozeman City Commission meets to discuss the priorities process, a list of goals that the elected body directs city staff to complete within a two-year time frame. All goals are important projects that impact our community and are unique activities that staff perform within the designated timeframe. Priorities for the 2025 Biennium were discussed at a public work session on January 26, 2024, and are based on the City's Strategic Plan, adopted in 2018, and three major long-range plans – the Climate Action Plan, Community Affordable Housing Plan, and the Growth Policy. Final adoption of the priorities below occurred by resolution on August 6, 2024.

An Engaged Community

- Foster and build public trust, support, and pride in local government.

Safe, Welcoming Community

- Develop a Tenants Right to Counsel Program.
- Develop a comprehensive regional strategy on homelessness.
- Implement at least 8 recommendations from the Belonging in Bozeman Plan.

A Well-Planned City

- Rework and restore a new Historic Preservation Policy - including trees and landmarks.
- Encourage the creation of ADUs in our city through an ADU Incentive Program.
- Create an Affordable Housing Preservation Policy.
- Ramp up the SAFE Plan and become a Gold-level Bike Friendly Community.
- Sustainable Environment.
- Create a Bozeman Creek Resiliency Plan.

OTHER INFORMATION

Independent Audit

The State of Montana requires a biannual audit of the books of accounts, financial records, and transactions of all administrative departments of the City by independent certified accountants selected by the City Commission. It is the belief of the City Commission and Executive staff that an annual audit assures a higher level of financial management and fiscal responsibility. This policy, along with the legal requirements, has been complied with and the auditors' opinion of Eide Bailly LLP, has been included in this report.

Awards

The Government Finance Officers' Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bozeman for its comprehensive annual financial report for the fiscal year ended June 30, 2023 and for the 40th consecutive year. The Certificate of Achievement is a prestigious national award that is an important recognition of conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized annual comprehensive financial report that conforms to program standards and satisfies generally accepted accounting principles and applicable legal requirements. The City believes this annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirement and will submit it to the GFOA to determine its eligibility for another certificate.

The GFOA also presented an award of Distinguished Budget Presentation to the City of Bozeman, Montana, for its annual budget for the biennium beginning July 1, 2024, and ending June 30, 2026. The City has received this award for each budget it has prepared in the past 33 years. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device. The award represents the City's commitment to meeting the highest principles of governmental budgeting.

Acknowledgments

The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report, with special thanks to Aaron Funk for his dedication and expertise in financial reporting. We would also like to express appreciation to the City Commission for their interest and support in planning and overseeing the operations of the City in a responsible and professional manner.



Chuck Winn

Interim City Manager



Melissa Hodnett

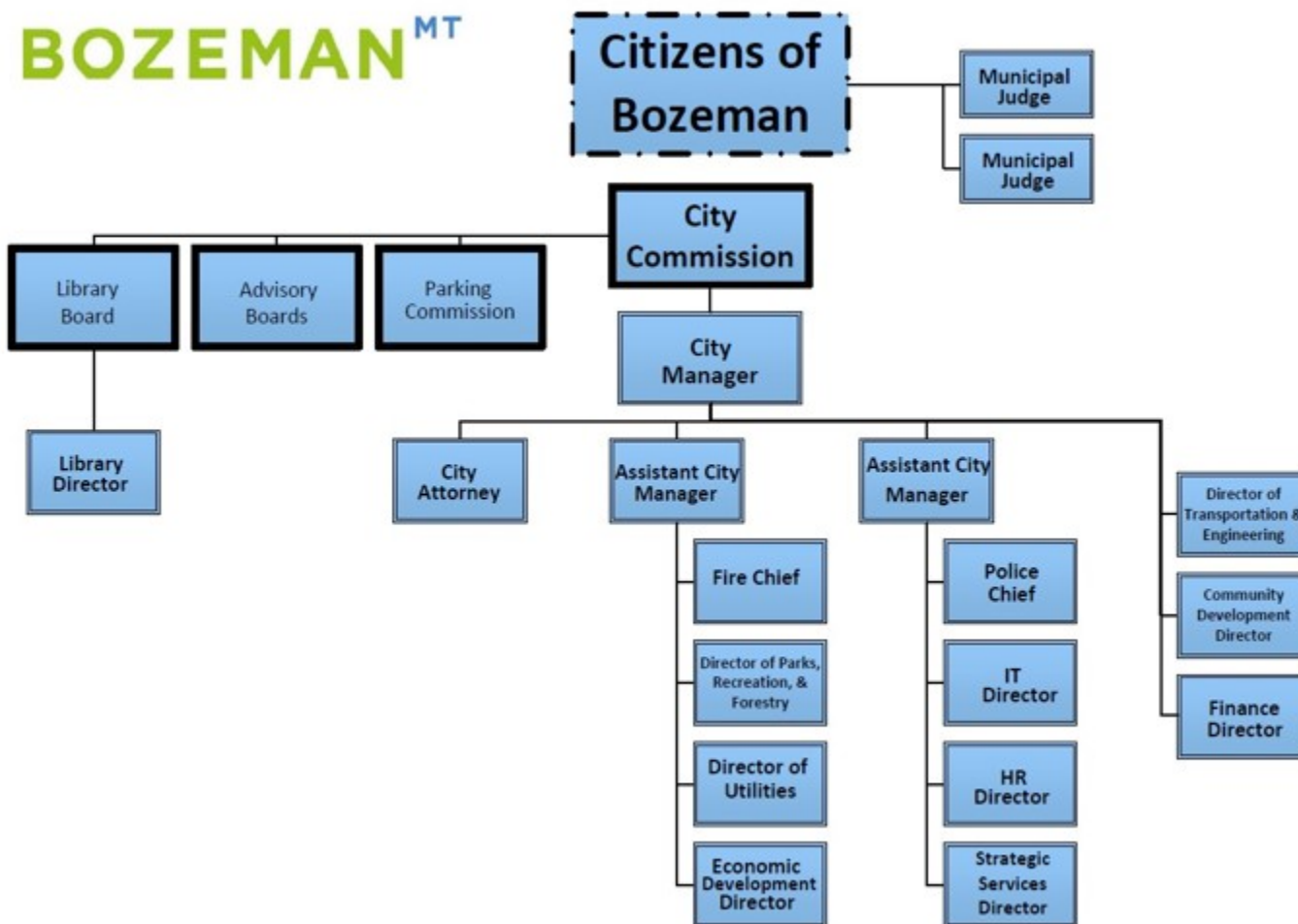
Director of Finance

City of Bozeman, Montana

Listing of City Officials

June 30, 2024

Name	Position
Elected Officials	
Legislative	
Terence Cunningham	Mayor
Joey Morrison	Deputy Mayor
Emma Bode	Commissioner
Douglas Fischer	Commissioner
Jennifer Madgic	Commissioner
Judicial	
J. Colleen Herrington	Municipal Judge
Karolina Tierney	Municipal Judge
Officers	
Executive	
Chuck Winn	Interim City Manager
Jon Henderson	Assistant City Manager
Michael Maas	City Clerk
Department of Law	
Gregory Sullivan	City Attorney
Department of Finance	
Melissa Hodnett, MBA	Finance Director
Aaron Funk, CPA	Controller
Laurae Clark	Treasurer
Department of Economic Development	
Brit Fontenot	Director of Economic Development
Department of Information Technology	
Scott McMahan	Information Technology Director
Department of Human Resources	
Cassandra Tozer	Human Resources Director
Department of Public Safety	
James Veltkamp	Chief of Police
Josh Waldo	Fire Chief
Department of Public Service	
Nicholas Ross	Director of Transportation and Engineering
Jon Henderson	Director of Strategic Services
Department of Public Welfare	
Mitch Overton	Director of Parks and Recreation
Susan Gregory	Director of Bozeman Public Library
Development	
Erin George	Interim Director of Community Development





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Bozeman
Montana**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

Financial Section
Year Ended June 30, 2024
City of Bozeman, Montana



Independent Auditor's Report

To the Honorable Mayor and City Council
City of Bozeman

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bozeman (the City), as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

We did not audit the financial statements of the Bozeman Public Library Foundation, which represent 100% of the net position, and revenues of the discretely presented component unit as of June 30, 2024. Those statements were audited by other auditors whose report(s) has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report(s) of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities 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 the City 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.

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 misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known 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 GAAS 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, misrepresentations, 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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 City'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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 the management's discussion and analysis, schedule of changes in total OPEB liability and related ratios, schedules of employer's share of net pension liability, schedules of employer's contributions, and schedules of revenue, expenditures, and changes in fund balance – budget to actual – budgetary basis for the general fund and major special revenue funds 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 context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 City's basic financial statements. The combining fund financial statements and the individual budgetary comparison schedules 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 basic 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 GAAS. In our opinion, the combining fund financial statements and the individual budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Sallie LLP". The signature is written in a cursive, flowing style.

Billings, Montana
December 20, 2024

Management of the City of Bozeman (the City) offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal. The focus of the information herein is on the primary government.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended as an introduction to the City's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition to the basic financial statements, also provided are required and other supplementary information.

Government-Wide Financial Statements

The *Statement of Net Position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* reports how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

The governmental activities reflect the City's basic services, including police, fire, public works, parks, and general administration. Property taxes, charges for services, state-shared revenues, court fines, and recreation fees finance most of these activities.

The business-type activities reflect private sector-type operations, such as water, wastewater, storm water, solid waste, and parking, where fees for services typically cover all or most of the cost of operations, including depreciation.

The government-wide financial statements include not only the City itself (referred to as the primary government), but also other legally separate entities for which the City is financially accountable. Financial information for most of these component units are reported separately from the financial information presented for the primary government itself. A few component units, although legally separate, function essentially as an agency of the City and, therefore, are included as an integral part of the City.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into categories: governmental funds, proprietary funds, and fiduciary funds that use different accounting approaches.

Governmental funds are used for the City's basic services and 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 readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's operations. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided that reconciles the governmental fund financial statements to the government-wide statements explaining the relationship (or differences) between them.

The City maintains individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and major special revenue funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The City adopts an annual appropriated budget for the General Fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets for the General Fund in accordance with U.S. GAAP.

The City maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for water, wastewater, stormwater, solid waste and parking services. When the City charges customers for the services it provides, whether to outside customers or to other units of the City, 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 City's enterprise funds (a component of the proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds to report activities that provide supplies and services for the City's other programs and activities, such as the Vehicle Maintenance Fund and Health Insurance Fund. Internal service fund activity is reported as governmental activity in the government-wide statements since this activity, the financing of goods and services for other funds of the government, is more governmental than business-type in nature.

The City uses fiduciary funds to account for assets held on behalf of outside parties, including other governments. When these assets are held under the terms of a formal trust agreement, a private-purpose trust fund is used. The City is the trustee, or fiduciary, for other funds, including the Municipal Court Fund, the Montana Arts Council Fund (Montana Ballet, Bozeman Symphony Orchestra, and Big Sky Association for the Arts), and the CMC Bozeman Asbestos Site Remediation Fund. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The guidelines for the administration of these funds are contained in applicable financial agreements and/or City ordinances. These documents contain the rules governing the receipt, expenditure, and management of the City's fiduciary funds. As the statements reflect, the financial activity during the year for these funds is nominal. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-wide Financial Analysis

Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$693.4 million at the close of the most recent fiscal year. Net position increased by \$57.2 million this year as compared to a \$48.6 million increase last year. Net position of the City includes \$115.3 million (16.6%) of restricted net position. These are resources subject to external restrictions as to how they may be used by the City.

The majority of the net position, 82.0%, is invested in capital assets (land, buildings, infrastructure, etc.) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to community members; consequently, these assets are not available for future spending. Although the City'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 the liabilities.

The following table presents condensed financial information on the City's net position for the fiscal years ending June 30, 2024 and 2023.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 122,590,942	\$ 108,097,028	\$ 66,564,321	\$ 61,772,593	\$ 189,155,263	\$ 169,869,621
Capital assets	329,123,620	298,922,399	345,864,779	338,222,054	674,988,399	637,144,453
Total assets	451,714,562	407,019,427	412,429,100	399,994,647	864,143,662	807,014,074
Deferred Outflows of Resources	9,359,680	8,250,714	1,966,535	1,302,625	11,326,215	9,553,339
Liabilities						
Other liabilities	16,610,221	19,669,995	2,792,289	2,827,483	19,402,510	22,497,478
Long-term liabilities	109,743,904	101,721,336	50,542,101	52,757,557	160,286,005	154,478,893
Total liabilities	126,354,124	121,391,331	53,334,390	55,585,040	179,688,515	176,976,371
Deferred Inflows of Resources	1,716,022	2,500,575	710,387	933,712	2,426,409	3,434,287
Net position						
Net investment in capital assets	259,727,878	236,885,005	308,955,362	297,691,119	568,683,239	534,576,124
Restricted	69,617,937	46,965,688	45,687,628	31,659,041	115,305,565	78,624,729
Unrestricted	3,658,281	7,527,542	5,707,868	15,428,360	9,366,149	22,955,902
Total net position	\$ 333,004,096	\$ 291,378,235	\$ 360,350,858	\$ 344,778,520	\$ 693,354,953	\$ 636,156,755

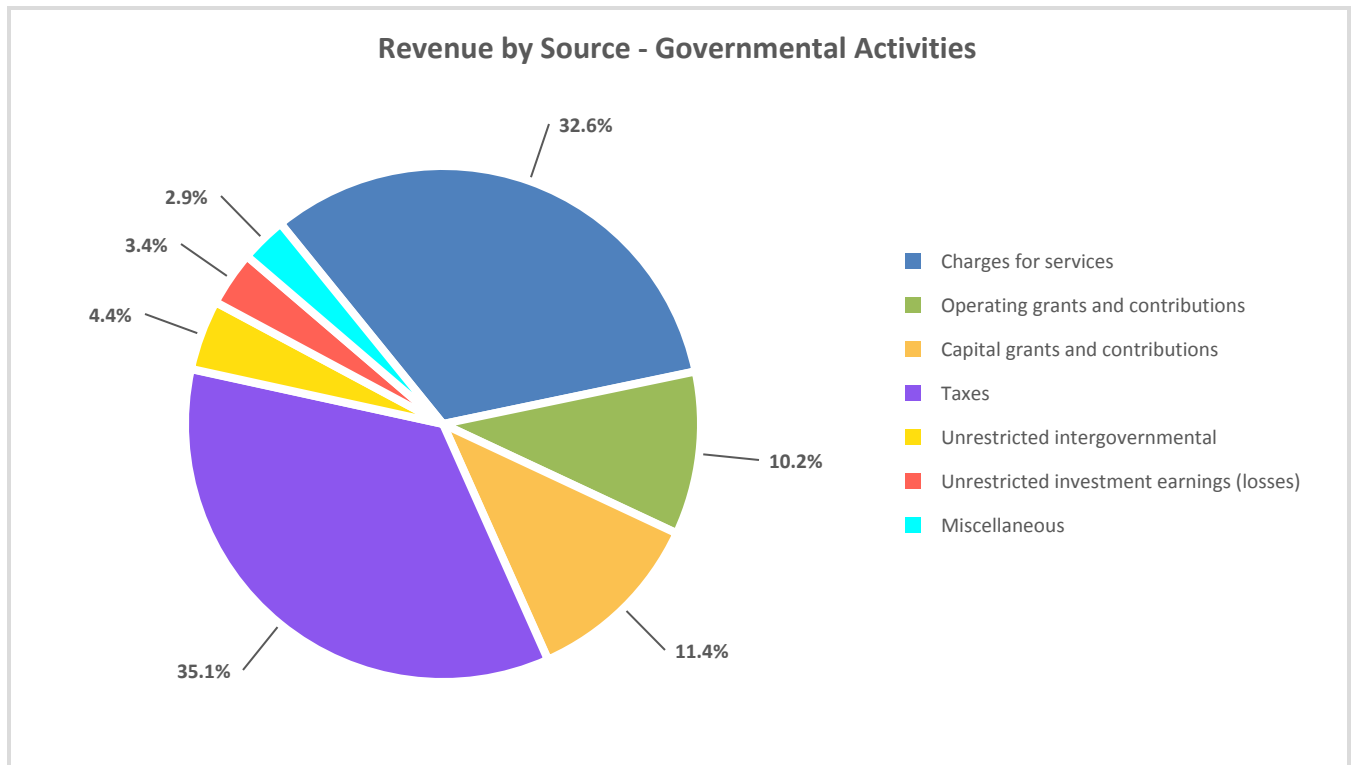
City of Bozeman, Montana
Management's Discussion and Analysis
June 30, 2024

The following table presents condensed financial information on the City's changes in net position for the fiscal years ending June 30, 2024 and 2023.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues						
Charges for services	\$ 42,176,670	\$ 36,321,320	\$ 41,767,592	\$ 35,954,215	\$ 83,944,263	\$ 72,275,535
Operating grants and contributions	13,255,074	12,843,761	1,677,660	1,435,529	14,932,734	14,279,290
Capital grants and contributions	14,726,239	14,514,120	7,079,665	11,084,423	21,805,904	25,598,543
General revenues						
Taxes	45,454,899	39,860,197	—	—	45,454,899	39,860,197
Unrestricted intergovernmental	5,717,540	5,370,015	—	—	5,717,540	5,370,015
Unrestricted investment earnings (losses)	4,448,723	1,118,619	3,102,361	833,995	7,551,084	1,952,614
Miscellaneous	3,348,246	1,225,899	329,371	226,026	3,677,617	1,451,925
Gain (loss) on disposal of capital assets	393,500	2,726,201	—	(13,856)	393,500	2,712,345
Total revenues	129,520,891	113,980,132	53,956,649	49,520,332	183,477,540	163,500,464
Expenses						
General government	21,008,788	17,726,413	—	—	21,008,788	17,726,413
Public safety	29,522,432	28,002,592	—	—	29,522,432	28,002,592
Public service	14,780,608	14,646,742	—	—	14,780,608	14,646,742
Public welfare	20,213,912	15,343,285	—	—	20,213,912	15,343,285
Interest and fiscal charges	1,963,485	2,070,117	—	—	1,963,485	2,070,117
Water	—	—	15,227,618	13,882,728	15,227,618	13,882,728
Waste water	—	—	13,276,495	11,979,470	13,276,495	11,979,470
Solid waste	—	—	6,835,328	7,980,984	6,835,328	7,980,984
Parking	—	—	1,598,141	1,565,405	1,598,141	1,565,405
Stormwater	—	—	1,847,848	1,711,451	1,847,848	1,711,451
Total expenses	87,489,225	77,789,149	38,785,430	37,120,038	126,274,655	114,909,187
Excess before transfers	42,031,665	36,190,983	15,171,219	12,400,294	57,202,885	48,591,277
Transfers	(401,119)	(1,667,658)	401,119	1,667,658	—	—
Change in net position	41,630,546	34,523,325	15,572,338	14,067,952	57,202,885	48,591,277
Beginning net position, as adjusted	291,373,550	256,854,910	344,778,520	330,710,568	636,152,070	587,565,478
Ending net position	<u>\$ 333,004,096</u>	<u>\$ 291,378,235</u>	<u>\$ 360,350,858</u>	<u>\$ 344,778,520</u>	<u>\$ 693,354,954</u>	<u>\$ 636,156,755</u>

Governmental Activities

The net position of the City's governmental activities increased by \$41.6 million or 14.3% from \$291.4 million last year to \$333.0 million this year due to revenues exceeding expenses. Governmental activities revenues for the year increased \$15.5 million or 13.6%, from \$114.0 million in fiscal year 2023 (FY23) to \$129.5 million in fiscal year 2024 (FY24), while total expenses increased by \$9.7 million or 12.5%, from \$77.8 million in FY23 to \$87.5 million in FY24.



Property tax revenues increased by \$5.6 million or 14.0% from \$39.9 million to \$45.5 million. Mill values for the City of Bozeman increased by 54.7% based on the latest assessments from the Department of Revenue. The City levied 150.72 mills in fiscal year 2024 compared to 204.50 in the prior year. The increase in total revenue generated is a result of the City Commission's Adopted FY24 Budget which focuses on maintaining and improving the level of service the City provides to the citizens of Bozeman.

Charges for services, which primarily includes street assessments, fire and street impact fees, and the park and trails assessments, increased by \$5.9 million or 16.1% from \$36.3 million in FY23 to \$42.2 million in FY24. Street impact fees increased by \$2.5 million or 48.7% from \$5.2 million in FY23 to \$7.7 million in FY24. Street impact fee revenues fluctuate significantly from year to year based on the volume, size, and timing of new development. General Fund charges for services increased by \$1.4 million or 22% year over year. Charges for services in the General Fund are primarily billings to other City departments for services including the City Manager's Office, Legal, Human Resources, Information Technology, and Finance. The increase year over year represents an increase in services provided to other departments. Parks & Trails District assessments increased by approximately \$0.5 million or 8.2% from \$5.8 million in FY23 to \$6.3 million in FY24, due to a 7% increase in special assessments to pay for deferred maintenance and due to growth in the district. The Street Maintenance District assessment revenue increased by approximately \$0.75 million or 9.2% due to a 8% increase in special assessments and growth in the district.

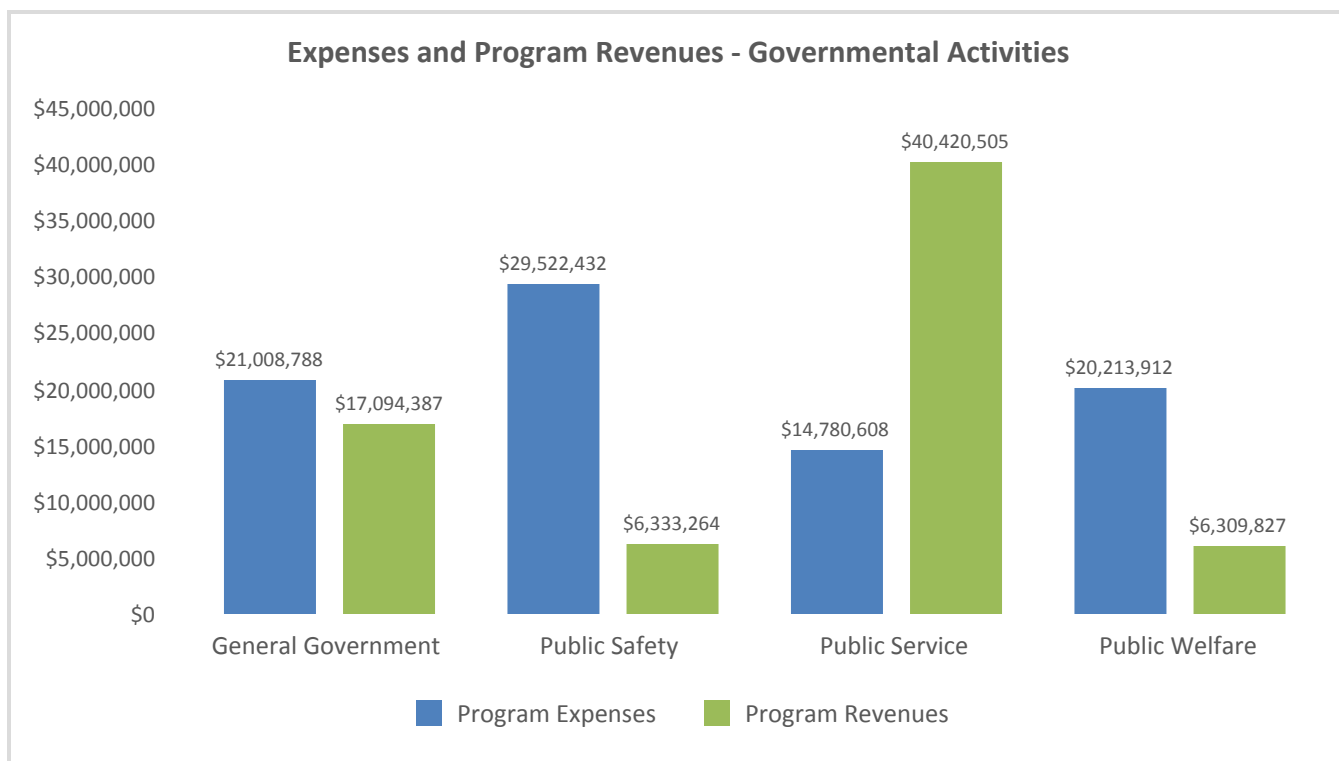
Program expenses increased by \$9.7 million or 12.5%, from \$77.8 million in FY23 to \$87.5 million in FY24. A combination of increased costs of operations expenditures and personnel costs resulted in this increase. General government expenses increased by \$3.3 million or 18.5% from \$17.7 million to \$21.0 million. Approximately \$0.6 million of the increase is attributed to salary and benefits increases, specifically an increase in the cost of providing health insurance, which was offset by savings from vacant positions. In addition, General Fund outside entity grants increased between FY23 and FY24 by \$0.4 million.

Public safety expenses increased by \$1.5 million or 5.4% from \$28.0 million in FY23 to \$29.5 million in FY24. Public service expenses increased by \$0.1 million or 0.9% from \$14.6 million in FY23 to \$14.8 million in FY24 primarily in salaries & benefits. Negotiated contract increases for represented officers, four new patrol officer positions, and one new lieutenant position contributed to the increase.

Public welfare expenses increased by \$4.9 million or 31.7% from \$15.3 million in FY23 to \$20.2 million in FY24. Approximately \$1.6 million and \$1.9 million is attributed to grants, contributions, and development agreements provided from Community Housing and the Midtown Tax Increment District, respectively. Approximately \$1.1 million is attributed to salary and benefits increases.

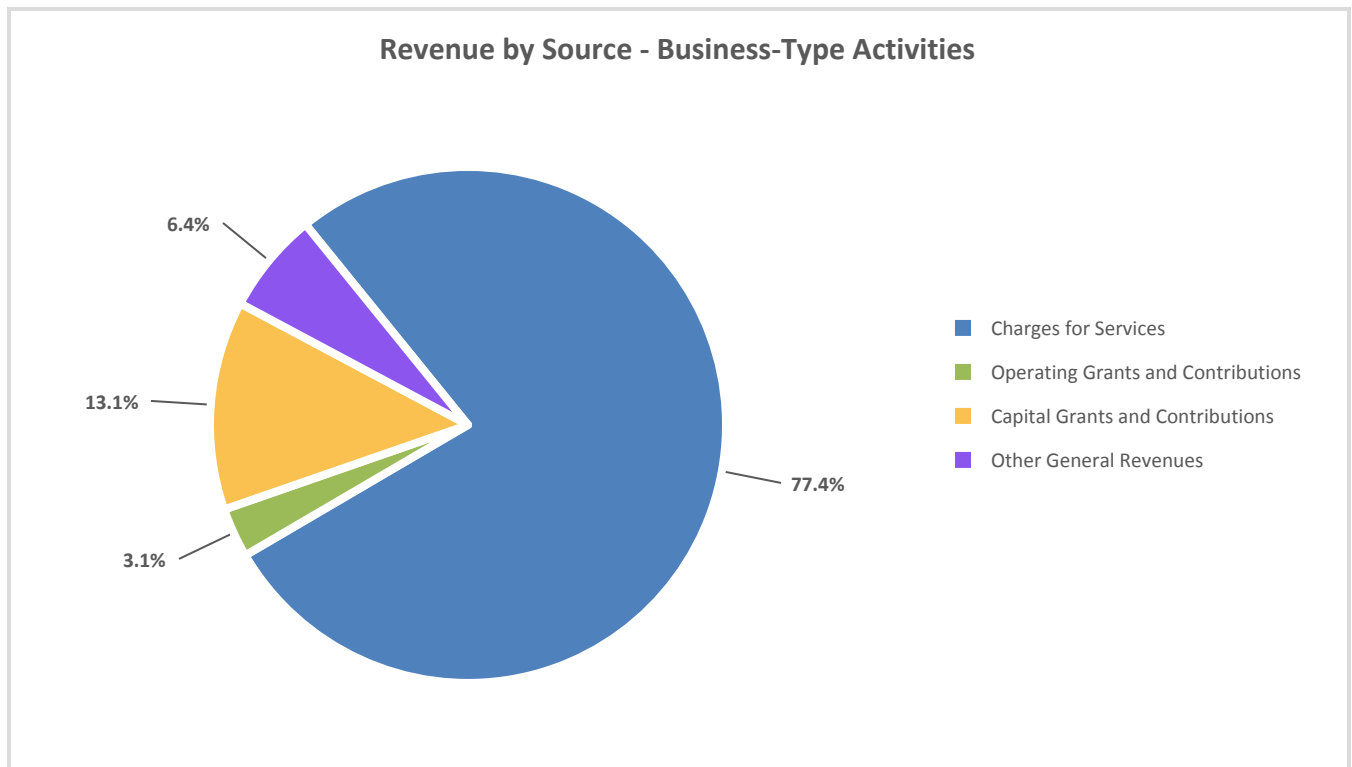
Interest and fiscal charges decreased by approximately \$0.11 or 5.2% from \$2.07 million in FY23 to \$1.96 million in FY24.

The following graph illustrates how program revenues offset program expenses for the governmental activities.



Business-Type Activities

The net position of the City's business-type activities increased by \$15.6 million or 4.5% from \$344.8 million last year to \$360.4 million this year. Overall, the revenues provided by charges for services continued to exceed total expenses, the details of which are discussed further below. Business-type net position cannot be used to make up for deficits reported by governmental activities in the event any such deficits were reported. The City generally can only use the net position of business-type activities to finance the continuing operations of the water, wastewater, solid waste, storm water, and parking funds.



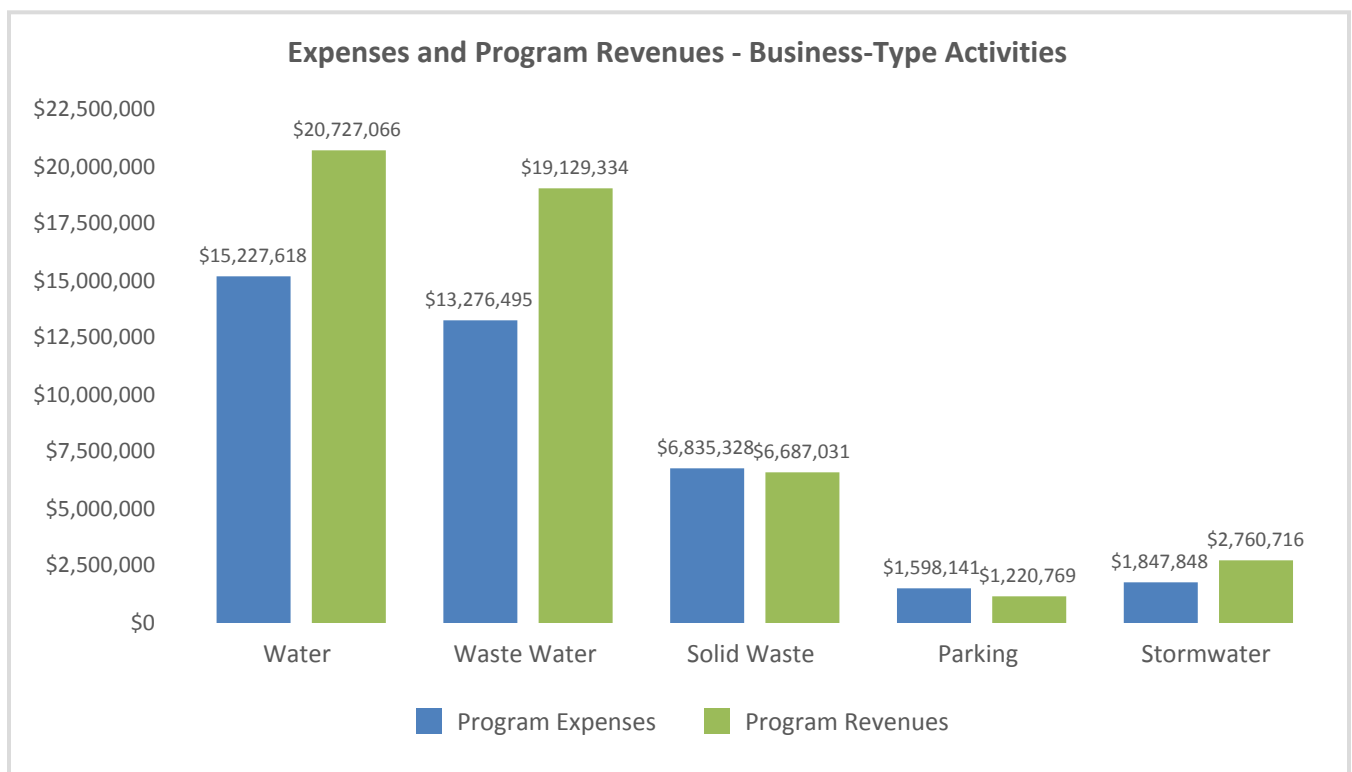
Business-type activities total revenues increased by \$4.4 million or 9.0% from \$49.5 million in FY23 to \$54.0 million in FY24, and expenses increased by \$1.7 million or 4.5%, from \$37.1 million in FY23 to \$38.8 million in FY24.

Charges for services revenue increased by 16.2% or \$5.8 million. Approximately, \$3.3 million of the increase is attributable to increases in water and wastewater impact fees, which are contributions to the City by developers. In addition, user rates for water and wastewater increased 12% and user rates for solid waste increased by 8% during FY24. Impact fee revenues fluctuate significantly from year to year based on the volume, size, and timing of new development.

Capital grants and contributions decreased by \$4.0 million or 36.1% from \$11.1 million in FY23 to \$7.1 million in FY24. Restricted capital grants & contributions consist primarily of privately constructed water, wastewater, and storm water infrastructure that was contributed to the city by developers. Infrastructure contributions will vary year to year depending on the amount of development as well as what stage in the process the development is in.

Operating Expenses – Water expenses increased by \$1.3 million or 9.7%. Approximately \$0.6 million is attributed to salary and benefits increases. Costs for materials and supplies as well as administrative charges increased by approximately \$0.5 million. Wastewater expenses increased by \$1.3 million or 10.8%. Approximately \$0.6 million is attributed to salary and benefits increases. Costs for administrative charges and other services increased by approximately \$0.8 million. Solid waste expenses decreased by \$1.1 million or 14.4%. The decrease is attributable to a decrease in the estimated closure and post-closure costs of the landfill. In FY23 additional closure costs were estimated as a result of regulatory requirements, however no additional expenditures were required in FY24. Parking expenses and Stormwater expenses minimally increased by \$0.03 million or 2.1%, and \$0.1 million or 8.0%, respectively. Consistent with governmental activities, the increase in salary and benefits costs were primarily due to contracted increases in salaries and increases to the cost of providing benefits.

The following graph illustrates how program revenues offset program expenses for the business-type activities.



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with financial related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on current year revenues, expenditures, and balances of spendable resources. Such information is useful in assessing the City's near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2024, the City's governmental funds reported combined ending fund balances of \$98.3 million, an increase of \$17.3 million or 21.4% in comparison to the prior year.

The *General Fund* is the main operating fund of the City. The City's total General Fund balance increased by \$11.2 million or 74.3%, from \$15.1 million in FY23 to \$26.3 million in FY24. The majority of the increase in fund balance is related to \$4.3 million in debt proceed and \$1.8 million in transfers in to fund the General Fund portion of recreation capital projects. Projects are underway, however the majority of the General Fund funded portion of expenditures will occur in future years. Savings in operating costs compared to budget, including salaries & benefits, also contributed to the increase.

Total General Fund expenditures increased by approximately \$4.3 million, from \$44.0 million in FY23 to \$48.3 million in FY24. Approximately \$1.5 million of the increase is in general government, and \$1.6 million is in public safety expenditures. As noted above, these increases were primarily in salary and benefits costs based on contracted increases in salaries, an increased cost of providing benefits, and the increased costs of contracted services.

Significant variances (variances over 10%) between original and final budgets for the General Fund were as follows:

- The capital outlay budget in the General Fund was amended by \$0.6 million to carry forward capital projects originally budgeted in fiscal year 2023 but not completed by June 30, 2023.

Significant expenditures variances (variances over 10%) between the final budget compared to actual results were as follows:

- General government actual expenditures were \$3.1 million or 19% under budget. Significant budget savings due to vacancy in the City Manager's office is the main driver of this variance. Vacancy savings were also observed in the City Attorney's Office, Facilities Management Department, and Information Technology Department. In addition, Montana Budget Law requires local governments to budget all outflows of cash from the local government, resulting in the appearance of budget savings for subscription based technology arrangements.
- Public welfare actual expenditures were \$1.3 million or 15% under budget due primarily to vacancy savings and unexpended contract amounts that will be needed in future years.
- The budget for other expenditures was \$0.8 million under budget or 26%. The budget line item accounts for unanticipated expenditures that may occur during the fiscal year of up to 1% of the total General Fund budget. None of these funds were required in FY24.
- Capital outlay expenditures were \$0.9 million or 35% under budget due primarily to the City Hall Renovation project. The budget includes \$1.5 million which will need to be carried forward to spend in FY25 and FY26.
- Actual expenditures exceeded budget in debt principal and interest due to subscription-based technology arrangement non-cash adjustments that are not considered a disbursement, expenditure, or obligation per the Montana Local Government Budget Act.

The *Street Maintenance District Fund* accounts for city-wide special assessments to pay for street maintenance expenditures. The fund balance increased \$3.1 million from \$1.8 million in FY23 to \$4.9 million in FY24. Revenues increased from \$8.8 million in FY23 to \$12.8 million in FY24 due to an 8% increase in the billed assessment to support the approved budget and capital improvement plan, and an increase in gas tax apportionment from a one-time payment under the now-repealed Bridge and Road Safety Accountability Act (BaRSAA).

The *Downtown Improvement District* accounts for the revenue and expenditures associated with this tax increment financing district. Fund balance increased \$2.1 million or 39.7% from \$5.3 million in FY23 to \$7.4 million in FY24. The increase was primarily due to delays in planned projects for the downtown district. The delays also resulted in the budgeted expenditures exceeding actual expenditures by \$5.1 million.

The *SID Debt Service Fund* accounts for the accumulation of resources and payment of special assessment bond principal and interest related to general improvement, sidewalk, and curb construction projects. SIDs or Special Improvement Districts are authorized under Montana Code Annotated (MCA) in order to undertake certain local improvements to benefit specific property owners located within City limits, and to assess the cost of those improvements to benefited property owners. Fund balance decreased by \$0.48 million or 31.6% from \$1.5 million in FY23 to \$1.0 million in FY24. The decrease was primarily due to a transfer out to finance a special improvement district.

The *Construction Capital Projects Fund* accounts for the construction of general improvement projects financed by special assessments other than those financed by proprietary funds. Fund balance decreased by \$4.1 million or 39.2%, from \$10.5 million in FY23 to \$6.4 million in FY24. The decrease is primarily due to capital outlay expenditures related to significant capital projects largely completed in FY24.

Capital Asset and Debt Administration

Capital Assets

At the end of FY24 the City had \$675.0 million invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, and water and sewer lines. This amount represents a net increase (including additions and deductions) of roughly \$37.8 million or 5.9%, from \$637.1 million in FY23 to \$675.0 million in FY24. Major additions and capital projects during the year include: \$6.6 million for Cottonwood Road construction and improvements; \$2.4 million for swim center repairs and improvements, \$9.4 million for construction of Fire Station 2, and \$1.2 million for a new fire engine.

The following table presents a summary of capital assets, net of accumulated depreciation/amortization as of June 30, 2024 and 2023. Amounts are shown in thousands.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Capital assets (net of accumulated depreciation/amortization where applicable)						
Land	\$ 41,728	\$ 38,073	\$ 2,219	\$ 2,219	\$ 43,946	\$ 40,292
Artwork	43	15	—	—	43	15
Right of way/Intangibles	—	—	2,762	2,762	2,762	2,762
Construction in progress	26,756	19,467	7,641	6,576	34,397	26,043
Buildings	57,997	55,371	81,603	84,178	139,600	139,549
Improvements other than buildings	—	—	56	163	56	163
Machinery and equipment	10,854	9,028	3,987	3,206	14,840	12,234
Infrastructure	188,093	173,970	246,946	238,650	435,040	412,620
Vehicles	2,600	1,676	651	468	3,252	2,144
Right-of-use lease assets	215	306	—	—	215	306
Subscription-based IT assets	838	1,016	—	—	838	1,016
Total capital assets	<u>\$ 329,124</u>	<u>\$ 298,922</u>	<u>\$ 345,865</u>	<u>\$ 338,222</u>	<u>\$ 674,988</u>	<u>\$ 637,144</u>

Additional information on the City of Bozeman's capital assets can be found in Note 6 of this report.

Long Term Liabilities

At fiscal year-end, the City had \$160.3 million of bonds, notes, leases, and SBITAs payable outstanding compared to \$154.5 million last year – an increase of \$5.8 million or 3.8%. Of this amount, \$49.7 million comprises general obligation debt backed by the full faith and credit of the city. The increase is due to the issuance of \$6.2 million of general obligation bonds in May 2024. Additional information on the City's long-term debt for can be found in Note 7 in the notes to the basic financial statements.

The following table presents a summary of long term debts as of June 30, 2024 and 2023. Amounts are shown in thousands.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 49,675	\$ 45,765	\$ —	\$ —	\$ 49,675	\$ 45,765
Tax increment financing bonds	9,301	9,803	—	—	9,301	9,803
Special assessment bonds	3,168	3,372	—	—	3,168	3,372
Water revenue bonds	—	—	14,593	15,949	14,593	15,949
Wastewater revenue bonds	—	—	23,888	25,939	23,888	25,939
Storm water revenue bonds	—	—	1,109	1,196	1,109	1,196
Notes payable	1,716	2,046	—	—	1,716	2,046
Unamortized premiums	4,337	4,230	—	—	4,337	4,230
Financed purchases payable	1,482	873	—	—	1,482	873
Leases payable	259	344	—	—	259	344
Subscription-based IT agreements	626	853	—	—	626	853
Landfill closure/postclosure	—	—	1,982	2,359	1,982	2,359
Pollution remediation	—	—	537	537	537	537
Compensated absences	4,095	3,939	695	680	4,790	4,619
Total OPEB liability	3,972	3,688	823	763	4,795	4,451
Net pension liability	31,113	26,808	6,915	5,335	38,028	32,143
Total long-term liabilities	<u>\$ 109,744</u>	<u>\$ 101,721</u>	<u>\$ 50,542</u>	<u>\$ 52,758</u>	<u>\$ 160,286</u>	<u>\$ 154,479</u>

The City's general obligation bonds have been assigned ratings of "Aa3" (TOP, Series 2013 and Series 2014), "Aa1" (BPSC, Series 2019, FS2, Series 2022, and Recreation Improvements Series 2024A and 2024B), by Moody's Investor Services (Moody's).

The City's tax increment financing bonds have been assigned ratings of "BBB" (Downtown, Series 2020), and "AA" (Midtown, Series 2020) by Standard & Poor's Rating Services (S&P).

In Montana, state law establishes the limit of debt a municipality can hold against its General Government operations. With some exceptions, a municipality may incur debt up to 2.5% of the total assessed value of taxable property within the city or town (7-7-4201, MCA). The City's total FY24 taxable value was \$443,265,826 resulting in a debt limit of \$11,081,646. The City's total outstanding debt backed by the General Fund ending FY24 was \$51,391,030, within the limit set by statute.

Economic Factors and Next Year's Budgets and Rates

Bozeman's 2023 population is estimated to be 60,425 residents by the Bozeman Economic and Market Update report compiled by Economic & Planning Systems, Inc., which is approximately 45.6% of the total population of Gallatin County. Between 2010-2023 the growth rate was 3.7% annually according to this report published in September 2024. As noted in the Transmittal Letter, Bozeman continues to be one of the fastest growing cities in the country. This level of growth continues to put a huge demand on City services and City resources. Budgets in recent years have tried to reduce the impact of increasing cost of services and growth on homeowners in Bozeman. However, those policies resulted in significant deferred maintenance and a lack of funding to address it. As a result, the adopted fiscal year 2025 operating budget includes significant rate increases to support utility infrastructure, including 12% revenue increases for water, 6% revenue increases for sewer service. Inflationary 3% increases are included for stormwater, street maintenance district, street arterial & collector district, parks & trails district, and tree maintenance/forestry. Property taxes are estimated to increase approximately 5% for a typical single-family homeowner due primarily to a decrease in the mill value as a result of significant numbers of taxable value protests in the prior year.

The economic outlook and budget projections for next year are conservative. Increases in personnel costs will range from 5.0-6.5% based on bargaining unit contracts. The cost of infrastructure, contracted services, and right of way has increased significantly over the past few years resulting in significant inflation to the Capital plan. While the rate of inflation has slowed, current pricing still impacts the ability to maintain affordable rates and taxes and maintain essential City services. The City developed its next budget with the goal of toward maintaining current services in spite of significant growth pressures, supporting City Commission priorities, and supporting the City's basic infrastructure.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning the information provided in this report or requests for additional financial information should be addressed to:

Finance Department
P.O. Box 1230
Bozeman, MT 59771

This report is available online at <https://www.bozeman.net/departments/finance>

City of Bozeman, Montana
Basic Financial Statements
Government-Wide Financial Statements

City of Bozeman, Montana
Statement of Net Position
June 30, 2024

	Primary Government			Discretely Presented Component Unit	
	Governmental Activities	Business-Type Activities	Total	Bozeman Public Library Foundation	Business Improvement District
Assets					
Cash and investments	\$ 79,975,656	\$ 27,156,712	\$107,132,367	\$ 237,588	\$ 117,135
Certificates of deposit, short-term	—	—	—	1,250,000	—
Receivables (net of allowance for uncollectibles):					
Interest	407,464	238,635	646,099	17,184	—
Taxes	3,408,552	—	3,408,552	—	—
Accounts	5,665,240	2,938,855	8,604,095	16,000	3,750
Special assessments	3,435,522	3,244	3,438,766	—	10,398
Intergovernmental	1,041,566	233,389	1,274,955	—	—
Leases	—	308,201	308,201	—	—
Notes receivable	598,921	—	598,921	—	—
Prepaid items	690,787	—	690,787	—	31,115
Other assets	8,657	—	8,657	1,019,734	—
Restricted assets					
Cash and investments	27,358,575	35,685,286	63,043,861	—	—
Investments	—	—	—	4,872,382	—
Capital Assets, net of accumulated depreciation amortization, where applicable					
Land	41,727,885	2,218,554	43,946,439	—	—
Artwork	42,698	—	42,698	10,046	—
Intangible - water rights	—	2,762,142	2,762,142	—	—
Construction in progress	26,756,204	7,641,067	34,397,271	—	—
Buildings	57,997,017	81,602,602	139,599,620	—	—
Improvements other than buildings	—	55,912	55,912	—	—
Machinery and equipment	10,897,889	3,986,653	14,884,542	—	9,088
Infrastructure	188,093,344	246,946,460	435,039,804	—	—
Vehicles	2,593,753	651,389	3,245,142	—	—
Right-of-use lease assets	177,293	—	177,293	—	—
Subscription-based IT assets	837,536	—	837,536	—	—
Total assets	451,714,561	412,429,100	864,143,661	7,422,934	171,486
Deferred Outflows of Resources					
Other postemployment benefits	562,063	132,712	694,775	—	—
Pension plans	8,797,617	1,833,823	10,631,441	—	—
Total deferred outflows of resources	9,359,680	1,966,535	11,326,216	—	—

City of Bozeman, Montana
Statement of Net Position *(Continued)*
June 30, 2024

	Primary Government			Discretely Presented Component Unit	
	Governmental	Business-Type	Total	Bozeman Public	Business
	Activities	Activities		Library Foundation	Improvement District
Liabilities					
Accounts payable	11,862,482	1,848,137	13,710,619	10,077	—
Escheat property payable	174,774	—	174,774	—	—
Retainage and other payables	862,971	129,917	992,889	—	—
Intergovernmental	—	546,450	546,450	—	—
Accrued payroll	1,671	304	1,975	12,794	4,589
Accrued interest payable	5,515	—	5,515	—	—
Unearned revenue	3,702,808	267,481	3,970,289	—	—
Debt					
Due within one year, other than OPEB and pensions	6,865,295	4,210,605	11,075,900	—	—
Due in more than one year, other than OPEB and pensions	67,793,317	38,593,310	106,386,628	—	—
Total OPEB liability	3,971,939	823,056	4,794,995	—	—
Net pension liability	31,113,352	6,915,130	38,028,482	—	—
Total liabilities	<u>126,354,124</u>	<u>53,334,390</u>	<u>179,688,515</u>	<u>22,871</u>	<u>4,589</u>
Deferred Inflows of Resources					
Other postemployment benefits	829,738	167,054	996,792	—	—
Pension plans	886,284	246,646	1,132,930	—	—
Lease related	—	296,686	296,686	—	—
Total deferred inflows of resources	<u>1,716,022</u>	<u>710,387</u>	<u>2,426,408</u>	<u>—</u>	<u>—</u>
Net Position					
Net investment in capital assets	259,727,878	308,955,362	568,683,240	—	—
Restricted for					
General government	4,555,729	—	4,555,729	—	—
Public safety	21,993,773	—	21,993,773	—	—
Public service	10,915,931	—	10,915,931	—	—
Public welfare	—	—	—	—	166,897
Expendable	22,083,299	—	22,083,299	3,995,376	—
Nonexpendable	2,126,653	—	2,126,653	3,404,687	—
Debt service	2,747,610	—	2,747,610	—	—
Capital improvements	5,194,942	45,687,628	50,882,570	—	—
Unrestricted	<u>3,658,281</u>	<u>5,707,868</u>	<u>9,366,149</u>	<u>—</u>	<u>—</u>
Total net position	<u>\$ 333,004,096</u>	<u>\$ 360,350,858</u>	<u>\$693,354,954</u>	<u>\$ 7,400,063</u>	<u>\$ 166,897</u>

City of Bozeman, Montana
Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary government							
Governmental activities							
General government	\$ 21,008,788	\$ 8,453,622	\$ 8,640,766	\$ —	\$ (3,914,401)	\$ —	\$ (3,914,401)
Public safety	29,522,432	6,333,264	—	—	(23,189,168)	—	(23,189,168)
Public service	14,780,608	26,135,750	3,547,753	10,737,001	25,639,896	—	25,639,896
Public welfare	20,213,912	1,254,034	1,066,556	3,989,237	(13,904,085)	—	(13,904,085)
Interest	1,963,485	—	—	—	(1,963,485)	—	(1,963,485)
Total governmental activities	87,489,225	42,176,670	13,255,074	14,726,239	(17,331,242)	—	(17,331,242)
Business-type activities							
Water	15,227,618	17,180,977	684,477	2,861,612	—	5,499,448	5,499,448
Waste water	13,276,495	14,693,222	942,225	3,493,887	—	5,852,839	5,852,839
Solid waste	6,835,328	6,655,306	31,725	—	—	(148,297)	(148,297)
Parking	1,598,141	1,214,125	6,644	—	—	(377,372)	(377,372)
Stormwater	1,847,848	2,023,962	12,588	724,167	—	912,868	912,868
Total business-type activities	38,785,430	41,767,592	1,677,660	7,079,665	—	11,739,487	11,739,487
Total primary government	<u>\$ 126,274,656</u>	<u>\$ 83,944,263</u>	<u>\$ 14,932,734</u>	<u>\$ 21,805,904</u>	<u>(17,331,242)</u>	<u>11,739,487</u>	<u>(5,591,756)</u>
General revenues							
Property taxes					45,454,899	—	45,454,899
Unrestricted intergovernmental					5,717,540	—	5,717,540
Unrestricted investment earnings					4,448,723	3,102,361	7,551,084
Miscellaneous					3,348,246	329,371	3,677,617
Gain on disposal of assets					393,500	—	393,500
Transfers					(401,119)	401,119	—
Total general revenue and transfers					58,961,788	3,832,851	62,794,640
Change in net position					41,630,546	15,572,338	57,202,884
Net position - 6/30/2023, as previously reported					291,378,235	344,778,520	636,156,755
Change to financial reporting entity (nonmajor to discrete CU)					(4,685)	—	(4,685)
Net position - ending					<u>\$ 333,004,096</u>	<u>\$ 360,350,858</u>	<u>\$ 693,354,954</u>

The Notes to Financial Statements are an integral part of this statement

City of Bozeman, Montana
Statement of Activities *(Continued)*
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Component Unit	
				Bozeman Public Library Foundation	Business Improvement District
Component Unit					
Bozeman Public Library Foundation					
General government	\$ 2,990,861	\$ —	\$ 3,564,158	573,297	—
Business Improvement District					
Public welfare	285,446	281,875	—	—	(3,571)
Total component unit activities	<u>\$ 3,276,307</u>	<u>\$ 281,875</u>	<u>\$ 3,564,158</u>	<u>573,297</u>	<u>(3,571)</u>
General revenues					
Property taxes				—	—
Unrestricted intergovernmental				—	—
Unrestricted investment earnings				542,180	—
Miscellaneous				24,559	—
Gain on disposal of assets				—	—
Long-term debt proceeds				—	—
Transfers				—	—
Total general revenue and transfers				<u>566,739</u>	<u>—</u>
Change in net position				1,140,036	(3,571)
Net position - 6/30/2023, as previously reported				6,260,027	165,783
Change to financial reporting entity (nonmajor to discrete CU)				—	4,685
Net position - ending				<u>\$ 7,400,063</u>	<u>\$ 166,897</u>

Governmental Fund Financial Statements

Major Governmental Funds

General Fund – This fund accounts for the financial operations of the City, which are not accounted for in any other fund. Principal sources of revenue are property taxes, state and local shared revenues, licenses and permits, and charges for services provided to other funds. Principal expenditures in the General Fund are made for police and fire protection, public welfare, and general government.

Street Maintenance District Special Revenue Fund – This special revenue fund accounts for special assessment revenues levied, received, and expended for street maintenance provided to specific property owners.

TIF Downtown Improvement District – In November 1995, the City adopted an Urban Renewal Plan for the downtown area. This fund accounts for the revenue and expenditures associated with this tax increment financing district.

Special Improvement District (SID) Debt Service – Accounts for the accumulation of resources and payment of special assessment bond principal and interest for general improvement, sidewalk, and curb construction projects.

Construction Capital Projects Fund – Accounts for the construction of general improvement projects financed by special assessments and general obligation debt other than those financed by proprietary funds.

City of Bozeman, Montana
Balance Sheet - Government Funds
June 30, 2024

	General	Street Maintenance District	Downtown Improvement District	SID Debt Service	Construction Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and investments	\$ 23,102,731	\$ 5,240,466	\$ 10,952,668	\$ 2,394,484	\$ 7,211,860	\$ 28,010,987	\$ 76,913,197
Receivables (net of allowance for uncollectibles)							
Property taxes	2,343,324	—	208,992	—	—	856,237	3,408,552
Accrued interest	102,871	20,158	42,131	9,296	18,160	203,362	395,978
Accounts	1,251,617	848	361,364	—	—	4,024,666	5,638,496
Special assessment	575	185,298	—	3,065,662	—	183,987	3,435,522
Intergovernmental	478,829	—	—	—	—	16,287	495,116
Due from other funds	3,287,225	—	—	—	—	—	3,287,225
Advances to other funds	—	—	—	—	—	1,372,646	1,372,646
Prepaid items	124,570	—	—	—	—	—	124,570
Notes receivable	—	—	—	—	—	598,921	598,921
Restricted cash and investments	1,004,710	—	—	—	1,485,098	24,868,768	27,358,575
Total assets	<u>\$ 31,696,452</u>	<u>\$ 5,446,770</u>	<u>\$ 11,565,154</u>	<u>\$ 5,469,443</u>	<u>\$ 8,715,118</u>	<u>\$ 60,135,861</u>	<u>\$ 123,028,798</u>

The Notes to Financial Statements are an integral part of this statement

City of Bozeman, Montana
Balance Sheet - Government Funds
June 30, 2024

	General	Street Maintenance District	Downtown Improvement District	SID Debt Service	Construction Capital Projects	Other Governmental Funds	Total Governmental Funds
Liabilities, Deferred Inflows of Resources, and Fund Balance							
Liabilities							
Accounts payable	\$ 3,904,639	\$ 435,664	\$ 4,140,929	\$ 7,690	\$ 1,692,512	\$ 1,247,243	\$ 11,428,677
Escheat property payable	154,081	678	—	—	—	20,016	174,774
Accrued payroll	—	—	—	—	—	1,671	1,671
Interest payable	—	—	—	—	—	4,412	4,412
Retainage payable	8,730	3,714	—	—	643,095	207,431	862,971
Advances from other funds	—	—	—	1,372,646	—	—	1,372,646
Due to other funds	—	—	—	—	—	2,736,731	2,736,731
Unearned revenue	31,500	77,224	—	—	16,585	3,577,498	3,702,807
Total liabilities	4,098,950	517,280	4,140,929	1,380,336	2,352,192	7,795,002	20,284,690
Deferred Inflows of Resources							
Unavailable revenue - property taxes	163,909	—	—	—	—	119,359	283,268
Unavailable revenue - special assessments	—	—	—	3,050,752	—	—	3,050,752
Unavailable revenue - court fines	1,157,635	—	—	—	—	—	1,157,635
Total deferred inflows of resources	1,321,544	—	—	3,050,752	—	119,359	4,491,655
Fund Balance							
Nonspendable	124,570	—	—	—	—	2,002,083	2,126,653
Restricted	89,079	4,929,490	7,424,225	1,038,355	6,362,926	48,815,193	68,659,268
Committed	3,291,645	—	—	—	—	2,318,664	5,610,309
Assigned	1,638,700	—	—	—	—	1,554,280	3,192,980
Unassigned	21,131,964	—	—	—	—	(2,468,720)	18,663,244
Total fund balance	26,275,958	4,929,490	7,424,225	1,038,355	6,362,926	52,221,500	98,252,454
Total liabilities, deferred inflows of resources, and fund balances	\$ 31,696,452	\$ 5,446,770	\$ 11,565,154	\$ 5,469,443	\$ 8,715,118	\$ 60,135,861	\$ 123,028,799

The Notes to Financial Statements are an integral part of this statement

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

Total Fund Balances - Governmental Funds	\$ 98,252,454
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	329,123,619
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	3,292,960
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Other assets are not available to pay for current-period expenditures and, therefore, are either not recognized as a receivable or are unearned in the funds.	4,491,655
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Impact fee credits do not affect current financial resources and, therefore, are not reported in the governmental funds.	(56,346)
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Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds.	7,643,659
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(109,743,904)</u>
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Net Position of Governmental Activities	<u><u>\$ 333,004,096</u></u>
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City of Bozeman, Montana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2024

	General	American Rescue Plan	Street Maintenance District	Downtown Improvement District	SID Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues								
Taxes	\$ 29,539,101	\$ —	\$ —	\$ 2,656,682	\$ —	\$ —	\$ 13,234,982	\$ 45,430,765
Special assessments	185	—	21,385	—	515,511	—	444,055	981,136
Licenses and permits	414,079	—	30,993	—	—	—	4,321,830	4,766,902
Intergovernmental	10,400,706	—	3,525,352	67,266	—	—	4,895,481	18,888,805
Charges for services	7,708,629	—	8,973,561	—	—	—	19,421,661	36,103,851
Fines and forfeitures	914,294	—	—	—	—	—	53,578	967,872
Interest on investments	554,609	—	130,782	257,100	75,484	163,063	1,624,682	2,805,720
Change in fair market value of investments	118,400	—	9,478	112,129	31,425	276,307	935,158	1,482,897
Interest on loans receivable	—	—	—	—	—	—	52,566	52,566
Miscellaneous	482,069	—	75,875	115	—	—	2,751,309	3,309,370
Total revenues	50,132,074	—	12,767,426	3,093,293	622,420	439,370	47,735,302	114,789,884
Expenditures								
Current								
General government	13,074,257	—	—	—	—	—	3,073,747	16,148,004
Public safety	22,488,680	—	—	—	—	13,449	4,728,643	27,230,772
Public works	—	—	7,435,068	—	—	3,507	908,640	8,347,215
Public welfare	7,149,472	—	—	646,748	—	65,271	10,504,586	18,366,077
Other	2,292,267	—	—	—	—	—	—	2,292,263
Capital outlay	3,086,381	—	3,087,855	—	—	11,543,267	8,284,137	26,001,640
Debt service								
Principal	170,426	—	301,954	—	204,722	—	3,198,795	3,875,897
Interest and fiscal charges	29,755	—	63,034	—	115,554	—	2,075,240	2,283,583
Total expenditures	48,291,237	—	10,887,911	646,748	320,276	11,625,494	32,773,787	104,545,451
Excess (Deficiency) of Revenues over (under) Expenditures	1,840,836	—	1,879,515	2,446,545	302,145	(11,186,124)	14,961,514	10,244,433

The Notes to Financial Statements are an integral part of this statement

City of Bozeman, Montana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2024

	General	American Rescue Plan	Street Maintenance District	Downtown Improvement District	SID Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)								
Transfers in	6,725,110	—	292,179	—	—	6,703,714	4,806,008	18,527,011
Transfers out	(1,630,772)	—	—	(332,831)	(782,130)	(2,046,405)	(14,229,265)	(19,021,403)
Issuance of long-term debt	4,255,244	—	911,912	—	—	2,424,019	—	7,591,175
Sale of capital assets	7,536	—	151	—	—	—	—	7,687
Total other financing sources (uses)	9,357,116	—	1,204,243	(332,831)	(782,130)	7,081,328	(9,423,257)	7,104,470
Net Change in Fund Balance	11,197,953	—	3,083,758	2,113,714	(479,985)	(4,104,796)	5,538,258	17,348,903
Fund Balance (Deficit) - 6/30/2023, as previously reported	15,078,005	54,789	1,845,732	—	1,518,340	10,467,723	51,943,648	80,908,237
Change within financial reporting entity (major to nonmajor)	—	(54,789)	—	—	—	—	54,789	—
Change within financial reporting entity (nonmajor to major)	—	—	—	5,315,195	—	—	(5,315,195)	—
Change to financial reporting entity (nonmajor to discrete CU)	—	—	—	(4,685)	—	—	—	(4,685)
Fund Balance, Beginning of Year, as adjusted	15,078,005	—	1,845,732	5,310,511	1,518,340	10,467,723	46,683,242	80,903,552
Fund Balance, End of Year	<u>\$ 26,275,958</u>	<u>\$ —</u>	<u>\$ 4,929,490</u>	<u>\$ 7,424,225</u>	<u>\$ 1,038,355</u>	<u>\$ 6,362,927</u>	<u>\$ 52,221,500</u>	<u>\$ 98,252,455</u>

The Notes to Financial Statements are an integral part of this statement

City of Bozeman, Montana
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ 17,348,903
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives as depreciation/amortization expense. When capital assets are disposed, the net effect is to reduce net position.	30,399,008
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(671,523)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported in the governmental activities.	56,728
In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	(183,258)
In the statement of activities OPEB is measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	(291,951)
In the statement of activities the cost of pension benefits earned net of employee contributions is reported pension expense. In the governmental funds, however, the contributions are reported as expense.	(1,648,484)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(3,378,877)
Change in Net Position of Governmental Activities	<u>\$ 41,630,546</u>

Proprietary Fund Financial Statements

Proprietary funds are used to account for activities that receive significant support from fees and charges. The City has two types of proprietary funds: enterprise funds and internal service funds.

Major Enterprise Funds

Water Fund – This fund accounts for the City's water utility operations and to collect and administer water impact fees.

Waste Water Fund – This fund accounts for the City's sewer utility operations and to collect and administer waste water impact fees.

Solid Waste Fund – This fund accounts for the City's garbage collection service and recycling operations.

Internal Service Funds

Internal Service Funds are used to account for goods and services provided by one department to other departments of the City on a cost-reimbursement basis. The City's internal service funds are aggregated and presented in one column in the proprietary fund financial statements.

City of Bozeman, Montana
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-type Activities					Governmental Activities
	Water	Wastewater	Solid Waste	Nonmajor Funds	Total	Internal Service Funds
Assets						
Current Assets						
Cash and investments	\$ 16,438,762	\$ 7,448,114	\$ —	\$ 3,269,836	\$ 27,156,712	\$ 3,062,459
Receivables (net of allowance for uncollectibles):						
Interest	163,304	59,280	—	16,051	238,635	11,486
Accounts	889,039	1,235,350	626,609	187,858	2,938,855	26,742
Special assessments	1,740	158	646	699	3,244	—
Intergovernmental	207,667	25,722	—	—	233,389	—
Leases	308,201	—	—	—	308,201	—
Prepaid items	—	—	—	—	—	566,218
Other current assets	—	—	—	—	—	8,657
Total current assets	<u>18,008,712</u>	<u>8,768,624</u>	<u>627,255</u>	<u>3,474,443</u>	<u>30,879,035</u>	<u>3,675,562</u>
Noncurrent Assets						
Restricted assets						
Cash and investments	26,812,081	8,092,648	—	780,557	35,685,286	—
Capital assets						
Land	573,847	1,112,597	228,673	303,436	2,218,554	—
Construction in progress	3,752,064	2,751,323	826,104	311,576	7,641,067	—
Intangible water rights	2,762,142	—	—	—	2,762,142	—
Buildings	40,717,384	63,113,469	769,975	11,995,291	116,596,120	1,546,120
Improvements other than buildings	13,646,910	14,745,401	2,155,300	—	30,547,612	—
Machinery and equipment	2,474,539	4,474,339	7,426,664	1,319,031	15,694,573	784,189
Vehicles	920,323	723,533	548,499	400,216	2,592,571	231,467
Infrastructure	227,967,712	171,018,409	118,081	9,728,583	408,832,785	29,314
Right-of-use lease assets	—	—	—	—	—	423,122
Less accumulated depreciation/amortization	(125,969,102)	(98,016,497)	(9,089,102)	(7,945,943)	(241,020,644)	(1,672,735)
Total capital assets, net of accumulated depreciation/amortization	<u>166,845,821</u>	<u>159,922,574</u>	<u>2,984,194</u>	<u>16,112,190</u>	<u>345,864,779</u>	<u>1,341,477</u>
Total noncurrent assets	<u>193,657,902</u>	<u>168,015,222</u>	<u>2,984,194</u>	<u>16,892,747</u>	<u>381,550,064</u>	<u>1,341,477</u>
Total assets	<u>211,666,614</u>	<u>176,783,846</u>	<u>3,611,449</u>	<u>20,367,190</u>	<u>412,429,100</u>	<u>5,017,039</u>

The Notes to Financial Statements are an integral part of this statement

City of Bozeman, Montana
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-type Activities					Governmental Activities
	Water	Wastewater	Solid Waste	Nonmajor Funds	Total	Internal Service Funds
Deferred Outflows of Resources						
Other postemployment benefits	37,911	38,553	35,770	20,478	132,712	40,230
Pension plans	664,931	522,786	402,258	243,848	1,833,823	935,861
Total deferred outflows of resources	702,842	561,339	438,028	264,326	1,966,535	976,091
Liabilities						
Current Liabilities						
Accounts payable	908,922	545,470	283,372	110,373	1,848,137	377,455
Retainage payable	62,677	30,158	37,082	—	129,917	—
Due to other funds	—	—	546,450	—	546,450	4,044
Accrued payroll	1,879	(1,792)	218	—	304	—
Accrued interest payable	—	—	—	—	—	1,103
Current portion of long-term debt	1,641,420	2,230,098	166,102	172,984	4,210,604	353,661
Unearned revenue	—	267,481	—	—	267,481	—
Total current liabilities	2,614,898	3,071,414	1,033,224	283,357	7,002,893	736,263
Noncurrent Liabilities						
Landfill closure costs	—	—	1,982,403	—	1,982,403	—
Solvent site remediation liability	—	536,669	—	—	536,669	—
Long-term debt, net of current portion						
Bonds payable	13,198,000	21,777,000	—	1,020,000	35,995,000	—
Leases payable	—	—	—	—	—	194,363
Compensated absences	30,892	21,194	31,236	(4,082)	79,240	82,596
Total OPEB liability	246,339	262,039	213,232	101,446	823,056	287,707
Net pension liability	2,507,376	1,971,363	1,516,869	919,522	6,915,130	3,529,020
Total noncurrent liabilities	15,982,607	24,568,265	3,743,739	2,036,886	46,331,497	4,093,686
Total liabilities	18,597,504	27,639,679	4,776,963	2,320,244	53,334,390	4,829,949

The Notes to Financial Statements are an integral part of this statement

City of Bozeman, Montana
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-type Activities					Governmental Activities
	Water	Wastewater	Solid Waste	Nonmajor Funds	Total	Internal Service Funds
Deferred Inflows of Resources						
Other postemployment benefits	50,108	54,436	41,765	20,745	167,054	61,161
Pension plans	89,432	70,314	54,103	32,797	246,646	125,871
Lease related	296,686	—	—	—	296,686	—
Total deferred inflows resources	<u>436,226</u>	<u>124,750</u>	<u>95,868</u>	<u>53,542</u>	<u>710,387</u>	<u>187,032</u>
Net Position						
Net investment in capital assets	152,695,885	138,269,688	2,947,111	15,042,677	308,955,362	1,061,006
Restricted for:						
Drought reserve	1,025,136	—	—	—	1,025,136	—
Water rights	8,616,751	—	—	—	8,616,751	—
Impact capital projects	24,659,618	10,082,360	—	—	34,741,978	—
Infrastructure capital projects	581,494	—	—	—	581,494	—
Parking capital projects	—	—	—	722,269	722,269	—
Unrestricted	5,756,842	1,228,708	(3,770,465)	2,492,784	5,707,868	(84,858)
Total net position	<u>\$ 193,335,726</u>	<u>\$ 149,580,756</u>	<u>\$ (823,354)</u>	<u>\$ 18,257,730</u>	<u>\$ 360,350,858</u>	<u>\$ 976,148</u>

City of Bozeman, Montana
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2024

	Business-type Activities					Governmental Activities
	Water	Wastewater	Solid Waste	Nonmajor Funds	Total	Internal Service Funds
Operating Revenues						
Charges for services	\$ 12,520,898	\$ 11,878,072	\$ 6,655,306	\$ 3,238,087	\$ 34,292,363	\$ 15,771,867
Operating Expenses						
Salaries and benefits	3,882,961	3,079,153	2,360,185	1,360,044	10,682,343	5,755,094
Materials and supplies	1,546,784	523,869	568,811	62,925	2,702,389	1,239,414
Repairs and maintenance	216,651	323,775	377,593	88,948	1,006,967	22,860
Utilities	333,683	902,186	781,011	50,072	2,066,952	40,978
Administrative charges	3,833,759	2,769,397	1,599,134	615,759	8,818,049	978,434
Other services	1,663,427	1,485,209	845,226	617,405	4,611,267	7,802,179
Depreciation/amortization	3,305,900	3,500,042	493,880	611,207	7,911,030	244,071
Change in estimated closure and post-closure care costs	—	—	(190,512)	—	(190,512)	—
Total operating expenses	14,783,165	12,583,631	6,835,328	3,406,360	37,608,483	16,083,031
Operating Income (Loss)	(2,262,267)	(705,559)	(180,022)	(168,272)	(3,316,120)	(311,164)

City of Bozeman, Montana
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2024

	Business-type Activities					Governmental Activities
	Water	Wastewater	Solid Waste	Nonmajor Funds	Total	Internal Service Funds
Nonoperating Revenues (Expenses)						
Gain (loss) on disposal of assets	(4,066)	(16,236)	—	(10,267)	(30,570)	8,132
Interest income	1,372,635	494,464	(12,639)	131,279	1,985,739	77,979
Net (decrease) increase in fair market value of investments	769,378	258,266	13,365	75,613	1,116,622	82,126
Interest expense	(440,388)	(676,628)	—	(29,363)	(1,146,378)	(16,302)
Intergovernmental revenues	684,477	942,225	31,725	19,232	1,677,660	83,809
Impact fees	4,660,079	2,815,150	—	—	7,475,229	—
Lease income	46,333	—	—	—	46,333	—
Miscellaneous revenue	179,789	12,857	69,017	21,375	283,038	38,874
Total nonoperating revenues (expenses)	7,268,237	3,830,098	101,469	207,869	11,407,673	274,620
Income (Loss) before contributions and transfers	5,005,970	3,124,539	(78,553)	39,597	8,091,553	(36,544)
Transfers in	69,979	97,834	352,800	—	520,613	93,272
Transfers out	(46,636)	(26,222)	—	(46,636)	(119,494)	—
Capital contributions	2,861,612	3,493,887	—	724,167	7,079,665	—
Change in net position	7,890,925	6,690,038	274,247	717,128	15,572,337	56,728
Total net position, beginning of year	185,444,801	142,890,717	(1,097,601)	17,540,603	344,778,520	919,420
Total net position (deficit), end of year	<u>\$ 193,335,726</u>	<u>\$ 149,580,756</u>	<u>\$ (823,354)</u>	<u>\$ 18,257,730</u>	<u>\$ 360,350,858</u>	<u>\$ 976,148</u>

The Notes to Financial Statements are an integral part of this statement

City of Bozeman, Montana
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2024

	Business-type Activities					Governmental Activities
	Water	Wastewater	Solid Waste	Nonmajor Funds	Total	Internal Service Funds
Operating Activities						
Receipts from customers and users	\$ 12,567,579	\$ 11,698,209	\$ 6,621,307	\$ 3,234,831	\$ 34,121,926	\$ 15,762,703
Other operating cash receipts	179,789	12,857	69,017	21,375	283,037	38,874
Payments to suppliers	(3,493,844)	(3,556,542)	(3,335,469)	(841,014)	(11,226,869)	(9,157,510)
Payments to and on behalf of employees	(3,524,876)	(2,891,735)	(2,166,850)	(1,301,554)	(9,885,015)	(5,027,916)
Payments to internal service funds and administration	(3,833,760)	(2,769,397)	(1,599,134)	(615,759)	(8,818,050)	(978,435)
Net cash from (used for) operating activities	1,894,888	2,493,392	(411,129)	497,879	4,475,029	637,716
Noncapital Financing Activities						
Transfers to other funds	(46,636)	(26,222)	—	(46,636)	(119,494)	—
Transfers from other funds	69,979	97,834	352,800	—	520,613	93,272
Intergovernmental operating grants	477,278	1,112,172	31,725	19,232	1,640,406	83,809
Impact fees	4,660,079	2,815,150	—	—	7,475,229	—
Lease payments received	41,752	—	—	—	41,752	—
Net cash from (used for) noncapital financing activities	5,202,452	3,998,934	384,525	(27,404)	9,558,507	177,081
Capital and Related Financing Activities						
Payments received on advances to other funds	—	—	546,450	—	546,450	(896,862)
Acquisition of capital assets	(4,126,724)	(2,936,734)	(1,067,647)	(373,553)	(8,504,658)	(38,154)
Debt service						
Principal	(1,356,000)	(2,051,000)	—	(87,000)	(3,494,000)	(100,695)
Interest	(440,388)	(676,628)	—	(29,363)	(1,146,379)	(17,351)
Net cash used for capital and related financing activities	(5,923,112)	(5,664,362)	(521,197)	(489,916)	(12,598,587)	(1,053,062)
Investing Activity						
Interest and dividends from investments	2,084,633	730,301	1,744	201,252	3,017,930	158,201
Change in cash and investments	3,258,861	1,558,265	(546,057)	181,811	4,452,879	(80,063)
Cash and investments, beginning of year	39,991,982	13,982,497	546,057	3,868,581	58,389,117	3,142,522
Cash and investments, end of year	\$ 43,250,843	\$ 15,540,762	\$ —	\$ 4,050,392	\$ 62,841,996	\$ 3,062,459

The Notes to Financial Statements are an integral part of this statement

City of Bozeman, Montana
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2024

	Business-type Activities					Governmental Activities Internal Service Funds
	Water	Wastewater	Solid Waste	Nonmajor Funds	Total	
Reconciliation of Operating Loss to						
Net Cash from (Used for) Operating Activities						
Operating loss	\$ (2,262,267)	\$ (705,559)	\$ (180,022)	\$ (168,272)	\$ (3,316,120)	\$ (311,164)
Adjustments to reconcile operating						
loss to net cash from (used for) operating activities						
Depreciation/amortization	3,305,900	3,500,042	493,880	611,207	7,911,030	244,071
Landfill closure/postclosure costs	—	—	(190,512)	—	(190,512)	—
Other operating cash receipts	179,789	12,857	69,017	21,375	283,037	38,874
Changes in assets and liabilities						
Accounts receivable	46,619	(251,660)	(33,646)	(2,623)	(241,309)	(9,163)
Special assessments receivable	62	(16)	(353)	(633)	(941)	—
Prepaid expenses	—	—	—	—	—	(40,265)
Pension related deferred outflows	(270,657)	(209,028)	(157,513)	(84,293)	(721,491)	(439,867)
OPEB related deferred outflows	21,300	15,607	14,012	6,662	57,581	24,239
Vouchers payable	327,906	(317,458)	(608,269)	(21,664)	(619,485)	(11,819)
Retainage payable	(61,206)	(4,043)	31,787	—	(33,462)	—
Payroll payable	(253)	(253)	—	—	(507)	—
Compensated absences	36,331	(48,516)	23,007	3,824	14,646	(27,605)
Unearned revenue	—	71,812	—	—	71,812	—
Landfill closure accruals	—	—	(186,344)	—	(186,344)	—
Net pension liability	616,388	466,542	343,041	154,275	1,580,246	1,118,021
Total OPEB liability	22,381	16,401	14,724	7,001	60,507	25,473
Pension related deferred inflows	(49,006)	(39,853)	(31,832)	(23,226)	(143,917)	47,858
OPEB related deferred inflows	(18,399)	(13,482)	(12,104)	(5,755)	(49,740)	(20,939)
Net cash from (used for)						
operating activities	<u>\$ 1,894,888</u>	<u>\$ 2,493,392</u>	<u>\$ (411,129)</u>	<u>\$ 497,879</u>	<u>\$ 4,475,029</u>	<u>\$ 637,716</u>
Supplemental Schedule of Noncash						
Investing and Financing Activities						
Acquisition of capital assets through						
capital contributions and donations	<u>\$ 2,861,612</u>	<u>\$ 3,493,887</u>	<u>\$ —</u>	<u>\$ 724,167</u>	<u>\$ 7,079,665</u>	<u>\$ —</u>

The Notes to Financial Statements are an integral part of this statement

Fiduciary Fund Financial Statements

Custodial Funds

Custodial funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (or other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. The following custodial funds are included in the Fiduciary Fund financial statements:

Tourism Business Improvement District – Accounts for amounts collected from hotels on behalf of the District, a special-purpose government, whose purpose is to enhance the economic vitality of Bozeman by promoting tourism through sales and marketing strategies.

Municipal Court – Accounts for monies held for appearance bonds and restitution to criminal arrests and reimbursement for damage caused.

The custodial funds are aggregated and presented in one column in the fiduciary funds financial statements.

City of Bozeman, Montana
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Custodial Funds
	<u> </u>
Assets	
Cash and investments	\$ 448,964
Receivables (net of allowance for uncollectibles):	
Accounts	<u> 2,892</u>
Total assets	<u> 451,856</u>
Liabilities	
Deposits payable	<u> 404,107</u>
Net Position	
Restricted for	
Other organization or individuals	<u><u> \$ 47,749</u></u>

City of Bozeman, Montana
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Custodial Funds
	<u> </u>
Additions	
Miscellaneous	\$ —
	<u> </u>
Deductions	<u> 30</u>
Change in net position	(30)
Net Position, Beginning of Year	<u> 47,779</u>
Net Position, End of Year	<u><u> \$ 47,749</u></u>

Note 1 - Summary of Significant Accounting Policies

The City of Bozeman of Gallatin County, Montana (the City) was incorporated as a municipal corporation in 1883. The present City Code of Ordinances was adopted October 3, 2011. Under the charter, the City is governed by a mayor and four commission members who comprise the City Commission. The day-to-day affairs of the City are conducted under the supervision of the City Manager, who is appointed by and serves at the pleasure of a majority of the City Commission.

The accompanying financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB), the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accompanying financial statements present the financial position of the City and the various funds and fund types, the results of operations of the City and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2024, and for the year then ended. The more significant accounting policies of the City are described below.

The following is a summary of the City's significant accounting policies:

Reporting Entity

The City has considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability in Statement 14, *The Financial Reporting Entity*, and Statement 61, *The Financial Reporting Entity: Omnibus – an Amendment of GASB Statements No. 14 and No. 34*. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City.

Determining whether certain organizations are component units, organizations that are legally separate, tax-exempt entities are required to be reported as a discretely presented component unit if the following criteria is met.

- The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the City.
- The City is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
- The economic resources received or held by the separate organization that the City is entitled to or otherwise has the ability to access are significant.

Discretely Presented Component Units – The Bozeman Public Library Foundation (the Foundation) is a nonprofit agency organized to support the Bozeman Public Library through raising, receiving, administering, and disbursing funds, grants, bequests, and gifts for the sole benefit of the library. The resources were deemed to be significant and therefore, the Foundation is included as a discretely presented component unit under GASB Statement 39.

The Foundation was incorporated with the State of Montana on August 29, 1983, and subsequently amended on December 15, 1989. The governing board consists of an elected president and elected members of the board of directors. Separately issued internal financial statements of the Foundation may be obtained by contacting the Foundation's offices at 626 East Main Street, Bozeman, MT 59715. The fiscal year end of the Foundation is December 31.

Discretely Presented Component Unit - The Bozeman Downtown Business Improvement District (BDBID) was created in 2000 per Resolution 5140 pursuant to section 7-12-1141, Montana Coded Annotated (MCA). Upon re-evaluation the city determined the BDBID should be reported as a discretely presented component unit. The BDBID qualifies as a separate legal entity of which the City Commission appoints a voting majority of the BDBID Board and is responsible for approving and modifying the budget. Based on these factors and because the BDBID governing body is not substantively the same as the City Commission the BDBID is included as a discretely presented component unit under GASB Statement 39. The BDBID is funded by the special assessments from property owners within the district to support services and projects that help beautify and maintain downtown Bozeman. The governing board consists of at least five, but no more than seven appointed members who are owners of real property subject to the jurisdiction of the BDBID or a formally appointed representative of a real property owner. Financial statements of the BDBID may be obtained by contacting the Downtown Bozeman Partnership's offices at 222 East Main Street, Suite 302, Bozeman, MT 59715. The fiscal year end of the BDBID is December 31.

Basis of Accounting/Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Certain amounts presented in the prior year data in these notes have been reclassified to be consistent with the current year's presentation.

Government-Wide Financial Statements

The Government-Wide Financial Statements (the Statement of Net Position and the Statement of Activities) present information of all the non-fiduciary activities of the primary government and its component units. These statements present summaries of Governmental and Business-Type Activities for the City accompanied by a total column.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position.

The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

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.

The City applies all applicable GASB pronouncements including all National Council on Governmental Accounting Statements and Interpretations currently in effect.

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide Financial Statements. The City has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures, and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in current net position. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources which have been treated as susceptible to accrual by the City are property taxes, intergovernmental revenues, and other taxes.

Expenditures are recorded in the accounting period in which the related fund liability is incurred. The City has elected to apply the early recognition option of recognizing debt services expenditures provided by GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. Under this option, an expenditure and a liability are recorded in debt service funds in the current year for amounts due early in the following year, for which resources have been provided during the current year.

The City reports the following major governmental funds:

General Fund – This fund accounts for the financial operations of the City, which are not accounted for in any other fund. Principal sources of revenue are property taxes, state and local shared revenues, licenses and permits, and charges for services provided to other funds. Principal expenditures in the General Fund are made for police and fire protection, public welfare, and general government.

Street Maintenance District Special Revenue Fund – This special revenue fund accounts for special assessment revenues levied, received, and expended for street maintenance provided to specific property owners.

TIF Downtown Improvement District – In November 1995, the City adopted an Urban Renewal Plan for the downtown area. This fund accounts for the revenue and expenditures associated with this tax increment financing district.

Special Improvement District (SID) Debt Service – Accounts for the accumulation of resources and payment of special assessment bond principal and interest for general improvement, sidewalk, and curb construction projects.

Construction Capital Projects Fund – Accounts for the construction of general improvement projects financed by special assessments and general obligation debt other than those financed by proprietary funds.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows for each major proprietary fund. A column representing internal service funds is also presented with the Proprietary Fund Financial Statements. Internal service balances and activities, however, have been combined with the governmental activities in the Government-Wide Financial Statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The City reports the following major proprietary funds:

Water Fund – This fund accounts for the City's water utility operations and to collect and administer water impact fees.

Waste Water Fund – This fund accounts for the City's sewer utility operations and to collect and administer waste water impact fees.

Solid Waste Fund – This fund accounts for the City's garbage collection service and recycling operations.

Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City's Fiduciary Funds represent custodial funds. Custodial funds are custodial in nature (assets equal liabilities) and use the economic resources measurement focus. These funds are accounted for using the accrual basis of accounting. The following custodial fund is included in the Fiduciary Fund financial statements:

Tourism Business Improvement District – Accounts for amounts collected from hotels on behalf of the District, a special-purpose government, whose purpose is to enhance the economic vitality of Bozeman by promoting tourism through sales and marketing strategies.

Municipal Court Fund – Accounts for monies held for appearance bonds and restitution related to criminal arrests and reimbursement for damage caused.

Internal Service Funds

Internal Service Funds are used to account for goods and services provided by one department to other departments of the City on a cost-reimbursement basis. These direct costs and certain indirect costs are included as part of the program expense reported for the individual functions and activities of these other departments. The following Internal Service Funds are included in the Proprietary Fund Financial Statements:

Vehicle Maintenance Shop – Accounts for the maintenance and repair of vehicles used in the operation of City services.

Medical Health Insurance – Accounts for insurance premium revenues received from the various City departments and retirees, and the related costs of health, vision, and dental insurance premiums incurred by City employees and retirees.

Public Works Administration – Accounts for the professional level management, engineering, and GIS technical support provided to other Public Works divisions, including water, wastewater, solid waste, stormwater, in addition to support provided to other City departments.

Cash and Cash Equivalents

Cash and cash equivalents are under the management of the City's Treasurer and consist primarily of demand deposits and investments in U.S. Government Bonds. Interest income earned as a result of pooling of City deposits is distributed to the appropriate funds utilizing a formula based on the average balance of cash and investments of each fund.

Montana State statutes authorize the City to invest in interest-bearing savings accounts, certificates of deposits, and time deposits insured up to \$250,000 by the Federal Deposit Insurance Corporation or fully collateralized, U.S. government and U.S. agency obligations and repurchase agreements where there is a master repurchase agreement and collateral held by a third party.

Restricted Cash and Investments

Restricted cash and investments are those whose use is restricted to specific purposes by state statute, bond indenture, or otherwise. The City's restricted cash and investments are primarily restricted for construction and maintenance of City infrastructure, debt service and urban renewal.

Investments Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets (these investments are valued using prices quoted in active markets); Level 2 inputs are significant other observable inputs (these investments are valued using matrix pricing); Level 3 inputs are significant unobservable inputs (these investments are valued using consensus pricing).

Property Taxes

Real property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien Date:	December 1st for the 1st installment and June 1st for the 2nd installment
Levy Date:	November 1st
Due Dates:	November 30th for the 1st installment and May 31 for the 2nd installment

Personal property taxes are assessed on January 1 of each year and billed in May, with payment due within thirty days.

Gallatin County collects all property taxes on behalf of the City and remits collections, including penalties and interest, on a monthly basis. The County assesses a delinquency penalty of 2%. If taxes become delinquent, the County tax collector may sell the property to collect taxes due plus 0.83% per month interest.

In the fund financial statements, the City accrues as receivable all property taxes received during the first sixty (60) days of the new fiscal year from Gallatin County, in accordance with the modified accrual basis. In the government-wide financial statements, all taxes billed, but not yet collected are accrued in accordance with the full accrual basis of accounting, as described in Note 1.

Special Assessments

Special assessments receivable represents the uncollected amounts levied against benefited property for the cost of local improvements. Assessments are payable over a period of 18 to 20 years and bear interest of 2.5% to 5.75% per annum. Recognition of the revenues from these assessments has been deferred until both measurable and available in governmental funds. In the Government-Wide Financial Statements, however, these amounts are reported as revenues in the period they are levied. Once received, the monies will be used to meet the annual debt service requirements on related bonds and notes payable.

Interfund Receivables and Payables

All outstanding balances between funds are reported as “due to/from other funds” (current portion) or “advances to/from other funds” (non-current portion). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Lease Receivables

Lease receivables are recorded by the City as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the City charges the lessee.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods (consumption method) and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

The City’s assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Depreciable capital assets are reported on the Statement of Net Position, net of applicable accumulated depreciation. Capital assets which are not depreciable such as land, works of art, and construction in progress, are reported separately. Depreciation expense is reported in the Statement of Activities and is calculated using the straight-line method based on the assets estimated useful life.

Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Buildings	20-80 years
Other structures and improvements	10-100 years
Infrastructure/flood control	25-100 years
Machinery and equipment	5-30 years
Vehicles	5-10 years

The City defines infrastructure as the basic physical assets that allow the City to function. These assets include the street system, comprised of roads, sidewalks, curbs, and street lights; the water purification and distribution system; the sewer collection and treatment system; park and recreation lands and related improvements; stormwater conveyance system; and buildings and site amenities, including parking and landscaped areas.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Right-of-use lease assets are recognized at the lease commencement date and represent the City’s right to use an underlying asset for the lease term. Right-of-use lease assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right-of-use lease assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 1 to 4 years.

Right to use subscription IT assets are recognized at the subscription commencement date and represent the City's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 2 to 5 years.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis over the term of the related issue. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a borrowing rate determined by the City.

Subscription liabilities represent the City's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments is discounted based on a borrowing rate determined by the City.

Compensated Absences

Earned but unpaid vacation and sick pay is included as a liability in the proprietary fund types and Government-Wide Financial Statements. The portion relating to the governmental fund types not expected to be paid with expendable, and available resources is not reported in the governmental fund statements unless the liability has matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement).

On-Behalf Payments for Fringe Benefits

On-behalf payments for fringe benefits are direct payments made by one entity to a third-party recipient for the employees of another legally separate entity. On-behalf payments include pension plan contributions. The State's pension contribution is recorded as intergovernmental revenue with an offsetting public safety or general government expenditure in the Pension Special Revenue Fund (see Note 11).

Postemployment Benefits Other Than Pensions (OPEB)

Under the provisions of the various employee and union contracts, the District provides certain postemployment benefits other than pensions to eligible retirees. These OPEB obligations are funded on a pay-as-you-go basis. The total OPEB liability, deferred outflows/inflows of resources, and OPEB expense were actuarially determined in accordance with GASB Statement No. 75. Additional information can be found in Note 10.

Pensions

Montana Public Employees' Retirement Association (MPERA) prepared financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA for the purposes of determining the Net Pension Liability (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). Additional information can be found in Note 11.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has three items that qualify for reporting in this category. They are the contributions made to pension plans after the measurement date and prior to the fiscal year-end, changes in the net pension liability not included in pension expense, and changes in the total other post employment benefits liability not included in OPEB expense, reported in the district-wide statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of items that qualify for reporting in this category.

The City reports unavailable revenues from property taxes, special assessments, and court fines on the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is deferred inflows related to leases where the City is the lessor and is reported in the governmental funds balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) on the straight-line basis over the term of the lease. The other items are changes in the net pension liability not included in pension expense and changes in the total other post-employment benefits liability not included in OPEB expense reported in the district-wide statement of net position.

Net Position

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the City's financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, and unspent bond proceeds for capital purposes reduced by the outstanding balances of any long-term debt or lease attributable to the acquisition, construction, or improvement of those assets, retainage payable, and accounts payable related to capital asset construction. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments. Unrestricted net position is the net amount of assets and liabilities that are not included in the determination of net investment in capital assets or the restricted component of net position.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first.

As a nonprofit organization operating under the Financial Accounting Standards Board (FASB), the Foundation reports net position with restricted or unrestricted funds, in accordance with donor requests.

Fund Balance

In accordance with GASB Statement 54, the City reports fund balance for governmental funds in two general classifications, nonspendable and spendable.

Nonspendable Fund Balance – represents the portion of fund balance that is not in spendable form, such as inventories, and, in the General Fund, long-term notes and loans receivable. Spendable fund balance is further categorized as restricted, committed, assigned, and unassigned.

Restricted Fund Balance – balances that can be spent only for the specific purposes stipulated by external parties or through enabling legislation. External parties include grantors, debt covenants, votes, and laws and regulations of other governments.

Committed Fund Balance – amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority, the City Commission. The City Commission needs to formally adopt a Resolution in order to establish, modify, or rescind a fund balance commitment.

Assigned Fund Balance – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The City's policy to authorize the assignment of fund balance is as follows: Assigned Fund Balance can be expressed and authorized directly by the City Commission or by an official to whom the Commission delegates the authority. The City Commission delegates this authority to the City Manager. Included in the assigned fund balance for the General Fund are assignments for the portion of the current General Fund balance that is projected to be used to fund expenditures and other cash outflows in excess of the expected revenues and other cash inflows projected for the next fiscal year.

Unassigned Fund Balance – the residual classification for the government's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When both restricted and unrestricted resources are available, spending will occur in the following order, for the identified fund types:

- General Fund: Restricted, Committed, Assigned, Unassigned
- Special Revenue Funds: Restricted, Committed, Assigned
- Debt Service Funds: Assigned, Committed, Restricted
- Capital Projects Funds: Restricted, Committed, Assigned

Minimum General Fund – Fund Balance

The City does not maintain a stabilization fund. However, the City's Charter requires an established minimum level of "General Fund Unreserved Fund Balance," in accordance with the Government Finance Officers' Association (GFOA) Best Practices, of 2 months or 16.67%, of operating revenues.

Implementation of GASB Statement No. 100

As of July 1, 2022, the City adopted GASB Statement No. 100, *Accounting Changes and Errors*. The implementation of this standard establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. There were a few changes to beginning balances as a result of implementing this standard. As a result of these adjustments there were effects on beginning net position. A summary of these adjustments can be found in Note 23.

Note 2 - Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government – wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.”

The details of this difference are as follows:

Bonds payable	\$ 62,143,933
Notes payable	1,716,030
Unamortized premium	4,337,187
Financed purchases payable	1,481,531
Leases payable	258,670
SBITAs	626,375
Compensated absences	4,094,887
Total OPEB liability	3,971,939
Net pension liability	<u>31,113,352</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 109,743,904</u></u>

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.”

The details of this difference are as follows:

Capital outlay reported in fund financial statements	\$ 26,001,640	
Plus: assets transferred in from enterprise funds	27,703	
Plus: donated/contributed assets	15,539,939	
Plus: assets purchased by internal service funds	38,154	
Plus: prior year construction in progress added as asset in current year	<u>13,088,548</u>	
Capital asset increases per Note 6		\$ 54,695,984
Less: assets disposed	(865,949)	
Less: prior year construction in progress added as asset in current year	<u>(13,088,548)</u>	
Capital asset decreases per Note 6		(13,954,497)
Depreciation/amortization expense	(10,950,625)	
Plus: accumulated depreciation on assets transferred in from enterprise funds	<u>(13,370)</u>	
Accumulated depreciation/amortization increases per Note 6		(10,963,995)
Less: accumulated depreciation/amortization on assets disposed	<u>423,727</u>	
Accumulated depreciation/amortization decreases per Note 6		423,727
Capital assets purchased by internal service funds		(38,154)
Gain on assets transferred to internal service funds		(8,129)
Depreciation/amortization expense included in net expense of internal service funds		<u>244,071</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities		<u>\$ 30,399,008</u>

Another element of that reconciliation states that, "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items." The details of this difference are as follows:

Issuance of bonded debt	\$ (6,175,090)
Purchasers discount on bonded debt	(34,910)
Principal payments on bonded debt	3,006,123
Principal payments on notes payable	329,475
Premium on bonded debt issued	(361,985)
Amortization of premium on bonded debt	254,881
Issuance of financed purchases payable	(911,912)
Principal payments on financed purchases payable	303,056
Principal payments on leases payable	85,131
Issuance of SBITAs	(107,277)
Principal payments on SBITA	252,807
Partial redemption of SBITA	81,520
Principal payments recorded in internal service funds	<u>(100,696)</u>
Net adjustment to net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (3,378,877)</u>

Note 3 - Stewardship, Compliance, and Accountability

Budgets

Each year, the City Manager must submit to the City Commission a proposed operating budget for all budget units within the City for the fiscal year commencing July 1. This operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain citizen comments on the proposed budget. The budget is then legally adopted through passage of the appropriation resolution by the City Commission.

The City adopts a final budget each June and amends the budget in August if the initial taxable value estimates were significantly different from the final Certified Values received from the State.

Budgets are legally required for all governmental fund types. These budgets are prepared on the same basis and using the same accounting practices as are used to account and prepare financial reports for the funds. Budgets presented in this report for comparison to actual amounts are presented in accordance with GAAP. Annual appropriated budgets are adopted for all funds and all appropriations lapse at year-end. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established at the service area level.

The City Commission may amend the budget during the course of the fiscal year. Montana state statute provides a number of different ways to amend the budget. The first involves a reallocation of existing appropriations among the line items within a specific fund. The second defines a series of scenarios where the governing body has authority to amend the budget without a hearing for donations, land sales, and fee-based budgets. All other increases in appropriation authority that are not specifically permitted by statute must be approved through a public hearing process.

Any accruing revenue of the municipality not appropriated and any balance at any time remaining after the purpose of an appropriation has been satisfied or abandoned, may from time to time be appropriated to other uses that do not conflict with any uses for which specifically the revenue was accrued. A public hearing is required for an overall increase in appropriation authority, except in the case of an emergency.

In its annual appropriation resolution, the City Commission delegated budget amendment authority to the City Manager for the expenditure of funds from any or all of the following: debt service funds, enterprise funds, internal service funds, trust funds, federal and state grants accepted and approved by the governing body, special assessments, and donations. In all other funds, the City Manager may, without approval from the City Commission, make budget amendments as long as the total appropriation for the department is not exceeded.

Spending control is established by the total amount of expenditures budgeted for each service area, but management may exercise control at budgetary line items.

Deficit Fund Balance/Net Position

The following funds had a deficit fund balance/net position at June 30, 2024:

Governmental Funds		
Nonmajor Funds		
General Obligation Bonds	\$	193,455
Fire Department Equipment		2,275,265
Proprietary Funds		
Enterprise Funds		
Solid Waste		823,354

The deficit fund balance in General Obligation Bonds fund is due to a timing difference between the debt payment related to Fire Station 2 bonds and tax collections. The city elects to pay debt payments due on July 1st on or just before June 30th each fiscal year. The taxes related to the July 1st payment will be collected in fiscal year 2025.

The deficit fund balance in the Fire Department Equipment fund is due to capital purchases exceeding expected project costs. The overages will be recovered through fiscal year 2025 tax revenues as well as proceeds from debt anticipated to be issued in fiscal year 2025.

The deficit fund balance in the Solid Waste fund resulted from rates for solid waste services not increasing with the costs of operations. The city had not increased residential solid waste rates in over three years. Based on a thorough rate setting analysis the city implemented new solid waste rates in fiscal year 2024 that incorporates funding for the fund balance deficit.

Note 4 - Cash and Investments

At June 30, 2024, the carrying amount of the City's deposits in local banks and investments was \$3,088,613. Interest bearing account balances are covered by the Federal Depository Insurance Corporation (FDIC) up to \$250,000 per bank, per depositor. In addition, all noninterest bearing transaction account balances are fully insured by FDIC coverage. Interest bearing account balances not insured by FDIC coverage is \$2,843,606. This remaining balance is covered by collateral held by the pledging bank's agent in the City's name.

The City’s cash and investments are reported as follows:

Cash and investments	
Statement of net position	\$ 107,132,367
Statement of fiduciary net position	448,964
Restricted cash and investments	
Statement of net position	63,043,861
	<u>\$ 170,625,193</u>
Deposits	\$ 1,412,065
Investments	169,213,128
	<u>\$ 170,625,193</u>

Custodial Credit Risk – Custodial credit risk for deposits is the risk that in the event of a financial institution failure, the City’s deposits may not be returned or the City will not be able to recover the collateral securities in the possession of the outside party. The City minimizes custodial credit risk by restrictions set forth in City policy and state law. The City’s policy requires deposits to be 104 percent secured by collateral valued at market value. The City Treasurer maintains a listing of financial institutions, which are approved for investment purposes. Types of securities that may be pledged as collateral are detailed in Section 17-6-103 of the Montana Code Annotated (MCA). City policy requires that specific safeguards against risk of loss be evidenced when the City does not physically hold the securities.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City’s investment policy limits investing funds primarily in short- and intermediate-term liquid securities of high credit quality to ensure adequate liquidity and minimize the impact of changes in interest rates. Portfolios are structured so that securities mature concurrent with cash needs to meet anticipated demands.

Credit Risk – Credit risk is defined as the risk that an issuer or other counterpart to an investment that will not fulfill its obligation. The above credit risk rating indicates the probability that the issuer may default in making timely principal and interest payments. The credit ratings presented in the following table are provided by Standard and Poor’s Corporation (S&P). The City’s investment policy is to hold investments to maturity with the contractual understanding that these investments are low risk, locked in to a guaranteed rate of return, and are, therefore, not impacted significantly by changes in short term interest rates.

On June 30, 2024, the following interest rate and credit risks and valuation inputs were associated with the City’s deposits and investments.

Investment Type	Credit Rating	Fair Value	Not Applicable	< 1	1 - 5
Primary Government					
U.S. Government bonds	S&P AA+	\$ 95,536,580	\$ —	\$ 34,366,860	\$ 61,169,720
Certificates of Deposit	N/A	1,200,000	1,200,000	—	—
MMIA Account	N/A	476,548	476,548	—	—
State of Montana Short Term Investment Pool	N/A	72,000,000	72,000,000	—	—
		<u>\$ 169,213,128</u>	<u>\$ 73,676,548</u>	<u>\$ 34,366,860</u>	<u>\$ 61,169,720</u>

The City voluntarily participates in the STIP (Short Term Investment Pool) administered by the Montana Board of Investments (MBOI). A local government’s STIP ownership is represented by shares, the prices of which are fixed at \$1.00 per share, and participants may buy or sell shares with one business days’ notice. STIP administrative expenses are charged daily against the STIP income, which is distributed on the first calendar day of each month. Shareholders have the option to automatically reinvest their distribution income in additional shares. STIP is not registered with the Securities and Exchange Commission. STIP is not FDIC insured or otherwise insured or guaranteed by the federal government, the State of Montana, the Montana Board of Investments (MBOI) or any other entity against investment losses and there is no guaranteed rate of return on funds invested in STIP shares. The MBOI maintains a reserve fund to offset possible losses and limit fluctuations in STIP’s valuation. The STIP investment portfolio consists of securities with maximum maturity of 2 years. Information on investments held in the STIP can be found in the Annual Report on the MBOI website at <https://investmentmt.com/Annual-Reports>.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The City’s investment policy diversifies the portfolios by limiting investments to avoid overconcentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities and the State of Montana Investment Pool). No more than 40% of the total portfolio may be with any one financial institution, excluding the State of Montana Investment Pool.

The City’s investment policy also has limits on the following allowable deposits and investments: repurchase agreements shall not exceed 25 percent of the City’s portfolio or \$3,000,000, certificates of deposit issued by commercial banks shall not exceed 25% of the City’s portfolio, and certificates of deposit issued by savings and loan associations shall not exceed 5% of the City’s portfolio. No more than 30% of the total portfolio may be invested in certificates of deposit with any one financial institution, and each financial institution must be a member of the FDIC. None of the established limits were exceeded as of June 30, 2024.

Fair Value – The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs.

The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the City has the ability to access.

Level 2 – Inputs to the valuation methodology include:

1. Quoted prices for similar assets or liabilities in active markets;
2. Quoted prices for identical or similar assets or liabilities in active markets;
3. Inputs other than quoted prices that are observable for the asset or liability;
4. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table presents the assets measure at fair value on a recurring basis, except those measured at net asset value (NAV) and cost as identified below, at June 30, 2024:

	Total	Level 1	Level 2	Level 3
Primary Government				
US Government Bonds	\$ 95,536,580	\$ —	\$ 95,536,580	\$ —
	<u>\$ 95,536,580</u>	<u>\$ —</u>	<u>\$ 95,536,580</u>	<u>\$ —</u>

U.S. Government and Agency securities, money market mutual funds, and certificates of deposit classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for these securities. Corporate bonds, municipal bonds, corporate commercial paper, bond and equity mutual funds classified in Level 2 of the fair value hierarchy are valued using techniques such as quoted prices for similar investments in active and inactive markets as well as inputs other than quoted prices that are observable for these assets.

Investments with the STIP totaling \$72,000,000 are measured at net asset value (NAV) and are not subject to GASB 72 leveling. Investments in certificates of deposit and MMIA accounts are measured at cost and are not subject to GASB 72 leveling.

The Foundation and Business Improvement District report cash and investments at December 31, 2023 and June 30, 2024, respectively, as follows. Investments are considered to be Level 1.

	Bozeman Public Library Foundation	Business Improvement District
Cash and Investments		
Cash and cash equivalents	\$ 237,588	\$ 117,135
Restricted investments	4,872,382	—
Total cash and investments	<u>\$ 5,109,970</u>	<u>\$ 117,135</u>

Note 5 - Notes Receivable

Loans receivable as of June 30, 2024, were as follows:

Loan Program	Interest Rate	Maturity Date	Amount
Economic Development Loan Fund	3.0-8.0%	2024-2028	\$ 586,422
Community Housing Fund	—%	2026	12,499
			<u>\$ 598,921</u>

Note 6 - Capital Assets

Governmental activities capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated/amortized					
Land	\$ 38,072,640	\$ 3,655,246	\$ —	\$ —	\$ 41,727,885
Artwork	15,000	27,698	—	—	42,698
Construction in progress	19,466,651	20,378,101	13,088,548	—	26,756,204
Total capital assets, not being depreciated/amortized	<u>57,554,291</u>	<u>24,061,045</u>	<u>13,088,548</u>	<u>—</u>	<u>68,526,787</u>
Capital assets, being depreciated/amortized					
Buildings	76,863,064	6,075,272	438,745	(966,381)	81,533,211
Machinery and equipment	23,366,106	3,737,612	224,212	—	26,879,506
Infrastructure	277,614,941	19,337,405	—	966,381	297,918,727
Vehicles	5,394,139	1,349,672	202,992	27,703	6,568,523
Right-of-use lease building	423,122	—	—	—	423,122
Right-of-use lease vehicles	19,833	—	—	—	19,833
Subscription-based IT assets	1,154,002	107,277	—	—	1,261,279
Total capital assets, being depreciated/ amortized	<u>384,835,207</u>	<u>30,607,239</u>	<u>865,949</u>	<u>27,703</u>	<u>414,604,200</u>
Less accumulated depreciation/amortization for					
Buildings	21,491,618	2,044,576	—	—	23,536,194
Machinery and equipment	14,337,790	1,908,746	220,734	—	16,025,802
Infrastructure	103,645,367	6,180,016	—	—	109,825,383
Vehicles	3,717,800	439,981	202,992	13,370	3,968,159
Right-of-use lease building	126,937	84,624	—	—	211,561
Right-of-use lease vehicles	9,917	6,611	—	—	16,527
Subscription-based IT assets	137,670	286,073	—	—	423,743
Total accumulated depreciation/ amortization	<u>143,467,099</u>	<u>10,950,625</u>	<u>423,727</u>	<u>13,370</u>	<u>154,007,368</u>
Total capital assets, being depreciated/amortized, net	<u>241,368,108</u>	<u>19,656,613</u>	<u>442,221</u>	<u>14,333</u>	<u>260,596,832</u>
Governmental Activities Capital Assets, Net	<u>\$ 298,922,399</u>	<u>\$ 43,717,658</u>	<u>\$ 13,530,770</u>	<u>\$ 14,333</u>	<u>\$ 329,123,620</u>

Depreciation/amortization expense was charged to functions/programs of the government as follows:

Governmental activities	
General government	\$ 498,534
Public safety	2,291,660
Public service	6,312,594
Public health and welfare	<u>1,847,837</u>
Total depreciation/amortization expense - governmental activities	<u><u>\$ 10,950,625</u></u>

Business-type activities capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities					
Capital assets, not being depreciated					
Land	\$ 2,218,553	\$ —	\$ —	\$ —	\$ 2,218,554
Intangible water rights	2,762,142	—	—	—	2,762,142
Construction in progress	6,575,780	6,065,369	5,000,081	—	7,641,067
Total capital assets, not being depreciated	<u>11,556,475</u>	<u>6,065,369</u>	<u>5,000,081</u>	<u>—</u>	<u>12,621,763</u>
Capital assets, being depreciated					
Buildings	116,563,119	33,000	—	—	116,596,119
Improvements other than buildings	30,547,611	—	—	—	30,547,612
Machinery and equipment	14,111,625	1,582,948	—	—	15,694,572
Infrastructure	396,244,459	12,604,562	16,236	—	408,832,785
Vehicles	2,321,747	298,527	—	(27,703)	2,592,571
Total capital assets, being depreciated	<u>559,788,561</u>	<u>14,519,038</u>	<u>16,236</u>	<u>(27,703)</u>	<u>574,263,659</u>
Less accumulated depreciation for					
Buildings	32,384,927	2,608,590	—	—	34,993,517
Improvements other than buildings	30,384,564	107,136	—	—	30,491,700
Machinery and equipment	10,905,678	802,241	—	—	11,707,919
Infrastructure	157,594,415	4,291,910	—	—	161,886,325
Vehicles	1,853,398	101,155	—	(13,370)	1,941,183
Total accumulated depreciation	<u>233,122,982</u>	<u>7,911,031</u>	<u>—</u>	<u>(13,370)</u>	<u>241,020,643</u>
Total capital assets, being depreciated, net	<u>326,665,579</u>	<u>6,608,006</u>	<u>16,236</u>	<u>(14,333)</u>	<u>333,243,016</u>
Business-Type Activities Capital Assets, Net	<u><u>\$ 338,222,054</u></u>	<u><u>\$ 12,673,375</u></u>	<u><u>\$ 5,016,317</u></u>	<u><u>\$ (14,333)</u></u>	<u><u>\$ 345,864,779</u></u>

Depreciation expense was charged to functions/programs of the government as follows:

Business-type activities	
Water	\$ 372,923
Wastewater	238,285
Solid Waste	3,305,901
Parking	3,500,042
Stormwater	493,880
Total depreciation expense - business-type activities	<u><u>\$ 7,911,031</u></u>

Note 7 - Long-Term Debt

The following is a summary of changes in long-term debt of the City for the year ended December 31, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable					
General obligation bonds	\$ 45,765,000	\$ 6,210,000	\$ 2,300,000	\$ 49,675,000	\$ 2,545,000
Tax increment financing bonds	9,802,767	—	501,401	9,301,366	517,401
Special assessment bonds	3,372,289	—	204,722	3,167,567	171,541
Total bonds payable	58,940,056	6,210,000	3,006,123	62,143,933	3,233,942
Notes payable					
Notes payable	1,719,323	—	285,104	1,434,219	72,902
Intercap notes payable	326,182	—	44,371	281,811	45,576
Total notes payable	2,045,505	—	329,475	1,716,030	118,478
Unamortized premium	4,230,082	361,985	254,881	4,337,187	254,880
Financed purchases payable	872,674	911,912	303,056	1,481,531	246,537
Leases payable	343,801	—	85,131	258,670	87,876
Subscription IT agreements	853,425	107,277	334,327	626,375	251,131
Compensated absences	3,939,236	2,809,430	2,653,777	4,094,887	2,653,777
	<u>\$ 71,224,779</u>	<u>\$ 10,400,602</u>	<u>\$ 6,966,770</u>	<u>\$ 74,658,613</u>	<u>\$ 6,865,295</u>
Business-Type Activities					
Bonds payable					
Water revenue bonds	\$ 15,949,000	\$ —	\$ 1,356,000	\$ 14,593,000	\$ 1,395,000
Wastewater revenue bonds	25,939,000	—	2,051,000	23,888,000	2,111,000
Stormwater revenue bonds	1,196,000	—	87,000	1,109,000	89,000
Total bonds payable	43,084,000	—	3,494,000	39,590,000	3,595,000
Landfill closure/postclosure	2,359,259	—	376,856	1,982,403	—
Pollution remediation obligation	536,669	—	—	536,669	—
Compensated absences	680,196	630,252	615,605	694,843	615,605
	<u>\$ 46,660,124</u>	<u>\$ 630,252</u>	<u>\$ 4,486,461</u>	<u>\$ 42,803,915</u>	<u>\$ 4,210,605</u>

Bonds Payable

At June 30, 2024, the City had the following bond issuances outstanding:

	Final Maturity	Interest Rate	Original Issue	Principal Outstanding
Governmental Activities:				
General obligation bonds				
TOP Bonds, Series 2013	2034	2.00 - 4.00%	\$ 9,900,000	\$ 5,795,000
TOP Bonds, Series 2014	2035	2.00 - 4.00%	5,100,000	3,235,000
BPSC Bonds, Series 2019	2039	2.00 - 4.00%	34,405,000	28,130,000
Refunding Bonds, Series 2022	2042	4.00 - 5.00%	25,640,000	6,305,000
GO Rec Improvement Bonds, Series 2024A	2044	4.00 - 5.00%	2,280,000	2,280,000
Limited Tax GO Bonds, Series 2024B	2043	4.00 - 5.00%	3,930,000	3,930,000
Total general obligation bonds			<u>\$ 81,255,000</u>	<u>\$ 49,675,000</u>
Tax increment financing bonds				
Refunding Bonds, Series 2020	2032	2.44%	\$ 3,689,000	\$ 2,389,000
Series 2017	2042	4.10%	1,446,000	1,142,366
Series 2020	2044	2.00 - 4.00%	6,325,000	5,770,000
Total sales tax revenue bonds			<u>\$ 11,460,000</u>	<u>\$ 9,301,366</u>
Special assessment bonds				
Special Improvement District No. 747, Series 2020	2040	3.175%	\$ 4,001,000	\$ 3,167,567
Note payable to Department of Natural Resources and Conservation, #WRF-05067	2024	3.750%	—	—
Note payable to Department of Natural Resources and Conservation, #SRF-05132	2024	3.750%	—	—
Total taxable appropriation bonds			<u>\$ 4,001,000</u>	<u>\$ 3,167,567</u>
Total governmental activities			<u><u>\$ 96,716,000</u></u>	<u><u>\$ 62,143,933</u></u>
Business-Type Activities				
Water revenue bonds				
Series 2011A	2032	3.00%	\$ 9,491,000	\$ 4,483,000
Series 2011B	2033	3.00%	9,552,000	4,771,000
Series 2017	2037	2.50%	7,573,000	5,339,000
Total water revenue bonds			<u>\$ 26,616,000</u>	<u>\$ 14,593,000</u>
Waste water revenue bonds				
Series 2010B	2030	1.75%	\$ 359,300	\$ 111,000
Series 2010D	2030	3.00%	8,308,000	3,233,000
Series 2010F	2030	3.00%	729,000	300,000
Series 2010C	2031	3.00%	885,081	383,000
Series 2010G	2031	3.00%	3,605,565	1,195,000
Series 2010H	2031	3.00%	8,692,000	3,766,000
Series 2020D	2040	2.50%	2,807,000	2,351,000
Series 2020B	2040	2.50%	7,786,000	6,522,000
Series 2020C	2041	2.50%	6,693,321	5,727,000
Series 2020A	2040	—%	300,000	300,000
Total water revenue bonds			<u>\$ 40,165,267</u>	<u>\$ 23,888,000</u>
Stormwater revenue bonds				
Series 2015	2035	2.50%	<u>\$ 1,815,000</u>	<u>\$ 1,109,000</u>
Total business-type activities			<u><u>\$ 135,377,534</u></u>	<u><u>\$ 39,590,000</u></u>

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

General Obligation Bonds – The City issues general obligation bonds to provide funds for the acquisition and construction of major capital assets. General obligation bonds are direct obligations of the City and are backed by the full faith and credit of the City. General obligation bonds are recorded in the governmental activities in the government-wide statement. Principal and interest on these bonds are payable from the debt service funds.

Tax Increment Financing (TIF) Bonds – Tax Increment Financing (TIF) Bonds are not general obligations, but are special limited obligations of the City. TIF bonds are recorded in the governmental activities in the government-wide statement. The bonds are payable solely, and equally and ratably from the tax increment revenues received by the City from its Downtown Bozeman Improvement District, Northeast Improvement District, and Midtown Improvement District. If the incremental revenues are insufficient to pay the principal and interest due on the TIF bonds when due, such payment shortfall shall not constitute a default under the TIF agreement. If and when the incremental revenues are sufficient, the City shall pay the amount of any shortfall to the paying agent and registrar without any penalty interest or premium thereon. Due to the uncertainty of the future tax increment receipts, future payments on the TIF bonds may vary from the summary of debt service requirements. Principal and interest on these bonds are payable from the TIF debt service fund.

Special Assessment Bonds – Special assessment bonds are payable from the collection of special assessments levied against benefited property owners within each special improvement district. To the extent that such special assessment collections are not sufficient to make the required debt service payments, the City is obligated to levy and collect a general property tax on all taxable property in the City to provide additional funding for the debt service payments. The cash balance in the SID Revolving Fund must equal at least 5% of the principal amount of bonds outstanding. If the cash balance is less than 5%, a levy is required to bring the cash balance to the required minimum. Principal and interest on these bonds are payable from the SID debt service fund.

Revenue Bonds -The City also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. The revenue bond ordinances specify that the City shall establish various restricted asset accounts and distribute the net revenues for the water fund to the restricted asset accounts and set user rates at levels which will generate minimum net revenues, as defined. The revenue bond ordinances specify that City management and/or the City Commission shall take corrective actions to bring the City into compliance with the revenue bond ordinances, if necessary, and that bondholders shall have the right to institute proceedings, judicial or otherwise, to enforce the covenants of the revenue bond ordinances. The City is in compliance with applicable covenants as of June 30, 2024.

The annual requirements to amortize the bonded debt outstanding for the governmental activities as of June 30, 2024, are as follows:

Years Ending June 30,	General Obligation Bonds		Tax Increment Financing Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 2,545,000	\$ 1,878,086	\$ 517,401	\$ 320,441
2026	2,670,000	1,745,963	531,215	304,068
2027	2,780,000	1,637,338	545,171	287,104
2028	2,890,000	1,517,438	564,152	269,745
2029	3,015,000	1,402,438	586,381	251,566
2030 - 2034	17,070,000	5,018,188	2,527,660	975,218
2035 - 2039	15,040,000	2,005,306	1,929,529	581,021
2040 - 2044	3,665,000	360,600	2,099,856	191,340
	<u>\$ 49,675,000</u>	<u>\$ 15,565,355</u>	<u>\$ 9,301,366</u>	<u>\$ 3,180,503</u>

Years Ending June 30,	Special Assessment Bonds		Total Governmental Activities	
	Principal	Interest	Principal	Interest
2025	\$ 171,541	\$ 99,219	\$ 3,233,942	\$ 2,297,746
2026	177,031	93,730	3,378,246	2,143,761
2027	182,696	88,064	3,507,867	2,012,506
2028	188,543	82,218	3,642,695	1,869,400
2029	194,577	76,184	3,795,958	1,730,188
2030 - 2034	1,070,368	283,432	20,668,029	6,276,837
2035 - 2039	1,182,811	100,847	18,152,340	2,687,174
2040 - 2044	—	—	5,764,856	551,940
	<u>\$ 3,167,567</u>	<u>\$ 823,693</u>	<u>\$ 62,143,933</u>	<u>\$ 19,569,551</u>

The annual requirements to amortize the bonded debt outstanding for the business-type activities as of June 30, 2024, are as follows:

Years Ending June 30,	Water Revenue Bonds		Waste Water Revenue Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 1,395,000	\$ 284,930	\$ 2,111,000	\$ 489,298
2026	1,435,000	256,840	2,171,000	445,388
2027	1,477,000	227,930	2,234,000	400,265
2028	1,520,000	198,170	2,298,000	353,798
2029	1,563,000	167,560	2,365,000	306,013
2030 - 2034	5,814,000	390,690	6,124,000	993,701
2035 - 2039	1,389,000	139,611	4,996,000	451,120
2040 - 2044	—	—	1,289,000	25,663
	<u>\$ 14,593,000</u>	<u>\$ 1,665,731</u>	<u>\$ 23,588,000</u>	<u>\$ 3,465,245</u>

Years Ending June 30,	Stormwater Revenue Bonds		Total Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 89,000	\$ 21,740	\$ 3,595,000	\$ 795,968
2026	90,000	19,950	3,696,000	722,178
2027	94,000	18,130	3,805,000	646,325
2028	96,000	16,240	3,914,000	568,208
2029	97,000	14,320	4,025,000	487,893
2030 - 2034	530,000	41,070	12,468,000	1,425,461
2035 - 2039	113,000	1,700	6,498,000	592,431
2040 - 2044	—	—	1,289,000	25,663
	<u>\$ 1,109,000</u>	<u>\$ 133,150</u>	<u>\$ 39,290,000</u>	<u>\$ 5,264,126</u>

Industrial Revenue and Private Activity Bonds

The City issues tax exempt industrial revenue and private activity bonds to finance construction of facilities within the City, which it sells on installment contracts to the facilities' users. The bonds and the interest payable thereon are not obligations of the City and do not constitute or give rise to a pecuniary liability or contingent liability of the City or a charge against the general credit or taxing power of the City. The bonds are issued under and collateralized by the indentures and are payable solely from the payments to be made pursuant to the loan agreements between the City and the facilities users. The bonds are not a lien on any of the City's properties or revenues, other than the facilities for which they were issued.

To provide financial assistance for the acquisition and improvements of the building occupied by a private elementary school, the City has issued a Private Activity Revenue Bond. This bond is secured by the property financed and is payable solely from payments received on the underlying mortgage loan. Upon repayment of the bond, ownership of the acquired facility transfers to the private-sector entity served by the bond issuance. Neither the City nor any political subdivision thereof is obligated in any manner for repayment of the bond. Accordingly, the bond is not reported as a liability in the accompanying financial statements. As of June 30, 2024, the Revenue Bond outstanding had an aggregate principal amount payable of \$87,989.

Notes Payable

At June 30, 2024, the City had the following notes payable outstanding:

	Final Maturity	Interest Rate	Original Issue	Principal Outstanding
Governmental Activities:				
Notes payable				
Sports Park Loan	2039	3.74%	1,700,000	1,434,218
Total notes payable			<u>\$ 1,700,000</u>	<u>\$ 1,434,218</u>
Intercap notes payable				
Upgrade Street Lighting	2030	1.55 - 5.75%	\$ 199,231	\$ 95,950
Sports Park-Bronken Park Improvements	2029	1.00 - 5.75%	314,559	185,860
Total intercap notes payable			<u>\$ 513,790</u>	<u>\$ 281,811</u>
Total governmental activities			<u>\$ 3,400,000</u>	<u>\$ 1,716,030</u>

Future payments on notes payable are as follows:

Years Ending June 30,	Governmental Activities	
	Principal	Interest
2025	\$ 118,478	\$ 52,893
2026	122,399	50,216
2027	126,533	47,363
2028	130,755	44,463
2029	135,306	41,273
2030 - 2034	513,732	156,349
2035 - 2039	568,827	60,148
2040 - 2044	—	—
	<u>\$ 1,716,030</u>	<u>\$ 452,705</u>

Financed Purchases Payable

Financed purchases payable consists of direct borrowing financing agreements for the purchase of various pieces of machinery and equipment. Financed purchases payable of the governmental activities are paid by the General Fund and Street Maintenance Fund.

Future payments on financed purchases payable are as follows:

Years Ending June 30,	Governmental Activities	
	Principal	Interest
2025	\$ 246,537	\$ 74,099
2026	241,975	60,918
2027	254,723	48,070
2028	495,164	36,039
2029	243,134	3,746
	<u>\$ 1,481,532</u>	<u>\$ 222,872</u>

Leases Payable

Leases payable consists of long-term leases as described in Note 8. Leases payable of the governmental activities are liquidated by the General Fund and the Public Works Administration Fund.

Subscription IT Agreements

Subscription IT agreements consists of long-term software contracts as described in Note 9. Subscriptions payable of the governmental activities are liquidated by the General Fund, City Planning Fund, and Public Works Administration Fund.

Landfill Closure/Postclosure

Landfill Closure/Postclosure liability consists of expected future obligations relating to the municipal landfill. See Note 20 for additional information.

Pollution Remediation Liability

Pollution remediation liability consists of expected future obligations relating to remediation of the Bozeman Solvent Site. See Note 21 for additional information.

Compensated Absences

The entire portion of accumulated unpaid vacation is considered short term for the reason that historically, unpaid vacation is utilized within one year either through vacation payouts when employees terminate their service with the City or with the use of annual leave throughout the year.

Within the governmental activities, the General Fund has typically been used in prior years to liquidate the liability for compensated absences.

Compensated absences for the business-type activities are liquidated from the fund in which they are earned.

Note 8 - Leases

Lessor Activities

The City has accrued a receivable for a land lease. The remaining receivable for this lease was \$308,201 for the year ended June 30, 2024. Deferred inflows related to these leases were \$296,686 as of June 30, 2024. Interest revenue recognized on these leases was \$16,664 for the year ended June 30, 2024. Principal receipts of \$25,088 were recognized during the fiscal year. The interest rate used to value the lease was 5%. Final receipt is expected in fiscal year 2033.

Lessee Activities

The City has entered into various lease agreements for a vehicle and office space. The City is required to make principal and interest payments through February 2028. For lease agreements with no specified interest rate, the lease liability was valued using a discount rate of 5% based on the City's incremental borrowing rate at the inception of the leases.

The future principal and interest lease payments as of June 30, 2024, are as follows:

Years Ending June 30,	Governmental Activities	
	Principal	Interest
2025	\$ 87,876	\$ 10,922
2026	94,477	6,427
2027	76,316	1,599
	<u>\$ 258,670</u>	<u>\$ 18,948</u>

Note 9 - Subscription-Based Information Technology Arrangements (SBITAs)

The City has entered into SBITA contracts for various operating software. The City is required to make principal and interest payments through January 2029. The SBITA contracts have interest rates of 5% which was determined based on the City's incremental borrowing rate at the inception of the subscriptions.

The future principal and interest payments as of June 30, 2024, are as follows:

Years Ending June 30,	Governmental Activities	
	Principal	Interest
2025	\$ 261,199	\$ 24,643
2026	132,764	15,875
2027	113,307	9,379
2028	119,105	3,453
2029	—	—
	<u>\$ 626,375</u>	<u>\$ 53,350</u>

Note 10 - Other Post-Employments Benefit Plan

The City provides other post-employment benefits (OPEB) allowing its retired employees to continue their medical, dental, and vision care coverage through the City's group health plan until death (Retiree Health Plan). The single-employer defined benefit post-employment health care plan allows retirees to participate, as a group, at a rate that does not cover all of the related costs. This results in the reporting of an implied rate subsidy in the financial statements and footnotes. The City's contract with Allegiance Benefits details the plan eligibility. MMIA is the administrator of the plan, which covers both active and retired members. In accordance with MCA 2-18-704, the City's retirees may continue coverage for themselves and their covered eligible dependents, if they are eligible for public employees' retirement by virtue of their employment with the City of Bozeman. The City's current labor contracts do not include any obligations for payments to retirees. The City also allows terminated employees to continue their health care coverage for 18 months past the date of termination as required by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

OPEB is recorded on an accrual basis for all enterprise and internal service funds. OPEB is recorded on a modified accrual basis for the governmental funds. Plan contributions are recognized in the period in which the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Funding Policy

The plan is unfunded by the City and plan members receiving benefits contribute 100 percent of their cost of the benefits on a pay-as-you-go basis. The City plan's administratively established retiree medical, dental, and vision premiums vary between \$41 and \$2,688 per month depending on the medical plan selected, family coverage, and Medicare eligibility. The plan provides different coinsurance amounts depending on whether members use preferred, non-preferred, or other hospitals. Depending on the plan, for a single individual, after an annual deductible of \$500 to \$3,200 for non-Medicare-eligible retirees, the plan reimburses 70% to 80% of allowed charges after deductible and up to the out-of-pocket maximum, and then 100%. Depending on the plan, for a family, after an annual deductible of \$1,000 to \$6,400 for non-Medicare-eligible retirees, the plan reimburses 60% to 80% of allowed charges after deductible and up to the out-of-pocket maximum, and then 100%.

Employees Covered by Benefit Terms

At July 1, 2023, the census valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	23
Inactive employees entitled to but not yet receiving benefit payments	—
Active employees	412
	435

Contributions

Benefit contributions are paid by the City as they come due.

Total OPEB Liability (TOL)

The City's total OPEB liability of \$4,797,995 for the June 30, 2024, reporting date was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2023.

Changes in the TOL for the year ended June 30, 2024, are as follows:

Balance as of July 1, 2023	\$ 4,450,558
Changes from the Prior Year:	
Service cost	308,978
Interest cost	173,250
Assumption changes	(8,982)
Differences between expected and actual experience	—
Benefit payments	(128,809)
Net Change	344,437
Balance at June 30, 2024	\$ 4,794,995

There is sensitivity of the TOL to changes in the discount rate. The TOL of the City as well as what the City's TOL would be if it were calculated using a discount rate that is one percentage point lower (2.69%) or one percentage point higher (4.69%) follows:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Discount rate	2.86%	3.86%	4.86%
Total OPEB Liability	\$ 5,417,577	\$ 4,794,995	\$ 4,257,020

There is also sensitivity of the TOL to changes in the healthcare cost rates. The TOL of the City as well as what the City's TOL would be if it were recalculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate follows:

	1% Decrease in Trend Rates	Trend Rates	1% Increase in Trend Rates
Trend rate	6.50%, grading to 3.50% over 20 years	7.50%, grading to 4.50% over 20 years	8.50%, grading to 5.50% over 20 years
Total OPEB Liability	\$ 4,138,131	\$ 4,794,995	\$ 5,587,577

For the year ended June 30, 2024, the City recognized OPEB expense of \$517,878. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ —	\$ 148,014
Assumption changes	694,775	848,778
	<u>\$ 694,775</u>	<u>\$ 996,792</u>

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

Years Ended June 30,	OPEB Expense Amount
2025	\$ 35,652
2026	75,190
2027	(147,560)
2028	(218,963)
2029	(46,336)
Thereafter	—

The June 30, 2024, year-end OPEB cost is reported in the City's funds as follows:

Functions/Programs	
Governmental Activities	
General government	\$ 87,466
Public safety	148,000
Public works	62,116
Public health and welfare	129,321
Total governmental activities	<u>426,903</u>
Business-type Activities	
Water	33,652
Wastewater	24,659
Solid waste	22,138
Parking	2,619
Stormwater	7,907
Total business-type activities	<u>90,975</u>
Total	<u><u>\$ 517,878</u></u>

Actuarial Methods and Assumptions

The City's actuarial valuation is completed on a biennial frequency, provided no significant events have occurred warranting new measurement. The City completed the valuation for fiscal year 2024. As of July 1, 2023, the most recent valuation date, the City's total OPEB liability was determined using the following actuarial assumptions:

The following key assumptions were chosen by the City:

- Discount Rate: 3.69% for determining fiscal 2023 liability and expense.
- Inflation Rate: 2.5% long-term.
- Expected Real Rate of Return on Assets: N/A
- Health Care Claim and Contribution Trend Rates: 7.50% initial in fiscal 2024 and 4.50% ultimate in fiscal 2044.
- Average Salary Increase: Not applicable.
- Retirement Rates: Based on actuarial valuation for statewide retirement systems as of June 30, 2022
- Retiree Participation Rate: 35% of future eligible retirees are assumed to participate in the Plan upon retirement. 80% of retirees are assumed to elect the same medical plan upon retirement that they have while being employed and 20% are assumed to elect the HDHP plan.
- Lapse Rate: 15% per year
- Marriage Assumption: 60% of all future eligible retired employees are assumed to be married at retirement and elect spousal coverage. Husbands are assumed to be three years older than their wives.

The discount rate was based on a yield or index rate for a 20-year, tax-exempt, general obligation municipal bond with an average rating of AA/Aa or higher. Rates were taken from the Bond Buyer 20-Bond GO index as of the measurement date.

Mortality rates were based on the Pub-2010 Public Retirement Plan Public Safety mortality table projected generationally with Scale MP-2021 for MPORS and FURS (Police and Fire, respectively) and Pub-2010 Public Retirement Plans General mortality table projected generationally with Scale MP-2021 for PERS (all other employees).

The medical trend rate table was reset in fiscal 2023.

This report constitutes the only analysis and presentation of the City's post-employment benefit plan. There is no separate, audited GAAP-basis post-employment benefit plan report.

Note 11 - Defined Benefit Pension Plans

All City of Bozeman full-time employees participate in one of three statewide, cost-sharing, multiple-employer, retirement benefit plans administered by the Public Employees Retirement Division (PERD). Contributions to the three plans are as required by State statute. Fiscal years 2024 and 2023 total payroll and covered payroll for all retirement plans were \$34,780,786 and \$31,950,316, respectively. Financial information for all three plans is reported in the Public Employees' Retirement Board's published Annual Comprehensive Financial Report for the fiscal year-end. It is available from the PERD at 100 North Park Avenue, Suite 220, P.O. Box 200131, Helena, MT 59620-0131. The authority to establish, amend, and provide cost of living adjustments to all three plans is assigned to the State legislature. The authority to establish and amend contribution rates to all three plans is also assigned to the State legislature.

For the year ended December 31, 2024 the City reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the plans as follows:

	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources	Pension Expense
PERS	\$ 7,330,769	\$ 27,643,462	\$ 985,976	\$ 4,788,044
FURS	1,867,779	3,335,681	40,145	810,451.00
MPORS	1,432,892	7,049,339	106,809	1,295,972
Total all plans	<u>\$ 10,631,441</u>	<u>\$ 38,028,482</u>	<u>\$ 1,132,930</u>	<u>\$ 6,894,467</u>

Public Employees' Retirement System (PERS)

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with participation in the Public Employees' Retirement System Defined Benefit Retirement Plan (the Plan). This includes the proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions. Employers are provided guidance in GASB Statement 68, paragraph 74, where pension amounts must be combined as a total or aggregate for reporting, whether provided through cost-sharing, single-employer, or agent plans. These disclosures provide information for employers who are using a June 30, 2023, measurement date for the 2024 reporting.

Summary of Significant Accounting Policies

The Montana Public Employee Retirement Administration (MPERA) prepares its financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA for the purposes of determining the Net Pension Liability (TPL); 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).

General Information about the Pension Plan

Plan Description

The PERS-Defined Benefit Retirement Plan (DBRP), 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, and local governments, and certain employees of the Montana University System, and school districts. Benefits are established by state law and can only be amended by the Legislature.

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 PERSDBRP 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. All new members from the universities also have a third option to join the university system's Montana University System Retirement Program (MUS-RP).

Benefits Provided

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

Retirement benefits are as follows:

Service retirement:

- Hired prior to July 1, 2011:
 - Age 60, 5 years of membership service
 - Age 65, regardless of membership service
 - 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:

- Hired prior to July 1, 2011:
 - Age 50, 5 years of membership service
 - 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):

- Retired before January 1, 2016, and accumulate less than 2 years additional service credit or retired on or after January 1, 2016, and accumulate less than 5 years additional service credit:
 - A refund of member's contributions plus return interest (currently 2.02% effective July 1, 2018).
 - No service credit for second employment.
 - Start the same benefit amount the month following termination; and
 - Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.
- Retired before January 1, 2016, and accumulate at least 2 years of additional service credit:
 - A recalculated retirement benefit based on provisions in effect after the initial retirement; and
 - GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months.
- Retired on or after January 1, 2016, and accumulate 5 or more years of service credit:
 - The same retirement as prior to the return to service.
 - A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and
 - 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 all 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% reduced by 0.1% for each 2.0% 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 contribution 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 for state agencies and universities but are reported as employer contributions.

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

Fiscal Year	Member		University	Local Government		Local Government	
	<07/01/2011	>07/01/2011	Employer	Employer	State	Employer	State
2024	7.900%	7.900%	9.170%	9.070%	0.100%	8.800%	0.370%
2023	7.900%	7.900%	9.070%	8.970%	0.100%	8.700%	0.370%
2022	7.900%	7.900%	8.970%	8.870%	0.100%	8.600%	0.370%
2021	7.900%	7.900%	8.870%	8.770%	0.100%	8.500%	0.370%
2020	7.900%	7.900%	8.770%	8.670%	0.100%	8.400%	0.370%
2019	7.900%	7.900%	8.670%	8.570%	0.100%	8.300%	0.370%
2018	7.900%	7.900%	8.570%	8.470%	0.100%	8.200%	0.370%
2017	7.900%	7.900%	8.470%	8.370%	0.100%	8.100%	0.370%
2016	7.900%	7.900%	8.370%	8.270%	0.100%	8.000%	0.370%
2015	7.900%	7.900%	8.270%	8.170%	0.100%	7.900%	0.370%
2014	7.900%	7.900%	8.170%	8.070%	0.100%	7.800%	0.370%
2012-2013	6.900%	7.900%	7.170%	7.070%	0.100%	6.800%	0.370%
2010-2011	6.900%	N/A	7.170%	7.070%	0.100%	6.800%	0.370%
2008-2009	6.900%	N/A	7.035%	6.935%	0.100%	6.800%	0.235%
2000-2007	6.900%	N/A	6.900%	6.800%	0.100%	6.800%	0.100%

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.

Employer contributions to the system:

- 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.
- Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
- The portion of 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.

Non-Employer Contributions:

Special Funding

- The state contributed 0.1% of members' compensation on behalf of local government entities.
- The state contributed 0.37% of members' compensation on behalf of school district entities.
- The state contributed a Statutory Appropriation from the General Fund of \$34,979,900.

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

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

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the State of Montana's NPL for June 30, 2024 and 2023 reporting dates, are displayed below. The employer's 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 employer recorded a liability of \$27,643,462 and the employer's proportionate share was 1.132764%.

	Net Pension Liability as of		Percent of Collective NPL as of		Change in Percent of Collective NPL
	6/30/2024 Reporting Date	6/30/2023 Reporting Date	6/30/2024 Reporting Date	6/30/2023 Reporting Date	
City Proportionate Share	\$ 27,643,462	\$ 21,527,855	1.132764%	0.905336%	0.227428%
State of Montana Proportionate Share associated with the City	\$ 7,678,503	\$ 6,454,277	0.314647%	0.271429%	0.043218%
Total	<u>\$ 35,321,965</u>	<u>\$ 27,982,132</u>	<u>1.447411%</u>	<u>1.176765%</u>	<u>0.270646%</u>

Changes in actuarial assumptions and methods: The following changes in assumptions or other inputs were made that affected the measurement of the TPL.

- The discount rate was increased from 7.06% to 7.30%.
- The investment rate of return was increased from 7.06% to 7.30%.
- Updated all mortality tables to the PUB2010 tables for general employees.
- Updated the rates of withdrawal, retirement, and disability.
- Lowered the payroll growth assumption from 3.50% to 3.25%.
- The inflation rate was increased from 2.40% to 2.75%.

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, 2024, the reporting date, the employer recognized a Pension Expense of \$4,788,044 for its proportionate share of the Plan's pension expense. The employer also recognized grant revenue of \$720,357 for the support provided by the State of Montana for its proportionate share of the pension expense associated with the employer.

At June 30, 2024, the reporting date, the employer 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
Expected vs actual experience	\$ 1,100,992	\$ —
Project investment earnings vs. actual investment earnings	70,138	—
Changes in assumptions	—	985,976
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,070,698	—
City contributions subsequent to the measurement date	2,088,941	—
	<u>\$ 7,330,769</u>	<u>\$ 985,976</u>

The \$2,088,941 reported as deferred outflows of resources related to pensions resulting from City 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 of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the Reporting Year Ended June 30,	Recognition of Deferred Outflows and Deferred Inflows in Future Years as an Increase (Decrease) to Pension Expense
2025	\$1,526,824
2026	1,262,212
2027	1,634,600
2028	(167,783)

Actuarial Assumptions: The total pension liability measured as of June 30, 2023, for the June 30, 2024, reporting date, was determined on the results of an actuarial valuation date of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

Investment return (net of pension plan investment expense, including inflation)	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) each January	
After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (below) each January, inclusive of all other adjustments to the member's benefit.	
Members hired prior to July 1, 2007	3.00%
Members hired between July 1, 2007 & June 30, 2013	1.50%
Members hired on or after July 1, 2013	
For each year PERS is funded at or above 90%	1.50%
The 1.5% is reduced by 0.1% for each 2.0%	
PERS is funded below 90%	
Whenever the amortization period for PERS is 40 years or more	—%

For active members, mortality rates were based on PUB-2010 General Amount Weighted Employer Mortality projected to 2021 for males and females, projected generationally using MP-2021. For disabled retirees, the mortality rates were based on PUB-2010 General Amount Weighted Disabled Retiree Mortality table, projected to 2021, set forward one year for both males and females. For contingent survivors, mortality rates were based on 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. For healthy retirees, mortality rates were 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.

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.

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 a statutory appropriation from the General Fund. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2127. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

Target Allocations: The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the Plan about every five years. The long-term rate of return as of June 30, 2023, is based on analysis in the experience study report dated May 2, 2022, without consideration for the administrative expense analysis shown. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighting 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.

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	3.0%	(0.33%)
Domestic Equity	30.0%	5.90%
International Equity	17.0%	7.14%
Private Investments	15.0%	9.13%
Real Assets	5.0%	4.03%
Real Estate	9.0%	5.41%
Core Fixed Income	15.0%	1.14%
Non-Core Fixed Income	6.0%	3.02%
Total	100.0%	

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate: The following presents the employer’s sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.30%, as well as what the TPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

	1.0% Decrease (6.30%)	Current Discount Rate	1.0% Increase (8.30%)
City's proportionate share of the net pension liability	\$ 39,930,879	\$ 27,643,462	\$ 17,335,417

PERS Disclosure for the defined contribution plan

The City 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 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.

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

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

Pension Plan Fiduciary Net Position

The stand-alone financial statements 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 MT 59620-0131, (406) 444-3154 or are available on the MPERA website at <https://mpera.mt.gov/about/annualreports1/annualreports>.

Firefighters’ Unified Retirement System (FURS)

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with participation in the Firefighters’ Unified Retirement System (the Plan). This includes the proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions. Employers are provided guidance in GASB Statement 68, paragraph 74, where pension amounts must be combined as a total or aggregate for reporting, whether provided through cost-sharing, single-employer, or agent pension plans. These disclosures provide information for employers who are using a June 30, 2023, measurement date for the 2024 reporting.

Summary of Significant Accounting Policies

MPERA prepared financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA for the purposes of determining the Net Pension Liability (TPL); 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).

General Information about the Pension Plan

Plan Description: The Firefighters' Unified Retirement System (FURS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing defined benefit plan established in 1981, and governed by Title 19, chapters 2 & 13, Montana Code Annotated (MCA). This plan provides retirement benefits to firefighters employed by first- and second-class cities, other cities and rural fire district departments that adopt the plan, and to firefighters hired by the Montana Air National Guard on or after October 1, 2001. Benefits are established by state law and can only be amended by the Legislature.

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

Service retirement and monthly benefit formula:

- Hired on or after July 1, 1981, or member has elected to be covered by GABA:
 - 20 years of membership service, regardless of age
 - 2.5% of HAC times years of service credit
- Hired prior to July 1, 1981, and not elected to be covered by GABA, the greater of above or:
 - If membership service is less than 20 years: 2% of the highest monthly compensation (HMC) for each year of service credit;
 - If membership service is greater than or equal to 20 years: 50% of HMC plus 2% of HMC for each year of service credit in excess of 20
- Early retirement: Age 50 with 5 years of membership service - Normal retirement benefit calculated using HAC and service credit

Second Retirement (applies to retirement system members re-employed in a FURS position on or after July 1, 2017):

- 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 members' 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.

Member's compensation period used in benefit calculation:

- Hired prior to July 1, 1981, and not electing GABA: highest monthly compensation (HMC);
- Hired after June 30, 1981, and those electing GABA: highest average compensation (HAC) during any consecutive 36 months (or shorter period of total service).
- Part-time firefighter: 15% of regular compensation of a newly confirmed full-time firefighter.

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.

Guaranteed Annual Benefit Adjustment (GABA)

- Hired on or after July 1, 1997, or those electing GABA, and has been retired for at least 12 months – the member's benefit increases by 3.0% each January.

Minimum Benefit Adjustment (non-GABA)

- A member with 10 or more years of membership service who has not elected to be covered under GABA – the minimum benefit provided may not be less than 50% of the monthly compensation paid to a newly confirmed active firefighter of the employer that last employed the member as a firefighter in the current fiscal year.

Contributions: The State Legislature has the authority to establish and amend contribution rates to the plan. 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: MCA 19-13-604 requires the State of Montana to contribute a percentage of total compensation directly to the Plan annually after the end of each fiscal year. Member, Employer and State contribution rates are shown in the table below.

Fiscal Year	Member		Employer	State
	Non-GABA	GABA		
1998 – 2024	9.500%	10.700%	14.360%	32.610%
1997	7.800%	N/A	14.360%	32.610%

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. The basis for the Total Pension Liability (TPL) as of June 30, 2023, is on an actuarial valuation performed by the Plan's actuary as of June 30, 2023.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the State of Montana's NPL for June 30, 2024 and 2023 reporting dates are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. Due to the existence of the special funding situation, the state is required to report a proportionate share of a local government's collective NPL that is associated with the non-state employer. 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 employer recorded a liability of \$3,335,681 and the employer's proportionate share was 2.2094%.

	Net Pension Liability as of		Percent of Collective NPL as of		Change in Percent of Collective TPL
	June 30, 2024 Reporting Date	June 30, 2023 Reporting Date	June 30, 2024 Reporting Date	June 30, 2023 Reporting Date	
City Proportionate Share	\$ 3,335,681	\$ 3,494,798	2.2094%	2.2000%	0.0094%
State of Montana Proportionate Share associated with the City	\$ 7,570,801	\$ 7,906,822	5.0144%	4.9775%	0.0369%
Total	<u>\$ 10,906,482</u>	<u>\$ 11,401,620</u>	<u>7.2238%</u>	<u>7.1775%</u>	<u>0.0463%</u>

Changes in actuarial assumptions and methods: The following changes in assumptions or other inputs were made that affected the measurement of the TPL.

- The discount rate was increased from 7.06% to 7.30%.
- The investment rate of return was increased from 7.06% to 7.30%.
- The payroll growth rate was reduced from 3.50% to 3.25%.
- All mortality tables were updated to the PUB2010 tables for public safety employees.
- Updated the rates of withdrawal, retirement, disability and merit increase scales.
- The inflation rate was increased from 2.40% to 2.75%.

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, 2024, the reporting date, the employer recognized its proportionate share of the Plan's pension expense of \$810,451. The employer also recognized grant revenue of \$1,890,464 for the support provided by the State of Montana for its proportionate share of the pension expense that is associated with the employer.

Recognition of Deferred Inflows and Outflows: At June 30, 2024, the reporting date, the employer 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
Expected vs actual experience	\$ 308,640	\$ 3,429
Project investment earnings vs. actual investment earnings	87,654	—
Changes in assumptions	713,329	—
contributions and proportionate share of contributions	—	36,716
City contributions subsequent to the measurement date	758,156	
	<u>\$ 1,867,779</u>	<u>\$ 40,145</u>

The \$758,156 reported as deferred outflows of resources related to pensions resulting from City 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 of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the Reporting Year Ended June 30,	Recognition of Deferred Outflows and Deferred Inflows in Future Years as an Increase (Decrease) to Pension Expense
2025	\$ 211,144
2026	138,477
2027	555,696
2028	140,264
Thereafter	23,897

Actuarial Assumptions: The total pension liability measured as of June 30, 2023, for the June 30, 2024, reporting date, was determined on the results of an actuarial valuation date of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

Investment return (net of pension plan investment expense, including inflation)	7.30%
General wage growth*	3.50%
*includes inflation at	2.75%
Merit increases	1.00% to 6.40%
Postretirement Benefit Increases	
Guaranteed Annual Benefit Adjustment (GABA) each January	
Members hired on or after July 1, 1997, or those electing	
GABA (requires 12 full months of retirement before GABA	3.00%
will be made)	
Minimum Benefit Adjustment (non-GABA)	
Members with 10 or more years of membership service	
and member did not elect GABA	The minimum benefit provided should not be less than 50% of the current base compensation of a newly confirmed active firefighter of the employer that last employed the member as a fire fighter.

For active members, mortality rates were based on PUB-2010 Safety Amount Weighted Healthy Retiree Mortality projected to 2021 for males and females, projected generationally using MP-2021. For healthy retirees, mortality rates were based on PUB-2010 Safety Amount Weighted Healthy Retiree Mortality table projected to 2021, with ages set forward one year for males, adjusted 105% for males and 100% for females, projected generationally using MP-2021. For contingent survivors, mortality rates were based on PUB-2010 Safety Amount Weighted Contingent Survivor Mortality projected to 2021 with ages set forward one year for males, projected generationally using MP-2021. For disabled retirees, the mortality rates were based on PUB-2010 Safety Amount Weighted Disabled Retiree Mortality table, projected to 2021, set forward one year for males.

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.

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 32.61% of the salaries paid by employers. 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 2133. 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.

Target Allocations: The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the Plan about every five years. The long-term rate of return as of June 30, 2023, is based on analysis in the experience study report dated May 2, 2022, without consideration for the administrative expense analysis shown. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighting 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.

The target asset allocation and best estimates of arithmetic real rate 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	3.0%	(0.33%)
Domestic Equity	30.0%	5.90%
International Equity	17.0%	7.14%
Private Investments	15.0%	9.13%
Real Assets	5.0%	4.03%
Real Estate	9.0%	5.41%
Core Fixed Income	15.0%	1.14%
Non-Core Fixed Income	6.0%	3.02%
Total	100.0%	

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate: The following presents the employer's sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.30%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

	1% Decrease (6.30%)	Current Discount Rate (7.30%)	1% Increase (8.30%)
City's proportionate share of the net pension liability	\$ 6,083,526	\$ 3,335,681	\$ 1,142,539

Pension plan fiduciary net position: 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. The reports, as well as the actuarial valuations and experience study, are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 or are available on the MPERA website at <https://mpera.mt.gov/about/annualreports1/annualreports>.

Municipal Police Officers' Retirement System (MPORS)

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with participation in the Municipal Police Officers' Retirement System (the Plan). This includes the proportionate share of the collective Total Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions. Employers are provided guidance in GASB Statement 68, paragraph 74, where pension amounts must be combined as a total or aggregate for reporting, whether provided through cost-sharing, single-employer, or agent plans. This report provides information for employers who are using a June 30, 2023, measurement date for the 2024 reporting.

Summary of Significant Accounting Policies

MPERA prepared financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA for the purposes of determining the Net Pension Liability (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).

General Information about the Pension Plan

Plan Description: The Municipal Police Officers' Retirement System (MPORS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing defined benefit plan established in 1974 and governed by Title 19, chapters 2 & 9, Montana Code Annotated (MCA). This plan provides retirement benefits to all municipal police officers employed by first- and second-class cities and other cities that adopt the plan. Benefits are established by state law and can only be amended by the Legislature.

Deferred Retirement Option Plan (DROP): Beginning July 2002, eligible members of MPORS can participate in the DROP by filing a one-time irrevocable election with the Board. The DROP is governed by Title 19, Chapter 9, Part 12, MCA. A member must have completed at least twenty years of membership service to be eligible. They may elect to participate in the DROP for a minimum of one month and a maximum of 60 months and may only participate in the DROP once. A participant remains a member of the MPORS but will not receive membership service or service credit in the system for the duration of the member's DROP period. During participation in the DROP, all mandatory contributions continue to the retirement system. A monthly benefit is calculated based on salary and years of service to date as of the beginning of the DROP period. The monthly benefit is paid into the member's DROP account until the end of the DROP period. At the end of the DROP period, the participant may receive the balance of the DROP account in a lump-sum payment or in a direct rollover to another eligible plan, as allowed by the IRS. If the participant continues employment after the DROP period ends, they will again accrue membership service and service credit. The DROP account cannot be distributed until employment is formally terminated.

Benefits provided: MPORS provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and compensation. Member rights are vested after five years of service.

Service retirement and monthly benefit formula:

- 20 years of membership service, regardless of age.
- Age 50 with 5 years of membership service (Early Retirement).
- 2.5% of FAC times years of service credit.

Second retirement:

Re-calculated using specific criteria for members who return to covered MPORS employment prior to July 1, 2017:

- Less than 20 years of membership service, upon re-employment, repay benefits and subsequent retirement is based on total MPORS service.
- More than 20 years of membership service, upon re-employment, receives initial benefit and a new retirement benefit based on additional service credit and FAC after re-employment.

Applies to retirement system members re-employed in a MPORS position on or after July 1, 2017:

- 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 members 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.

Member's final average compensation (FAC)

- Hired prior to July 1, 1977 - average monthly compensation of final year of service;
- Hired on or after July 1, 1977 - final average compensation (FAC) for last consecutive 36 months.

Compensation Cap

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

Guaranteed Annual Benefit Adjustment (GABA)

- Hired on or after July 1, 1997, or those electing GABA, and has been retired for at least 12 months, a GABA will be made each year in January equal to 3%.

Minimum benefit adjustment (non-GABA)

- The minimum benefit provided may not be less than 50% of the compensation paid to a newly confirmed police officer of the employer that last employed the member as a police officer in the current fiscal year.

Contributions: The State Legislature has the authority to establish and amend contribution rates to the plan. 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: MCA 19-9-702 requires the State of Montana to contribute a percentage of total compensation directly to the Plan annually after the end of each fiscal year. Member, Employer and State contribution rates are shown in the table below.

Fiscal Year	Member				Employer	State
	Hired before 7/1/1975	Hired after 6/30/1975	Hired after 6/30/1979	Hired after 6/30/1997 GABA		
2000 - 2024	5.800%	7.000%	8.500%	9.000%	14.410%	29.370%
1998 - 1999	7.800%	9.000%	10.500%	11.000%	14.410%	29.370%
1997	7.800%	9.000%	10.500%		14.360%	29.370%

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. The basis for the Total Pension Liability (TPL) as of June 30, 2023, is on an actuarial valuation performed by the Plan's actuary as of June 30, 2023.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the State of Montana's NPL for June 30, 2024 and 2023 reporting dates are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. Due to the existence of the special funding situation, the state is required to report a proportionate share of a local government's collective TPL that is associated with the non-state employer. 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 employer recorded a liability of \$7,049,339 and the employer's proportionate share was 3.0406%.

	Net Pension Liability as of		Percent of Collective NPL as of		Change in Percent of Collective TPL
	June 30, 2024 Reporting Date	June 30, 2023 Reporting Date	June 30, 2024 Reporting Date	June 30, 2023 Reporting Date	
City Proportionate Share	\$ 7,049,339	\$ 7,120,779	3.0406%	3.0145%	0.0261%
Share associated with the City	\$ 14,227,120	\$ 14,472,724	6.1366%	6.1270%	0.0096%
Total	<u>\$ 21,276,459</u>	<u>\$ 21,593,503</u>	<u>9.1772%</u>	<u>9.1415%</u>	<u>0.0357%</u>

Changes in actuarial assumptions and methods: The following changes in assumptions or other inputs were made that affected the measurement of the TPL.

- The discount rate was increased from 7.06% to 7.30%.
- The investment rate of return was increased from 7.06% to 7.30%.
- All mortality assumptions were updated to the PUB2010 tables for public safety employees.
- Rates of withdrawal, retirement, disability retirement, and merit increases were updated.
- Payroll growth assumption was lowered from 3.50% to 3.25%.
- The inflation rate was increased from 2.40% to 2.75%.

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, 2024, the reporting date, the employer recognized its proportionate share of the Plan's pension expense of \$1,295,972. The employer also recognized grant revenue of \$2,452,859.00 for the support provided by the State of Montana for its proportionate share of the pension expense associated with the employer.

Recognition of Deferred Outflows and Outflows: June 30, 2024, the reporting date, the employer 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
Expected vs actual experience	\$ 92,180	\$ 14,903
Project investment earnings vs. actual investment earnings	98,959	—
Changes in assumptions	211,589	91,906
Changes in proportion and differences between employer contributions and proportionate share of contributions	97,861	—
City contributions subsequent to the measurement date	932,302	
	<u>\$ 1,432,891</u>	<u>\$ 106,809</u>

The \$932,302 reported as deferred outflows of resources related to pensions resulting from City 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 of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the Reporting Year Ended June 30,	Recognition of Deferred Outflows and Deferred Inflows in Future Years as an Increase (Decrease) to Pension Expense
2024	\$ 166,044
2025	(137,047)
2026	395,455
2027	(30,672)
Thereafter	—

Actuarial Assumptions: The total pension liability measured as of June 30, 2023, for the June 30, 2024, reporting date, was determined on the results of an actuarial valuation date of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

Investment return (net of pension plan investment expense, including inflation)	7.30%
General wage growth*	3.50%
*includes inflation at	2.75%
Merit increases	1.0% to 6.4%
Postretirement Benefit Increases	
Guaranteed Annual Benefit Adjustment (GABA) each January	
Members hired on or after July 1, 1997, or those electing	
GABA (requires 12 full months of retirement before GABA	3.00%
will be made)	
Minimum Benefit Adjustment (non-GABA)	
Benefit for a retired member or member's survivor and member did not elect GABA	The minimum benefit provided should not be less than 50% of the monthly compensation paid to a newly confirmed police officer of the employer that last employed the member as a police officer

For active members, mortality rates were based on PUB-2010 Safety Amount Weighted Healthy Retiree Mortality projected to 2021 for males and females, projected generationally using MP-2021. For healthy retirees, mortality rates were based on PUB-2010 Safety Amount Weighted Healthy Retiree Mortality table projected to 2021, with ages set forward one year for males, adjusted 105% for males and 100% for females, projected generationally using MP-2021. . For disabled retirees, the mortality rates were based on PUB-2010 Safety Amount Weighted Disabled Retiree Mortality table, projected to 2021, set forward one year for males. For contingent survivors, mortality rates were based on PUB-2010 Safety Amount Weighted Contingent Survivor Mortality projected to 2021 with ages 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.

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 29.37% of the salaries paid by employers. 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 2134. 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.

Target Allocations: The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the Plan about every five years. The long-term rate of return as of June 30, 2023 is based on analysis in the experience study report dated May 2, 2022, without consideration for the administrative expense analysis shown. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighting 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.

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	3.0%	(0.33%)
Domestic Equity	30.0%	5.90%
International Equity	17.0%	7.14%
Private Investments	15.0%	9.13%
Real Assets	5.0%	4.03%
Real Estate	9.0%	5.41%
Core Fixed Income	15.0%	1.14%
Non-Core Fixed Income	6.0%	3.02%
Total	100.0%	

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate: The following presents the employer's sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.30%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

	1% Decrease (6.30%)	Discount Rate (7.30%)	1% Increase (8.30%)
City's proportionate share of the net pension liability	\$ 10,878,503	\$ 7,049,339	\$ 4,009,014

Pension plan fiduciary net position: The stand-alone financial statements 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 MT 59620-0131, (406) 444-3154 or are available on the MPERA website at <https://mpera.mt.gov/about/annualreports1/annualreports>.

Note 12 - Interfund Activity

Interfund receivables/payables are used when a fund has a cash deficit, as well as for other short-term amounts owed between funds.

	Due from:			
	Nonmajor Governmental Funds	Solid Waste Fund	Internal Service Funds	Total
Due to:				
General Fund	<u>\$ 2,736,731</u>	<u>\$ 546,450</u>	<u>\$ 4,044</u>	<u>\$ 3,287,225</u>

Interfund advances are used to account for long-term advances between funds. A summary of the City's interfund advances is as follows:

	Advances to other City funds	Advances from other City Funds
SID Debt Service	\$ —	\$ 1,372,646
Nonmajor Governmental Funds	<u>1,372,646</u>	<u>—</u>
	<u>\$ 1,372,646</u>	<u>\$ 1,372,646</u>

Interfund Transfers

Transfers are used to (1) move revenues from the fund that statute or budgets requires to collect them to the fund that statute or budgets require to expend them, (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) to transfer non-restricted interest income from the permanent fund to the General Fund.

The following interfund transfers occurred during the year ended June 30, 2024:

City of Bozeman - Schedule of Transfers "IN" as of June 30, 2024

Transfer To:	Transfer From:	Amount	Explanation
General Fund	Health-Medical Insurance	\$ 3,178,705	Health insurance premiums paid
General Fund	American Rescue Plan	1,500,000	General government services expenses under revenue recovery portion of grant
General Fund	Capital Projects	2,046,405	Reimbursement for prior year estimated project cost overages upon project completion
Total transfers to General Fund		6,725,110	
Capital Projects	SID Debt Service	782,130	Support for capital projects
Capital Projects	General Fund	83,977	Per Resolution #4265 Library operating budget surplus
Capital Projects	Fire Department Equipment	2,000,000	Support for capital projects
Capital Projects	Fire Impact Fee	3,800,000	Support for capital projects
Capital Projects	General Fund	37,607	Support for capital projects
Total transfers to Capital Project Fund		6,703,714	
Street Maintenance District	Gas Tax Apportionment	265,958	Close out fund
Street Maintenance District	Wastewater Fund	26,222	Reimbursement for prior years mis-coded energy expenses
Total transfer to Street Maintenance District Fund		292,179	
City Planning	Health-Medical Insurance	191,328	Health insurance premiums paid
City Planning	American Rescue Plan	2,447,497	General government services expenses under revenue recovery portion of grant
Metropolitan Planning Organization	General Fund	5,876	Support for non-grant eligible operating costs
Departmental	General Fund	158,398	Support and match for operating costs not covered by grant funding
Departmental	Health-Medical Insurance	22,837	Health insurance premiums paid
SID Revolving	General Fund	992,114	Support for SID and minimum outstanding debt requirement
TIF Bonds	Downtown Improvement District	332,831	Annual bond payment
TIF Bonds	North 7th Corridor TIF District	411,250	Annual bond payment
Park Land	North 7th Corridor TIF District	243,877	Support for capital projects
Total transfers to Non-Major Governmental Funds		4,806,008	
Water	American Rescue Plan	69,979	Support for capital projects
Wastewater	American Rescue Plan	97,834	Support for capital projects
Solid Waste	General Fund	352,800	Support for landfill monitoring
Total transfers to Major Proprietary Funds		520,613	
Public Works Administration	Stormwater	46,636	Share of annual lease payment
Public Works Administration	Water	46,636	Share of annual lease payment
Total transfers to Internal Service Funds		93,272	
Total Transfers "IN"		\$ 19,140,896	

City of Bozeman - Schedule of Transfers "OUT" as of June 30, 2024

Transfer From:	Transfer To:	Amount	Explanation
General Fund	Capital Projects	\$ 83,977	Per Resolution #4265 Library operating budget surplus
General Fund	Capital Projects	37,607	Support for capital projects
General Fund	Metropolitan Planning Organization	5,876	Support for non-grant eligible operating costs
General Fund	Departmental	158,398	Support and match for operating costs not covered by grant funding
General Fund	SID Revolving	992,114	Support for SID and minimum outstanding debt requirement
General Fund	Solid Waste	352,800	Support for landfill monitoring
Total transfers from General Fund		1,630,772	
Downtown Improvement District	TIF Bonds	332,831	Annual bond payment
Total transfers from Downtown Improvement District		332,831	
SID Debt Service	Capital Projects	782,130	Support for capital projects
Total transfers from SID Debt Service Fund		782,130	
Capital Projects	General Fund	2,046,405	Reimbursement for prior year estimated project cost overages upon project completion
Total transfers from Capital Projects Fund		2,046,405	
Health-Medical Insurance	General Fund	3,178,705	Health insurance premiums paid
Health-Medical Insurance	City Planning	191,328	Health insurance premiums paid
Health-Medical Insurance	Departmental	22,837	Health insurance premiums paid
Fire Department Equipment	Capital Projects	2,000,000	Support for capital projects
Fire Impact Fee	Capital Projects	3,800,000	Support for capital projects
Gas Tax Apportionment	Street Maintenance District	265,958	Close out fund
American Rescue Plan	General Fund	1,500,000	General government services expenses under revenue recovery portion of grant
American Rescue Plan	City Planning	2,447,497	General government services expenses under revenue recovery portion of grant
American Rescue Plan	Water	69,979	Support for capital projects
American Rescue Plan	Wastewater	97,834	Support for capital projects
North 7th Corridor TIF District	TIF Bonds	411,250	Annual bond payment
North 7th Corridor TIF District	Park Land	243,877	Support for capital projects
Total transfers from Non-Major Departmental Funds		14,229,265	
Stormwater	Public Works Administration	46,636	Share of annual lease payment
Water	Public Works Administration	46,636	Share of annual lease payment
Wastewater Fund	Street Maintenance District	26,222	Reimbursement for prior years mis-coded energy expenses
Total transfers from Major Proprietary Funds		119,494	
Total Transfers "FROM"		\$ 19,140,896	

Note 13 - Net Position/Fund Balances
Net Investment in Capital Assets

The amounts comprising the City's net investment in capital assets on the government-wide statement of net position are as follows:

	Governmental Activities	Business-Type Activities
Capital Assets, Net of Accumulated Depreciation/Amortization	\$ 329,123,620	\$ 345,864,779
Capital Related Debt	(70,563,725)	(39,590,000)
Capital Debt Proceeds Not Yet Expended	4,060,531	—
Capital Debt Reserve Balances	—	3,321,798
Retainage Payable	(862,971)	(129,917)
Accounts Payable Related to Capital Asset Acquisition	(2,029,577)	(511,298)
Net Investment in Capital Assets	<u>\$ 259,727,878</u>	<u>\$ 308,955,362</u>

The amounts comprising the City's net investment in capital assets in the enterprise funds statement of net position are as follows:

	Water Fund	Waste Water Fund	Solid Waste Fund	Nonmajor Funds
Capital Assets, Net of Accumulated Depreciation/Amortization	\$ 166,845,821	\$ 159,922,574	\$ 2,984,194	\$ 16,112,190
Capital Related Debt	(14,593,000)	(23,888,000)	—	(1,109,000)
Capital Debt Reserve Balances	898,599	2,364,911	—	58,288
Retainage Payable	(62,677)	(30,158)	(37,082)	—
Accounts Payable Related to Capital Asset Acquisition	(392,858)	(99,639)	—	(18,802)
Net Investment in Capital Assets	<u>\$ 152,695,885</u>	<u>\$ 138,269,688</u>	<u>\$ 2,947,111</u>	<u>\$ 15,042,676</u>

Fund Balances

The City classified fund balances within the governmental funds are as follows at June 30, 2024:

	General Fund	Street Maintenance District	Downtown Improvement District	SID Debt Service	Capital Projects	Other Governmental Funds	Total
Fund Balances							
Nonspendable							
Cemetery perpetual care	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,002,083	\$ 2,002,083
Prepaid items	124,570	—	—	—	—	—	124,570
Total nonspendable	124,570	—	—	—	—	2,002,083	2,126,653
Restricted							
General government							
Planning	—	—	—	—	—	3,067,147	3,067,147
Health Insurance	—	—	—	—	—	608,232	608,232
Other	89,079	—	—	—	—	791,271	880,350
Public safety							
Building inspection	—	—	—	—	—	1,438,947	1,438,947
Fire impact	—	—	—	—	—	1,989,851	1,989,851
Victim witness	—	—	—	—	—	362,755	362,755
Other	—	—	—	—	—	18,202,220	18,202,220
Public service							
Lighting districts	—	—	—	—	—	442,593	442,593
Other	—	4,929,490	—	—	—	5,543,848	10,473,338
Public welfare							
Tax increment districts	—	—	7,424,225	—	—	5,235,013	12,659,238
Economic development							
loans	—	—	—	—	—	984,681	984,681
Tree maintenance district	—	—	—	—	—	700,506	700,506
Other	—	—	—	—	—	7,738,874	7,738,874
Capital projects	—	—	—	—	6,362,926	—	6,362,926
Debt service							
SID Sinking	—	—	—	1,038,355	—	—	1,038,355
SID Revolving Fund	—	—	—	—	—	1,709,255	1,709,255
Total restricted	89,079	4,929,490	7,424,225	1,038,355	6,362,926	48,815,193	68,659,268
Committed							
Public welfare	—	—	—	—	—	2,318,664	2,318,664
Capital projects	3,291,645	—	—	—	—	—	3,291,645
Total committed	3,291,645	—	—	—	—	2,318,664	5,610,309
Assigned							
General government	1,638,700	—	—	—	—	—	1,638,700
Public service	—	—	—	—	—	1,439,085	1,439,085
Public welfare	—	—	—	—	—	115,195	115,195
Total assigned	1,638,700	—	—	—	—	1,554,280	3,192,980
Unassigned	21,131,964	—	—	—	—	(2,468,720)	18,663,244
Total Fund Balances	\$ 26,275,958	\$ 4,929,490	\$ 7,424,225	\$ 1,038,355	\$ 6,362,926	\$ 52,221,500	\$ 98,252,454

Note 14 - Deferred Compensation Plan

The City offers its employees a defined contribution, deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City does not contribute to the plan, and it does not report any balances related to the deferred compensation plan, as these amounts represent neither assets nor liabilities to the City, and the plan is administered by an independent third party, ICMA Retirement Corporation.

Note 15 - The Street Impact Fee Fund, Water Impact Fee Fund and Wastewater Impact Fee Fund

On January 22, 1996, the City Commission adopted fire, water, waste water and street impact fees in Ordinance number 1414. The impact fees were first effective on March 23, 1996. Impact fees were set at a percentage of the cost of the impact, to be phased out over 5 years. Beginning on March 30, 2013, all impact fees are charged at 100% of the impact.

An applicant may obtain an Impact Fee Credit by dedication of non-site-related land or construction of non-site-related improvements. Credits must be made before the beginning of improvement construction, must comply with the City's Capital Improvements Program, and must be approved by the City Commission. Credits may be used only for like-type impact fees. The full provisions for impact fee credits are contained in Chapter 3.24 of the Bozeman Municipal Code. For proprietary type funds, the City records a liability for the impact fee credit and capitalizes the underlying asset. For governmental-type funds, the credits are only disclosed in the footnotes. For government-wide financial reporting, the outstanding credits are reported as unearned revenue. The Water Impact Fee Fund, Street Impact Fee Fund, and Wastewater Impact Fee Fund have recorded impact fee credits amounting to \$0, \$33,232, and \$114,576, respectively, for the fiscal year ending June 30, 2024. The Fire Impact Fee Fund does not have any outstanding credits. The following impact fee revenues were collected and expensed/expended during fiscal year 2024:

	Beginning Balances	Impact Fees	Other Income	Expenses, Expenditures, and Transfers	Ending Balances
Fire	\$ 4,842,733	\$ 724,018	\$ 262,341	\$ (3,839,241)	\$ 1,989,852
Water	19,870,111	4,660,079	571,579	(442,151)	24,659,618
Wastewater	11,168,112	2,815,150	228,752	(315,545)	13,896,469
Streets	13,911,165	7,741,627	808,772	(4,259,344)	18,202,220
Totals	<u>\$ 49,792,121</u>	<u>\$ 15,940,874</u>	<u>\$ 1,871,444</u>	<u>\$ (8,856,280)</u>	<u>\$ 58,748,159</u>

Note 16 - Joint Venture Agreements

Joint ventures are legal entities or other organizations that result in a contractual arrangement and that are owned, operated, or governed by two or more participants. Each participant retains both an ongoing financial interest and an ongoing financial responsibility. As of June 30, 2024, the City has entered into joint venture contractual arrangements, as follows:

911 Communication Center

The City and Gallatin County, Montana (the County) have entered into an inter-local agreement for the purposes of establishment of the operation and financing of a 911 communication services division (the Division) for dispatch and records services, to define the relationship of the Administrative Board with the City and County, and to establish the line of authority for personnel furnishing the communication services to the City and County and others who may contract for the services.

City-County Drug Forfeitures

The City and County have entered into an inter-local agreement for the purposes of establishment of a joint drug forfeiture account funded from drug related forfeitures, seizures, and prosecutions of City and County law enforcement cases and to establish an equitable means of distributing those funds to continue drug interdiction activities. The goal of the agreement is to make the City and County Drug Enforcement operations less reliant on the general and public safety fund monies of the City and County. The original term of the agreement was for a period of one year, beginning September 20, 2004 and automatically renews for a period of one year until terminated by either party with written notice of intent to terminate. Financial information regarding the joint drug forfeiture account can be obtained by contacting the City of Bozeman Department of Finance, 411 East Main Street, Bozeman, MT 59715.

The County and City have entered into various other joint venture contractual arrangements, memorandums of understanding and inter-local agreements to support the following programs and/or operations: Victim Witness, Hazardous Materials, Solid Waste (Disposal and Convenient Site), Fire Warden/Chief, Evidence Technician, Library Services, Board of Health, and rental of the Law and Justice Center. The financial interests are not material.

Montana Municipal Interlocal Authority

The City and Montana Municipal Interlocal Authority (MMIA) have entered into a 20-year agreement in December 2012 to share up to \$1 million in profits from the sale of city-owned property known as the Mandeville Farm. The agreement came about as part of a settlement on legal claims from the City of Bozeman vs. MMIA litigation. A “profit” shall occur only when the City has recovered its total investment in the property, which includes the original purchase price together with all “costs of development” as defined in the settlement agreement.

Note 17 - Risk Management

The City 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 cost of employees. A variety of methods are used to provide insurance for these risks. Commercial policies, transferring all risks of loss except for small deductible amounts, are purchased for property and content damage and professional liabilities. The City participates in two state-wide public risk pools operated by the Montana Municipal Interlocal Authority (MMIA), for workers' compensation and for tort liability. Employee medical insurance is provided through a cost-sharing multiple-employer defined benefit plan administered by MMIA. The plan offers health, dental and vision benefits and flexible spending and health savings accounts. Given the lack of coverage available, the City has no coverage for potential losses from environmental damages.

Commercial Policies

Coverage limits and the deductibles on the commercial policies have stayed relatively constant for the last several years. The premiums for the policies are allocated between the City's Enterprise Funds and the General Fund. Premiums are subsidized through a special purpose property tax levy, based on total appropriations. Settled claims resulting from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2024, 2023, and 2022.

Public Entity Risk Pools

In 1986, the City joined together with other Montana cities to form the Montana Municipal Interlocal Authority, which established a workers' compensation plan and a tort liability plan. Both public entity risk pools currently operate as common risk management and insurance programs for the member governments.

The liability limits for damages in tort action are \$750,000 per claim and \$1.5 million per occurrence, and \$12.5 million per occurrence for any claim that is not subject to the limitations on governmental liability, as described in Montana Code Annotated Section 2-9-108 (the Statute) or any successor statute, either as matter of law, by operation of the Statute, or by a judicial determination that the Statute is inapplicable or is otherwise invalid, with \$11,250 deductible per occurrence. State tort law limits the City's liability to \$1.5 million. The City pays premiums for its employee injury insurance coverage, which is allocated to the employer funds based on total salaries and wages. The agreements for formation of the pools provide that they will be self-sustaining through member premiums. The tort liability plan and workers' compensation program issued debt of \$4.41 million and \$6.155 million, respectively, to immediately finance the necessary insurance reserves. All members signed a contingent note for a pro rata share of this liability in case operating revenues were insufficient to cover the debt service; the debt was retired in 2011.

The City also owns a policy with MMIA for loss or damage to property. This is an all-risk policy, essentially all property owned by the City being insured for 100% of replacement cost, subject to a \$5,000 deductible per occurrence. MMIA reinsures their property insurance with a national municipal pool, Public Entities' Property Insurance.

Note 18 - Litigation

The City generally follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed or determinable in amount. In the opinion of City Counsel and management, such claims against the City not covered by insurance, would not materially affect the financial condition of the City at June 30, 2024.

Note 19 - Contingencies

Various claims and lawsuits involving the City can be pending at any given time. These claims are either covered by insurance or are the types which are normal in City operations and do not present any material risk of financial disruption. City management believes that the total amount of liability, if any, which may arise from such claims and lawsuits beyond that which is covered by insurance would not have a material effect on the City's financial condition or its ability to carry out its activities.

Note 20 - Municipal Landfill Closure and Post-Closure Care Costs

The City has a municipal solid waste landfill. State and Federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after final closure. The City stopped accepting waste effective June 30, 2008. The final capping of the cells is still pending. The City has accrued a liability for \$1,982,403, which is its estimate of future landfill closure and post-closure care costs as of June 30, 2024.

This amount is based on a Corrective Measures Assessment completed in September 2014 by a third-party engineering firm, from which a remediation plan has been adopted by the City and has been approved by the Montana Department of Environmental Quality. The cost of post closure care is an estimate and is subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

The Solid Waste Fund accounts for the City's solid waste collection, recycling, and disposal utility operation – including assets, liabilities, and post-closure costs associated with the closed Story Mill landfill. Segment information for the landfill is as follows:

Condensed Statement of Net Position

Restricted cash and investments	\$ 101,386
Total assets	<u>101,386</u>
Current liabilities	8,255
Closure and post-closure care cost	<u>1,982,403</u>
Total liabilities	<u>1,990,658</u>
Restricted for debt service	<u><u>\$ (1,889,272)</u></u>

Condensed Statement of Revenues, Expenses and Changes in Net Position

Operating revenues and expenses:

Operating expenses	
Change in post closure cost estimate	(190,512)
Other operating	37
Total operating expenses	<u>(190,475)</u>
Operating profit	<u>190,475</u>

Non-operating revenues (expenses):

Interest income	1,220
Transfers	<u>352,800</u>
Total non-operating revenues	<u>354,020</u>

Change in net position	544,495
Net position, beginning of year	<u>(2,433,767)</u>
Net position, end of year	<u><u>\$ (1,889,272)</u></u>

Note 21 - Pollution Remediation Obligations

Jewel v. City of Bozeman / State of Montana v. City of Bozeman

This action was filed in the United States District Court for the District of Montana. The multi-count complaint reduced itself to a cost recovery action under the Federal Superfund (CERCLA) and State Superfund (CECRA). On July 8, 1999, the City, Jewel Food Stores, Inc. and the other parties reached a final settlement agreement in this action. The settlement, in part, required Jewel Food Stores, Inc. to pay the City of Bozeman \$1,200,000, the City and Jewel to extend alternative water supply to businesses and residents in the North 19th Avenue area of the City; and Jewel and the City to share specified remediation costs on an equal basis (50% each) up to a cumulative amount of \$4,000,000, and for eligible costs in excess of that amount, to be shared 70% by Jewel and 30% by the City. The City is reimbursed by insurers for 23% of the City's expenditures for these purposes.

The Montana Department of Environmental Quality (MDEQ) issued the Record of Decision (ROD) for the Bozeman Solvent Site (BSS) in August 2011. The Administrative Order of Consent (AOC) was finalized in January 2012. The ROD and AOC specifically delineate the remediation to be completed for the BSS. The AOC serves as the legal mechanism for the implementation of the selected remedies identified in the ROD. Though remediation is currently underway and may be completed relatively quickly, monitoring of the site will continue for a period of up to 30 years. Tasman Geosciences, Inc. serves as the contractor for the potentially liable parties (the City of Bozeman and CVS Pharmacy, Inc.). Based on the selected remedies identified in the ROD, Tasman has completed a long-term cost projection for the project in February 2016. The long-term cost projection was reviewed in September 2017, and, at that time, it was determined it was still an accurate projection. This cost projection includes all remediation and monitoring cost, as well as the MDEQ cost recovery associated with the BSS. The long-term cost projection for the City is \$2,089,997 in remediation costs. Reduced by its insurer's reimbursement, the amount is \$536,669. This liability is recorded in the Wastewater Fund, is an estimate, and is subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

CMC Asbestos Bozeman CECRA Facility

In 2001, the City purchased property located within the CMC Asbestos Bozeman Facility (the "Facility"), a former asbestos ore storage and processing, recycling/salvage yard. In 2002, contractors for the City, under the Montana Voluntary Cleanup and Redevelopment Act (VCRA), submitted a Voluntary Cleanup Plan (VCP), which was approved by the Department of Environmental Quality (DEQ). Remediation work on City-owned property was completed in October 2003. On December 21, 2006, the City agreed to complete remedial actions at the remainder of the Facility, which included adjacent, private properties. The City submitted an Addendum to its original VCP, and cleanup work under the approved Addendum was completed in June 2009.

On October 20, 2010, the City received notice from the DEQ stating that no further action is required at the facility and that the DEQ proposes removing the Facility from the CECRA priority list. Pursuant to an August 2007 Stipulated Agreement between the City and all other involved parties, additional cleanup after issuance of the DEQ's closure letter may be required by DEQ based upon property use changes, modification of structures, or other factors.

The City has an ongoing claim against the State orphan share for the orphan share funds' proportional share of these post-closure clean-up costs. In addition, all other parties are still liable for their proportional share of the clean-up. The result is that should additional work be required at the Facility, the City will only be liable for 1% of the total post-closure clean-up costs.

Note 22 - Commitments

The City entered into a contract to repair and remodel the Bozeman Swim Center. The contract commitment for the project is \$5,470,775.80. For the year ended June 30, 2024, the City had incurred \$2,932,585.18 towards the project, which is reported as construction in progress in the Statement of Net Position.

The City entered into various contracts for road and streetscape projects. The contract commitments for the projects are \$12,548,999.87. For the year ended June 30, 2024, the City had incurred \$10,109,270.15 towards the projects, which are reported as construction in progress in the Statement of Net Position.

The City entered into a contract to construct the Fire Station #2 project. The contract commitment for the project is \$11,785,667. For the year ended June 30, 2024, the City had incurred \$9,695,396.52 towards the project, which is reported as construction in progress in the Statement of Net Position.

The City entered into a contract for construction services for the Solid Waste addition project. The contract commitment for the project is \$820,340. For the year ended June 30, 2024, the City had incurred \$704,565.60 towards the project, which is reported as construction in progress in the Statement of Net Position.

The City entered into a contract for drilling services for the groundwater investigation project. The contract commitment for the project is \$550,850. For the year ended June 30, 2024, the City had incurred \$145,464 towards the project, which is reported as construction in progress in the Statement of Net Position.

The City entered into a contract for construction services for the 3rd/4th/5th Avenue water renovations project. The contract commitment for the project is \$1,780,840. For the year ended June 30, 2024, the City had incurred \$436,583.81 towards the project, which is reported as construction in progress in the Statement of Net Position.

The City entered into a contract for construction services for the City Hall elevator modernization project. The contract commitment for the project is \$178,022.40. For the year ended June 30, 2024, the City had incurred \$15,498 towards the project, which is reported as construction in progress in the Statement of Net Position.

The City entered into a contract to replace the City Shops roof. The contract commitment for the project is \$224,173. For the year ended June 30, 2024, the City had incurred \$42,592.87 towards the project, which is reported as construction in progress in the Statement of Net Position.

The City entered into a contract for excavation services for the 5th Avenue Trail project. The contract commitment for the project is \$339,425. For the year ended June 30, 2024, the City had incurred \$213,685 towards the project, which is reported as construction in progress in the Statement of Net Position.

The City entered into a contract for construction services for the Aspen Street pedestrian bridge project. The contract commitment for the project is \$394,000.62. For the year ended June 30, 2024, the City had incurred \$60,880.41 towards the project, which is reported as construction in progress in the Statement of Net Position.

Note 23 - GASB 100 Accounting Changes

American Rescue Plan funding no longer met the minimum thresholds to qualify as a major fund in 2024. As such, these funds have changed from major to non-major status.

Downtown Improvement District funds met the minimum thresholds to qualify as a major fund in 2024. As such, these funds have changed from non-major status to major status.

A new discrete component unit, the Bozeman Improvement District, was created in 2024. As such, a portion of Downtown Improvement District funds directly supported this new component unit.

The implementation of a new discrete component unit and subsequent funding resulted in a decrease to Governmental Activities.

A summary of these changes are as follows:

	Reporting Units affected by Adjustments to and Restatements of Beginning Balances				
	Funds			Government Wide	Component Unit
	American Rescue Plan Fund	Downtown Improvement District Fund	Nonmajor Governmental	Governmental Activities	Business Improvement District
6/30/23, as previously reported	\$ 54,789	\$ —	\$ 51,943,648	\$ 291,378,235	\$ —
Change from major to nonmajor fund	(54,789)	—	54,789	—	—
Change from nonmajor to major fund	—	5,315,195	(5,315,195)	—	—
Change to reporting entity (nonmajor to discrete CU)	—	(4,685)	—	(4,685)	4,685
6/30/23, as adjusted or restated	<u>\$ —</u>	<u>\$ 5,310,510</u>	<u>\$ 46,683,242</u>	<u>\$ 291,373,550</u>	<u>\$ 4,685</u>

Required Supplementary Information
June 30, 2024

City of Bozeman, Montana

City of Bozeman, Montana
Schedule of Changes in Total OPEB Liability and Related Ratios
June 30, 2024

Schedule of Changes in Total OPEB Liability and Related Ratios

Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 308,978	\$ 386,864	\$ 348,856	\$ 218,391	\$ 224,433	\$ 180,183	\$ 256,948
Interest cost	173,250	116,219	101,891	105,950	105,809	88,126	81,562
Assumption changes	(8,982)	(862,570)	428,413	1,270,632	86,882	225,374	(653,711)
Differences between expected and actual experience	—	(110,114)	—	(8,615)	—	(502,125)	431,737
Benefit payments	(128,809)	(146,957)	(147,232)	(119,793)	(116,330)	(118,184)	(431,737)
Net change in total OPEB liability	344,437	(616,558)	731,928	1,466,565	300,794	(126,626)	(315,201)
Total OPEB liability, beginning of year	4,450,558	5,067,116	4,335,188	2,868,623	2,567,829	2,694,455	3,009,656
Total OPEB liability, end of year	<u>\$ 4,794,995</u>	<u>\$ 4,450,558</u>	<u>\$ 5,067,116</u>	<u>\$ 4,335,188</u>	<u>\$ 2,868,623</u>	<u>\$ 2,567,829</u>	<u>\$ 2,694,455</u>
Covered payroll	\$ 37,388,341	\$ 29,433,945	\$ 27,432,420	\$ 29,119,539	\$ 24,490,157	\$ 23,503,572	\$ 45,345,305
City's total OPEB liability as a percentage of covered payroll	12.82%	15.12%	18.47%	14.89%	11.71%	10.93%	5.94%

*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

Notes to the Schedule of Changes in Total OPEB Liability and Related Ratios

Assets are not accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4 to pay related benefits.

Assumption Changes

Changes of assumptions reflect the effects of changes in the discount rate used each period. The following are the discount rates used for each period presented:

6/30/2024	3.86%
6/30/2023	3.69%
6/30/2022	2.16%
6/30/2021	2.21%
6/30/2020	3.50%
6/30/2019	3.87%
6/30/2018	3.13%

City of Bozeman, Montana
Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions
Montana Public Employees' Retirement System Pension Plan
June 30, 2024

Schedule of Employer's Share of Net Pension Liability
Last 10 Fiscal Years*

Measurement Date	Employer's Proportion (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability (b)	Total Proportionate Share (Amount) of the Net Pension Liability (a+b)	Employer's Covered-Payroll (c)	Employer's Proportionate Share of the Total Pension Liability as a Percentage of its Covered-Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2023	1.1328%	\$ 27,643,462	\$ 7,678,503	\$ 35,321,965	\$ 21,060,215	131.26%	73.93%
6/30/2022	0.9053%	\$ 21,527,855	\$ 6,454,277	\$ 27,982,132	\$ 15,910,277	135.31%	73.66%
6/30/2021	0.8410%	\$ 15,249,847	\$ 4,507,680	\$ 19,757,527	\$ 14,855,905	102.65%	79.91%
6/30/2020	0.8522%	\$ 22,483,506	\$ 7,096,303	\$ 29,579,809	\$ 14,298,930	157.24%	68.90%
6/30/2019	0.8620%	\$ 18,018,037	\$ 5,867,557	\$ 23,885,594	\$ 14,222,530	126.69%	73.85%
6/30/2018	0.8336%	\$ 17,399,265	\$ 5,822,595	\$ 23,221,860	\$ 13,764,340	126.41%	73.47%
6/30/2017	1.0419%	\$ 20,291,988	\$ 266,967	\$ 20,558,955	\$ 12,924,792	157.00%	73.75%
6/30/2016	1.0218%	\$ 17,404,143	\$ 212,659	\$ 17,616,802	\$ 12,238,920	142.20%	74.71%
6/30/2015	0.9588%	\$ 13,403,285	\$ 164,637	\$ 13,567,922	\$ 11,189,797	119.78%	78.40%
6/30/2014	0.9150%	\$ 11,401,613	\$ 139,231	\$ 11,540,844	\$ 10,479,122	108.80%	79.90%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend in compiled, the City will present information for those years for which information is available.

Schedule of Employer's Contributions
Last 10 Fiscal Years*

Reporting Date	Statutorily Required Contribution (a)	Plan Choice Rate Required Contribution (b)	Contributions in Relation to the Statutorily Required Contribution (c)	Contribution Deficiency (Excess) (a+b-c)	Covered- Payroll (d)	Contributions as a Percentage of Covered- Payroll (c/d)
6/30/2024	\$ 2,088,941	\$ —	\$ 2,088,941	\$ —	\$ 23,031,318	9.07%
6/30/2023	\$ 1,904,834	\$ —	\$ 1,904,834	\$ —	\$ 21,060,215	9.04%
6/30/2022	\$ 1,414,999	\$ —	\$ 1,414,999	\$ —	\$ 15,910,277	8.89%
6/30/2021	\$ 1,316,517	\$ —	\$ 1,316,517	\$ —	\$ 14,855,905	8.86%
6/30/2020	\$ 1,252,776	\$ —	\$ 1,252,776	\$ —	\$ 14,298,930	8.76%
6/30/2019	\$ 1,223,234	\$ —	\$ 1,223,234	\$ —	\$ 14,222,530	8.60%
6/30/2018	\$ 1,161,210	\$ —	\$ 1,161,210	\$ —	\$ 13,764,340	8.44%
6/30/2017	\$ 1,081,810	\$ —	\$ 1,081,810	\$ —	\$ 12,924,792	8.37%
6/30/2016	\$ 1,022,996	\$ 28,892	\$ 1,051,888	\$ —	\$ 12,238,920	8.59%
6/30/2015	\$ 922,084	\$ 52,151	\$ 974,235	\$ —	\$ 11,189,797	8.71%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend in compiled, the City will present information for those years for which information is available.

City of Bozeman, Montana
Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions
Montana Firefighters' Retirement System Pension Plan
June 30, 2024

Schedule of Employer's Share of Net Pension Liability
Last 10 Fiscal Years*

Measurement Date	Employer's Proportion of the Net Pension Liability (Percentage)	Employer's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability (b)	Total Proportionate Share (Amount) of the Net Pension Liability (a+b)	Employer's Covered-Payroll (c)	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2023	2.2094%	\$ 3,335,681	\$ 7,570,801	\$ 10,906,482	\$ 4,759,139	70.09%	81.00%
6/30/2022	2.2000%	\$ 3,494,798	\$ 7,906,822	\$ 11,401,620	\$ 4,263,039	81.98%	78.76%
6/30/2021	2.2620%	\$ 1,935,764	\$ 4,393,566	\$ 6,329,330	\$ 4,162,698	46.50%	87.72%
6/30/2020	2.3217%	\$ 3,632,985	\$ 8,189,975	\$ 11,822,960	\$ 4,052,989	89.64%	75.34%
6/30/2019	2.1955%	\$ 2,518,508	\$ 6,091,025	\$ 8,609,533	\$ 3,807,151	66.15%	80.08%
6/30/2018	2.3663%	\$ 2,725,281	\$ 6,231,502	\$ 8,956,783	\$ 3,726,746	73.13%	79.03%
6/30/2017	2.3492%	\$ 2,655,380	\$ 6,030,078	\$ 8,685,458	\$ 3,511,860	75.61%	77.77%
6/30/2016	2.3705%	\$ 2,707,390	\$ 6,134,093	\$ 8,841,483	\$ 3,338,041	81.11%	75.48%
6/30/2015	2.4336%	\$ 2,489,054	\$ 5,543,784	\$ 8,032,838	\$ 3,270,451	76.11%	76.90%
6/30/2014	2.4192%	\$ 2,361,551	\$ 5,327,544	\$ 7,689,095	\$ 3,142,481	75.15%	76.71%

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Schedule of Employer's Contributions
Last 10 Fiscal Years*

Reporting Date	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered-Payroll (c)	Contributions as a Percentage of Covered-Payroll (b/c)
6/30/2024	\$ 758,156	\$ 758,156	\$ —	\$ 5,279,640	14.36%
6/30/2023	\$ 684,507	\$ 684,507	\$ —	\$ 4,759,139	14.38%
6/30/2022	\$ 616,605	\$ 616,605	\$ —	\$ 4,263,039	14.46%
6/30/2021	\$ 595,510	\$ 595,510	\$ —	\$ 4,162,698	14.31%
6/30/2020	\$ 596,564	\$ 596,564	\$ —	\$ 4,052,989	14.72%
6/30/2019	\$ 524,670	\$ 524,670	\$ —	\$ 3,807,151	13.78%
6/30/2018	\$ 548,518	\$ 548,518	\$ —	\$ 3,726,746	14.72%
6/30/2017	\$ 504,303	\$ 504,303	\$ —	\$ 3,511,860	14.36%
6/30/2016	\$ 477,250	\$ 477,250	\$ —	\$ 3,338,041	14.30%
6/30/2015	\$ 478,776	\$ 478,776	\$ —	\$ 3,270,451	14.64%

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City of Bozeman, Montana
Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions
Montana Municipal Police Officers' Retirement System Pension Plan
June 30, 2024

Schedule of Employer's Share of Net Pension Liability

Last 10 Fiscal Years*

Measurement Date	Employer's Proportion of the Net Pension Liability (Percentage)	Employer's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability (b)	Total Proportionate Share (Amount) of the Net Pension Liability (a+b)	Employer's Covered-Payroll (c)	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2023	3.0406%	\$ 7,049,339	\$ 14,227,120	\$ 21,276,459	\$ 6,130,962	114.98%	71.65%
6/30/2022	3.0145%	\$ 7,120,779	\$ 14,472,724	\$ 21,593,503	\$ 5,623,538	126.62%	69.67%
6/30/2021	2.9306%	\$ 5,327,439	\$ 10,828,332	\$ 16,155,771	\$ 5,303,838	100.44%	75.76%
6/30/2020	2.9892%	\$ 7,311,248	\$ 14,746,046	\$ 22,057,294	\$ 5,120,608	142.78%	64.84%
6/30/2019	2.8699%	\$ 5,712,381	\$ 11,632,402	\$ 17,344,783	\$ 4,729,931	120.77%	68.84%
6/30/2018	2.9325%	\$ 5,022,189	\$ 10,266,345	\$ 15,288,534	\$ 4,628,804	108.50%	70.95%
6/30/2017	3.0402%	\$ 5,408,979	\$ 11,024,418	\$ 16,433,397	\$ 4,555,121	118.75%	68.34%
6/30/2016	3.0842%	\$ 5,552,007	\$ 11,020,975	\$ 16,572,982	\$ 4,353,897	127.52%	65.62%
6/30/2015	2.9746%	\$ 4,920,638	\$ 9,969,680	\$ 14,890,318	\$ 4,116,930	119.52%	66.90%
6/30/2014	3.0209%	\$ 4,746,933	\$ 9,589,371	\$ 14,336,304	\$ 3,142,481	151.06%	67.01%

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Schedule of Employer's Contributions

Last 10 Fiscal Years*

Reporting Date	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered-Payroll (c)	Contributions as a Percentage of Covered-Payroll (b/c)
6/30/2024	\$ 932,302	\$ 932,302	\$ —	\$ 6,469,828	14.41%
6/30/2023	\$ 892,375	\$ 892,375	\$ —	\$ 6,130,962	14.56%
6/30/2022	\$ 816,313	\$ 816,313	\$ —	\$ 5,623,538	14.52%
6/30/2021	\$ 763,261	\$ 763,261	\$ —	\$ 5,303,838	14.39%
6/30/2020	\$ 732,880	\$ 732,880	\$ —	\$ 5,120,608	14.31%
6/30/2019	\$ 684,296	\$ 684,296	\$ —	\$ 4,729,931	14.47%
6/30/2018	\$ 692,318	\$ 692,318	\$ —	\$ 4,628,804	14.96%
6/30/2017	\$ 655,143	\$ 655,143	\$ —	\$ 4,555,121	14.38%
6/30/2016	\$ 637,789	\$ 637,789	\$ —	\$ 4,353,897	14.65%
6/30/2015	\$ 596,791	\$ 596,791	\$ —	\$ 4,116,930	14.50%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend in compiled, the City will present information for those years for which information is available.

Change of Benefit Terms

The following changes to the PERS, FURS, and MPORS plan provisions were made as identified:

2017 Legislative Changes – PERS:

Working Retiree Limitations

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

1. Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
2. 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.
3. Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Interest Credited To Member Accounts

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

Lump-Sum Payouts

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.

2017 Legislative Changes – FURS:

Working Retiree Limitations

Applies to retirement system members who return on or after July 1, 2017 to covered employment in the system from which they retired.

- Members who return for less than 480 hours in a calendar year:
 - May not become an active member in the system; and
 - Are subject to a \$1 reduction in their retirement benefit for each \$3 earned in excess of \$5,000 in the calendar year.
- Members who return for 480 or more hours in a calendar year:
 - Must become an active member of the system;
 - Will stop receiving a retirement benefit from the system; and
 - Will be eligible for a second retirement benefit if they earn 5 or more years of service credit through their second employment.

- Employee, employer and state contributions, if any, apply as follows:
 - Employer contributions and state contributions (if any) must be paid on all working retirees;
 - Employee contributions must be paid on working retirees who return to covered employment for 480 or more hours in a calendar year.

Second Retirement Benefit

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

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

Refunds

Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.

Terminating members with accumulated contributions between \$200 and \$1,000 who wish to rollover their refund must do so within 90 days of termination of service.

Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Interest Credited to Member Accounts

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

Lump-sum payouts

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.

2017 Legislative Changes – MPORS:

Working Retiree Limitations

Applies to retirement system members who return on or after July 1, 2017 to covered employment in the system from which they retired.

- Members who return for less than 480 hours in a calendar year:
 - May not become an active member in the system; and
 - Are subject to a \$1 reduction in their retirement benefit for each \$3 earned in excess of \$5,000 in the calendar year.
- Members who return for 480 or more hours in a calendar year:
 - Must become an active member of the system;
 - Will stop receiving a retirement benefit from the system; and
 - Will be eligible for a second retirement benefit if they earn 5 or more years of service credit through their second employment.
- Employee, employer and state contributions, if any, apply as follows:
 - Employer contributions and state contributions (if any) must be paid on all working retirees;
 - Employee contributions must be paid on working retirees who return to covered employment for 480 or more hours in a calendar year.

Second Retirement Benefit

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.

City of Bozeman, Montana
Notes to the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions
June 30, 2024

Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Interest Credited to Member Accounts

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

Lump-sum payouts

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.

Method and Assumptions used in Calculations of Actuarially Determined Contributions

The following actuarial assumptions and methods were used to determine contribution rates reported for fiscal year ending June 30, 2023, which were based on the results of the June 30, 2022 actuarial valuation:

	PERS	FURS	MPORS
General Wage Growth*	3.50%	3.50%	3.50%
Investment Rate of Return*	7.30%, net of pension plan investment and administrative expenses	7.30%, net of pension plan investments and administrative expenses	7.30%, net of pension plan investments and administrative expenses
*Includes inflation at	2.75%	2.75%	2.75%
Merit salary increase	0% to 4.80%	1% to 6.40%	1% to 6.40%
Asset valuation method	Four-year smoothed market	Four-year smoothed market	Four-year smoothed market
Actuarial cost method	Entry age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of pay, open
Remaining amortization period	30 years		
Mortality			
• Active Participants	PUB-2010 General Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021.	PUB-2010 Safety Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021.	PUB-2010 Safety Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021.
• Healthy Retiree	PUB-2010 General Amount Weighted Disabled Retiree mortality table, projected to 2021, set forward one year for both males and females.	PUB-2010 Safety Amount Weighted Healthy Retiree Mortality Table projected to 2021, set forward one year for males and adjusted 105% for males and 100% for females. Projected generationally using MP-2021.	PUB-2010 Safety Amount Weighted Healthy Retiree mortality table projected to 2021 set forward one year for males and adjusted 105% for males, and 100% for females. Projected generationally using MP-2021.
• Disabled Retiree	PUB-2010 General Amount Weighted Contingent Survivor Mortality projected to 2021 with ages set forward one year for males and females. Projected	PUB 2010 Safety Amount Weighted Disabled Retiree Mortality projected to 2021, set forward one year for males.	PUB-2010 Safety Amount Weighted Disabled Retiree mortality table projected to 2021, set forward one year for males.
• Contingent Survivor	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.	PUB-2010 Safety Amount Weighted Contingent Survivor Mortality projected to 2021, set forward one year for males. Projected generationally using MP-2021.	PUB-2010 Safety Amount Weighted Contingent Survivor Mortality projected to 2021, set forward one year for males. Projected generationally using MP-2021.

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

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

City of Bozeman, Montana

Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual – Budgetary Basis

General Fund

June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Budgetary Fund Balance, July 1	\$ 11,920,990	\$ 11,920,990	\$ 11,920,990	\$ —
Resources (inflows):				
Taxes	28,850,300	28,850,300	29,539,101	688,801
Special assessments		—	185	185
Licenses and permits	420,400	420,400	414,079	(6,321)
Intergovernmental	10,316,100	10,316,100	10,400,706	84,606
Charges for services	7,384,000	7,384,000	7,708,629	324,629
Fines and forfeitures	893,300	893,300	914,294	20,994
Interest on investments	250,000	250,000	554,609	304,609
Change in fair market value of investments	—	—	118,400	118,400
Miscellaneous	219,900	219,900	482,069	262,169
Transfers in	5,176,600	5,176,600	6,725,110	1,548,510
Issuance of long-term debt	—	—	4,255,244	4,255,244
Sale of capital assets	12,600	12,600	7,536	(5,065)
	<u>65,444,190</u>	<u>65,444,190</u>	<u>73,040,952</u>	<u>7,596,762</u>
Amounts available for appropriation				
Charges to Appropriations (outflows):				
Current				
General government	16,107,400	16,185,100	13,074,257	3,110,843
Public safety	23,101,400	23,141,200	22,488,680	652,520
Public welfare	8,407,500	8,433,300	7,149,472	1,283,828
Other	3,102,800	3,102,800	2,292,267	810,533
Capital outlay	4,125,700	4,728,400	3,086,381	1,642,019
Debt service				
Principal	58,500	58,500	170,426	(111,926)
Interest and fiscal charges	2,900	2,900	29,755	(26,855)
Transfers to other funds	800,800	800,800	1,630,772	(829,972)
	<u>55,707,000</u>	<u>56,453,000</u>	<u>49,922,009</u>	<u>6,530,991</u>
Total charges to appropriations				
Budgetary fund balance, June 30	<u>\$ 9,737,190</u>	<u>\$ 8,991,190</u>	<u>\$ 23,118,943</u>	<u>\$ 14,127,753</u>

City of Bozeman, Montana
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual – Budgetary Basis
Major Special Revenue Funds
June 30, 2024

	Street Maintenance District Special Revenue Fund				Downtown Improvement District Special Revenue Fund			
	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget
Budgetary Fund Balance, July 1	\$ 1,845,732	\$ 1,845,732	\$ 1,845,732	\$ —	\$ 5,310,511	\$ 5,310,511	\$ 5,310,511	\$ —
Resources (inflows):								
Taxes	—	—	—	—	1,558,200	1,558,200	2,656,682	1,098,482
Special assessments	19,700	19,700	21,385	1,685	—	—	—	—
Licenses and permits	24,300	24,300	30,993	6,693	—	—	—	—
Intergovernmental	1,989,100	1,989,100	3,525,352	1,536,252	57,100	57,100	67,266	10,166
Charges for services	9,060,700	9,060,700	8,973,561	(87,139)	—	—	—	—
Interest on investments	25,000	25,000	130,782	105,782	2,100	2,100	257,100	255,000
Change in fair market value of Investments	—	—	9,478	9,478	—	—	112,129	112,129
Miscellaneous	18,300	18,300	75,875	57,575	—	—	115	115
Transfers in	—	292,180	292,179	(1)	—	—	—	—
Issuance of long-term debt	—	—	911,912	911,912	—	—	—	—
Sale of capital assets	20,800	20,800	151	(20,649)	—	—	—	—
Amounts available for appropriation	13,003,632	13,295,812	15,817,401	2,521,589	6,927,911	6,927,911	8,403,803	1,475,893
Charges to Appropriations (outflows):								
Current								
Public works	8,327,400	8,061,400	7,435,068	626,332	—	—	—	—
Public welfare	—	—	—	—	5,788,100	5,788,100	646,748	5,141,352
Capital outlay	2,371,900	3,944,300	3,087,855	856,445	2,525,000	2,525,000	—	2,525,000
Debt service								
Principal	213,800	213,800	301,954	(88,154)	—	—	—	—
Interest and fiscal charges	—	—	63,034	(63,034)	—	—	—	—
Transfers to other funds	—	—	—	—	332,800	332,800	332,831	(31)
Total charges to appropriation	10,913,100	12,219,500	10,887,911	1,331,589	8,645,900	8,645,900	979,578	7,666,322
Budgetary fund balance, June 30	\$ 2,090,532	\$ 1,076,312	\$ 4,929,490	\$ 3,853,178	\$ (1,717,989)	\$ (1,717,989)	\$ 7,424,225	\$ 9,142,214

City of Bozeman, Montana
Notes to the Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget to Actual – Budgetary Basis
June 30, 2024

	General Fund	Street Maintenance District	Downtown Improvement District
Sources/ inflows of resources			
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 73,040,952	\$ 15,817,401	\$ 8,403,803
Differences - budget to GAAP:			
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(11,920,990)	(1,845,732)	(5,310,511)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(6,725,110)	(292,179)	—
The proceeds from the issuance of long-term debt or a lease are a budgetary resource but are another financing source for financial reporting purposes.	(4,255,244)	(911,912)	—
The proceeds from the sale of assets are budgetary resources but are regarded as a special item, rather than revenue, for financial reporting purposes.	(7,536)	(151)	—
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 50,132,074</u>	<u>\$ 12,767,426</u>	<u>\$ 3,093,293</u>
Uses/ outflows of resources			
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 49,922,009	\$ 10,887,911	\$ 979,578
Differences - budget to GAAP:			
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(1,630,772)	—	(332,831)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 48,291,237</u>	<u>\$ 10,887,911</u>	<u>\$ 646,748</u>

Other Supplementary Information

June 30, 2024

City of Bozeman, Montana

City of Bozeman, Montana
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Major Debt Service
Fund and Major Capital Projects Fund
June 30, 2024

	SID Debt Service			Capital Projects		
	Final Budget	Actual Amounts	Variance with Final Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues						
Special assessments	\$ 742,200	\$ 515,511	\$ (226,689)	\$ —	\$ —	\$ —
Interest on investments	41,900	75,484	33,584	107,700	163,063	55,363
Change in fair market value of investments	—	31,425	31,425	—	276,307	276,307
Miscellaneous	—	—	—	3,000,000	—	(3,000,000)
Total revenues	784,100	622,420	(161,680)	3,107,700	439,370	(2,668,330)
Expenditures						
Current						
Public safety	—	—	—	—	13,449	(13,449)
Public works	—	—	—	—	3,507	(3,507)
Public welfare	—	—	—	—	65,271	(65,271)
Capital outlay	—	—	—	124,361,600	11,543,267	112,818,333
Debt service	—	—	—	—	—	—
Principal	196,800	204,722	(7,922)	—	—	—
Interest and fiscal charges	111,000	115,554	(4,554)	—	—	—
Total expenditures	307,800	320,276	(12,476)	124,361,600	11,625,494	112,736,106
Excess (Deficiency) of Revenues over (under) Expenditures	476,300	302,145	(174,155)	(121,253,900)	(11,186,124)	110,067,776
Other Financing Sources (Uses)						
Transfers in	—	—	—	7,599,000	6,703,714	(895,286)
Transfers out	—	(782,130)	(30)	—	(2,046,405)	(2,046,405)
Proceeds from Long-Term Debt, net	—	—	—	105,787,100	2,424,019	(103,363,081)
Total other financing sources (uses)	(782,100)	(782,130)	(30)	113,386,100	7,081,328	(106,304,772)
Net Change in Fund Balance	\$ (305,800)	(479,985)	\$ (174,185)	\$ (7,867,800)	(4,104,796)	\$ 3,763,004
Fund Balance, Beginning of Year		1,518,340			10,467,723	
Fund Balance, End of Year		\$ 1,038,355			\$ 6,362,927	

Special Revenue Funds

Departmental Special Revenues – Accounts for monies received and expended for projects relating to various City departments.

City Planning – Accounts for monies received from various sources including property taxes, fees, and County revenues. Expenditures are for short-term and long-term planning of City and adjacent County zones. Section 76-1-102 MCA provides that the purpose of City planning is to encourage local governments to improve the present health, safety, convenience, and welfare of the citizens.

American Rescue Plan Act (ARPA) Special Revenue Fund – This fund accounts for the ARPA federal grant program. Grant funds must be used for the stated purpose of the grant and must meet grantor expenditure guidelines.

Health-Medical Insurance – Accounts for property tax revenues received and transferred to the General Fund and City Planning Fund for premiums and deductibles on group insurance coverage for City employees.

Gas Tax Apportionment – Accounts for revenues from State gasoline taxes apportioned from the State of Montana Department of Highways.

Tree Maintenance – Accounts for special assessment revenues collected and expended for maintenance of trees in the right of way.

Fire Impact Fee – Accounts for the collection and expenditures of fire impact fees.

Street Impact Fee – Accounts for the collection and expenditures of street impact fees.

Building Inspection Fund – Accounts for all activity related to enforcing the building regulations and codes adopted by the City Commission. It includes all the money and staff associated with executing any aspect of the code enforcement program.

Pole Yard TIF – In November 2020, the City created a tax increment financing district to eliminate conditions that contribute to blight substantially impairing sound growth of the City through investments in public infrastructure and efficient delivery of public services. The fund accounts for the revenue and expenditures associated with the district.

Economic Development Revolving Loan Fund – Accounts for revenues received and expended relative to loans made in accordance with the Community Development Block Grant Program, for economic development purposes.

Community Housing – Accounts for money set aside by the City Commission and related expenditure for the establishment of safe, decent, and affordable housing for low and moderate-income citizens.

Metropolitan Planning Organization – This fund accounts for transportation planning and alternative transportation services in Gallatin County.

Street Arterial & Collector District – Accounts for special assessment revenues collected and expended for necessary transportation infrastructure.

TIF N 7th Corridor – In August of 2005, the City created a tax increment financing district to eliminate conditions that contribute to blight substantially impairing sound growth of the City through investments in public infrastructure and efficient delivery of public services. The fund accounts for the revenue and expenditures associated with the district.

City of Bozeman, Montana
Description of Nonmajor Funds
Nonmajor Governmental Funds
June 30, 2024

TIF N.E. Urban Renewal – In August of 2005, the City created a tax increment financing district to eliminate conditions that contribute to blight substantially impairing sound growth of the City through investments in public infrastructure and efficient delivery of public services. The fund accounts for the revenue and expenditures associated with the district.

TIF Mandeville/Wheat Dr. – In December 2006, the City created a tax increment financing district to encourage the attraction and retention of value-adding farming industries. This fund accounts for the revenue and expenditures associated with the district.

Victim/Witness Advocate – Accounts for monies collected through the Court system to assist with Victim and Witness Advocate Program.

Fire Department Equipment– Accounts for 4.0 mills approved by voters in 2007 for fire department capital and equipment.

TIF South Bozeman Technology – In December 2012, the City created a tax increment financing district to improve existing infrastructure deficiencies on property adjacent to Montana State University and the Innovation Campus. This fund accounts for the revenue and expenditures associated with the district.

Parks and Trails District Fund – In May 2020, the Citizens of Bozeman approved the creation of a Parks and Trails District. This fund accounts for the special assessment revenue collected and expended to manage and maintain citywide parks and trails.

Street Lighting – Accounts for special assessment revenues collected and expended for street and public highway lighting provided to specific property owners.

Park Land – Accounts for monies donated for the purpose of acquiring and developing City Parks.

Municipal Court Restitution – Accounts for checks that were canceled on the restitution checking account, per MCA 46-18-250.

Debt Service Funds

Special Improvement District (SID) Revolving – Accounts for property tax revenues received and expended for the payment of special improvement district bond principal and interest.

General Obligation Bonds Debt Service Fund – Accounts for the debt service payments associated with the City's outstanding general obligation bonds.

Tax Increment Financing Bonds Debt Service Fund – Accounts for the debt service payments associated with outstanding Tax Increment Urban Renewal Revenue Bonds.

Permanent Funds

Perpetual Cemetery Care – Accounts for the 15% maintenance fee received from the sale of City cemetery plots, which is to be used for perpetual care. The interest income from the trust is transferred to the General Fund for use in maintaining the City's cemetery.

City of Bozeman, Montana
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				
	Departmental	City Planning	ARPA	Health-Medical Insurance	Gas Tax Apportionment
Assets					
Cash and investments	\$ 2,459,415	\$ 3,077,448	\$ 437,478	\$ 461,909	\$ —
Receivables (Net of allowance for uncollectibles)				—	
Property taxes	11,445	21,522	—	163,881	—
Accrued interest	9,260	11,537	2,329	1,777	—
Accounts	17,547	—	—	—	—
Special assessments	—	—	—	—	—
Intergovernmental	10,411	—	—	—	—
Advances to other funds	—	—	—	—	—
Notes receivable	—	—	—	—	—
Restricted cash and investments	47,357	—	—	—	—
Total assets	\$ 2,555,435	\$ 3,110,507	\$ 439,807	\$ 627,567	\$ —
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities					
Accounts payable	\$ 91,798	\$ 39,306	\$ —	\$ —	\$ —
Escheat property payable	—	—	—	—	—
Accrued employee benefits	—	784	—	—	—
Interest payable	—	1,103	—	—	—
Appearance bonds and other liabilities	—	—	—	—	—
Due to other funds	—	—	—	—	—
Unearned revenue	35,308	—	174,091	—	—
Total liabilities	127,106	41,193	174,091	—	—
Deferred Inflows of Resources					
Unavailable revenue - property taxes	1,144	2,167	—	19,335	—
Fund Balance (Deficit)					
Nonspendable	—	—	—	—	—
Restricted	525,452	3,067,147	265,716	608,232	—
Committed	347,453	—	—	—	—
Assigned	1,554,280	—	—	—	—
Unassigned	—	—	—	—	—
Total fund balance (deficit)	2,427,185	3,067,147	265,716	608,232	—
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,555,435	\$ 3,110,507	\$ 439,807	\$ 627,567	\$ —

City of Bozeman, Montana
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				
	Tree		Street Impact Fee	Building	Pole Yard
	Maintenance	Fire Impact Fee		Inspection	TIF District
Assets					
Cash and investments	\$ 739,659	\$ —	\$ —	\$ 1,573,127	\$ 830,064
Receivables (Net of allowance for uncollectibles)					
Property taxes	—	—	—	—	14,844
Accrued interest	2,845	22,217	69,835	6,050	—
Accounts	—	—	3,604,670	—	—
Special assessments	18,478	—	—	—	—
Intergovernmental	—	—	—	—	—
Advances to other funds	—	—	—	—	—
Notes receivable	—	—	—	—	—
Restricted cash and investments	—	1,967,636	18,089,957	—	—
Total assets	<u>\$ 760,982</u>	<u>\$ 1,989,853</u>	<u>\$ 21,764,462</u>	<u>\$ 1,579,177</u>	<u>\$ 844,908</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities					
Accounts payable	\$ 51,376	\$ 2	\$ 104,779	\$ 136,034	\$ —
Escheat property payable	—	—	—	—	—
Accrued employee benefits	—	—	—	887	—
Interest payable	—	—	—	3,309	—
Appearance bonds and other liabilities	—	—	120,275	—	—
Due to other funds	—	—	—	—	—
Unearned revenue	9,100	—	3,337,188	—	—
Total liabilities	<u>60,476</u>	<u>2</u>	<u>3,562,242</u>	<u>140,230</u>	<u>—</u>
Deferred Inflows of Resources					
Unavailable revenue - property taxes	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund Balance (Deficit)					
Nonspendable	—	—	—	—	—
Restricted	700,506	1,989,851	18,202,220	1,438,947	844,908
Committed	—	—	—	—	—
Assigned	—	—	—	—	—
Unassigned	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total fund balance (deficit)	<u>700,506</u>	<u>1,989,851</u>	<u>18,202,220</u>	<u>1,438,947</u>	<u>844,908</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 760,982</u>	<u>\$ 1,989,853</u>	<u>\$ 21,764,462</u>	<u>\$ 1,579,177</u>	<u>\$ 844,908</u>

City of Bozeman, Montana
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				
	Economic Development Revolving Loans	Community Housing	Metropolitan Planning Organization	Street Arterial and Collector District	North 7th Corridor TIF District
Assets					
Cash and investments	\$ —	\$ 1,951,116	\$ —	\$ 3,494,786	\$ 2,083,449
Receivables (Net of allowance for uncollectibles)					
Property taxes	—	87,023	—	—	198,413
Accrued interest	—	7,505	—	13,443	8,014
Accounts	398,259	—	—	—	—
Special assessments	—	—	—	35,423	—
Intergovernmental	—	—	5,876	—	—
Advances to other funds	—	—	—	—	—
Notes receivable	586,422	12,499	—	—	—
Restricted cash and investments	—	—	—	2,124,753	512,091
Total assets	\$ 984,681	\$ 2,058,143	\$ 5,876	\$ 5,668,405	\$ 2,801,967
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities					
Accounts payable	\$ —	\$ 78,152	\$ 1,110	\$ 49,385	\$ 247,514
Escheat property payable	—	—	—	—	—
Accrued employee benefits	—	—	—	—	—
Interest payable	—	—	—	—	—
Appearance bonds and other liabilities	—	—	—	75,172	10,684
Due to other funds	—	—	4,766	—	—
Unearned revenue	—	—	—	—	—
Total liabilities	—	78,152	5,876	124,557	258,198
Deferred Inflows of Resources					
Unavailable revenue - property taxes	—	8,780	—	—	56,844
Fund Balance (Deficit)					
Nonspendable	—	—	—	—	—
Restricted	984,681	—	—	5,543,848	2,486,925
Committed	—	1,971,211	—	—	—
Assigned	—	—	—	—	—
Unassigned	—	—	—	—	—
Total fund balance (deficit)	984,681	1,971,211	—	5,543,848	2,486,925
Total liabilities, deferred inflows of resources, and fund balances	\$ 984,681	\$ 2,058,143	\$ 5,876	\$ 5,668,405	\$ 2,801,967

City of Bozeman, Montana
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				
	Northeast Urban Renewal TIF District	Mandeville/ Wheat Drive TIF District	Victim/Witness Advocate	Fire Department Equipment	South Bozeman TIF District
Assets					
Cash and investments	\$ 1,468,438	\$ 200,465	\$ 360,371	\$ —	\$ 102,703
Receivables (Net of allowance for uncollectibles)					
Property taxes	39,388	12,294	—	58,460	—
Accrued interest	5,649	771	1,386	—	395
Accounts	—	—	2,899	—	—
Special assessments	—	—	—	—	—
Intergovernmental	—	—	—	—	—
Advances to other funds	—	—	—	—	—
Notes receivable	—	—	—	—	—
Restricted cash and investments	92,000	—	—	—	—
Total assets	\$ 1,605,475	\$ 213,530	\$ 364,656	\$ 58,460	\$ 103,098
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities					
Accounts payable	\$ 1,214	\$ —	\$ 1,901	\$ 13,129	\$ 16,409
Escheat property payable	—	—	—	—	—
Accrued employee benefits	—	—	—	—	—
Interest payable	—	—	—	—	—
Appearance bonds and other liabilities	1,300	—	—	—	—
Due to other funds	—	—	—	2,315,200	—
Unearned revenue	—	—	—	—	—
Total liabilities	2,514	—	1,901	2,328,329	16,409
Deferred Inflows of Resources					
Unavailable revenue - property taxes	—	—	—	5,396	—
Fund Balance (Deficit)					
Nonspendable	—	—	—	—	—
Restricted	1,602,961	213,530	362,755	—	86,689
Committed	—	—	—	—	—
Assigned	—	—	—	—	—
Unassigned	—	—	—	(2,275,265)	—
Total fund balance (deficit)	1,602,961	213,530	362,755	(2,275,265)	86,689
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,605,475	\$ 213,530	\$ 364,656	\$ 58,460	\$ 103,098

City of Bozeman, Montana
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				Total Nonmajor Special Revenue Funds
	Parks and Trails District	Street Lighting	Park Land	Municipal Court Restitution	
Assets					
Cash and investments	\$ 5,129,788	\$ 456,004	\$ 2,848,409	\$ —	\$ 27,674,629
Receivables (Net of allowance for uncollectibles)					
Property taxes	—	—	—	—	607,270
Accrued interest	19,732	1,625	10,957	—	195,325
Accounts	—	—	—	—	4,023,375
Special assessments	122,597	7,489	—	—	183,987
Intergovernmental	—	—	—	—	16,287
Advances to other funds	—	—	—	—	—
Notes receivable	—	—	—	—	598,921
Restricted cash and investments	—	—	—	20,121	22,853,915
Total assets	\$ 5,272,117	\$ 465,118	\$ 2,859,366	\$ 20,121	\$ 56,153,709
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities					
Accounts payable	\$ 367,736	\$ 22,525	\$ 24,873	\$ —	\$ 1,247,243
Escheat property payable	—	—	—	20,016	20,016
Accrued employee benefits	—	—	—	—	1,671
Interest payable	—	—	—	—	4,412
Appearance bonds and other liabilities	—	—	—	—	207,431
Due to other funds	—	—	—	—	2,319,966
Unearned revenue	—	—	—	—	3,555,687
Total liabilities	367,736	22,525	24,873	20,016	7,356,426
Deferred Inflows of Resources					
Unavailable revenue - property taxes	—	—	—	—	93,666
Fund Balance (Deficit)					
Nonspendable	—	—	—	—	—
Restricted	4,904,381	442,593	2,834,493	105	47,105,938
Committed	—	—	—	—	2,318,664
Assigned	—	—	—	—	1,554,280
Unassigned	—	—	—	—	(2,275,265)
Total fund balance (deficit)	4,904,381	442,593	2,834,493	105	48,703,617
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,272,117	\$ 465,118	\$ 2,859,366	\$ 20,121	\$ 56,153,709

City of Bozeman, Montana
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Debt Service Funds			Total Nonmajor Debt Service Funds
	SID Revolving	General Obligation Bonds	TIF Bonds	
Assets				
Cash and investments	\$ 336,358	\$ —	\$ —	\$ 336,358
Receivables (Net of allowance for uncollectibles)				
Property taxes	—	248,967	—	248,967
Accrued interest	251	36	—	287
Accounts	—	—	—	—
Special assessments	—	—	—	—
Intergovernmental	—	—	—	—
Advances to other funds	1,372,646	—	—	1,372,646
Notes receivable	—	—	—	—
Restricted cash and investments	—	—	—	—
Total assets	\$ 1,709,255	\$ 249,003	\$ —	\$ 1,958,258
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities				
Accounts payable	—	—	—	—
Escheat property payable	—	—	—	—
Accrued employee benefits	—	—	—	—
Interest payable	—	—	—	—
Appearance bonds and other liabilities	—	—	—	—
Due to other funds	\$ —	\$ 416,765	\$ —	\$ 416,765
Unearned revenue	—	—	—	—
Total liabilities	—	416,765	—	416,765
Deferred Inflows of Resources				
Unavailable revenue - property taxes	—	25,693	—	25,693
Fund Balance (Deficit)				
Nonspendable	—	—	—	—
Restricted	1,709,255	—	—	1,709,255
Committed	—	—	—	—
Assigned	—	—	—	—
Unassigned	—	(193,458)	—	(193,455)
Total fund balance (deficit)	1,709,255	(193,458)	—	1,515,800
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,709,255	\$ 249,003	\$ —	\$ 1,958,258

City of Bozeman, Montana
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Permanent Fund	
	Cemetery Perpetual Care	Total Total Nonmajor Governmental Funds
Assets		
Cash and investments	\$ —	\$ 28,010,987
Receivables (Net of allowance for uncollectibles)		
Property Taxes Receivable	—	856,237
Accrued interest receivable	7,750	203,362
Customers receivables, net	1,291	4,024,666
Special assessment receivables	—	183,987
Other government receivables	—	16,287
Advances to other funds	—	1,372,646
Notes receivable	—	598,921
Restricted Cash	2,014,853	24,868,768
Total assets	<u>\$ 2,023,894</u>	<u>\$ 60,135,861</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities		
Accounts payable	\$ —	\$ 1,247,243
Escheat property payable	—	20,016
Accrued employee benefits	—	1,671
Interest payable	—	4,412
Appearance bonds and other liabilities	—	207,431
Due to other funds	—	2,736,731
Unearned revenue	21,811	3,577,498
Total liabilities	<u>21,811</u>	<u>7,795,002</u>
Deferred Inflows of Resources		
Deferred Inflows- property taxes	—	119,359
Fund Balance (Deficit)		
Nonspendable	2,002,083	2,002,083
Restricted	—	48,815,193
Committed	—	2,318,664
Assigned	—	1,554,280
Unassigned	—	(2,468,720)
Total fund balance (deficit)	<u>2,002,083</u>	<u>52,221,500</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,023,894</u>	<u>\$ 60,135,861</u>

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds				
	Departmental	City Planning	ARPA	Health-Medical Insurance	Gas Tax Apportionment
Revenues					
Taxes	\$ 186,319	\$ 349,560	\$ —	\$ 2,616,796	\$ —
Special assessments	—	—	—	—	—
Licenses and permits	—	98,758	—	—	—
Intergovernmental	317,579	181,212	4,115,310	—	—
Charges for services	51,125	1,312,122	—	—	—
Fines and forfeits	—	—	—	—	—
Interest on investments	79,144	74,283	70,175	11,264	4,833
Change in fair market value of investments	29,099	5,264	140,751	31,499	19,602
Interest on loans receivable	—	—	—	—	—
Miscellaneous	13,710	78,177	—	—	—
Total revenues	676,976	2,099,376	4,326,237	2,659,558	24,435
Expenditures					
Current					
General government	—	3,015,871	—	—	—
Public safety	456,313	—	—	—	—
Public works	—	—	—	—	—
Public welfare	190,001	—	—	—	—
Other	—	—	—	—	—
Capital outlay	—	—	—	—	—
Debt service	—	—	—	—	—
Principal	34,690	22,422	—	—	—
Interest and fiscal charges	28,208	1,304	—	—	—
Total expenditures	709,211	3,039,597	—	—	—
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,235)	(940,221)	4,326,237	2,659,558	24,435
Other Financing Sources (Uses)					
Transfers in	147,998	2,638,825	—	—	—
Transfers out	—	—	(4,115,310)	(3,392,870)	(265,958)
Proceeds from Long-Term Debt, net	—	—	—	—	—
Issuance of long-term debt	—	—	—	—	—
Lease proceeds	—	—	—	—	—
Sale of capital assets	—	—	—	—	—
Total other financing sources (uses)	147,998	2,638,825	(4,115,310)	(3,392,870)	(265,958)
Net Change in Fund Balances	115,764	1,698,604	210,927	(733,311)	(241,523)
Fund Balance, Beginning of Year, as previously presented	2,311,421	1,368,543	54,789	1,341,543	241,523
Change within financial reporting entity (major to nonmajor)	—	—	54,789	—	—
Change within financial reporting entity (nonmajor to major)	—	—	—	—	—
Fund Balance, Beginning of Year, as adjusted	2,311,421	1,368,543	54,789	1,341,543	241,523
Fund Balance, End of Year	\$ 2,427,185	\$ 3,067,147	\$ 265,716	\$ 608,232	\$ —

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds				
	Tree Maintenance	Fire Impact Fee	Street Impact Fee	Building Inspection	Pole Yard TIF District
Revenues					
Taxes	\$ —	\$ —	\$ —	\$ —	\$ 498,428
Special assessments	2,428	—	—	—	—
Licenses and permits	—	—	—	4,223,073	—
Intergovernmental	7,420	—	—	171,305	11,592
Charges for services	935,893	724,018	7,741,627	51,300	—
Fines and forfeits	—	—	—	—	—
Interest on investments	21,760	180,293	544,486	36,525	—
Change in fair market value of investments	14,006	82,048	261,829	16,265	—
Interest on loans receivable	—	—	—	—	—
Miscellaneous	30,976	—	2,457	19,125	—
Total revenues	1,012,483	986,359	8,550,399	4,517,593	510,021
Expenditures					
Current					
General government	—	—	—	—	—
Public safety	—	39,241	—	3,967,907	—
Public works	—	—	388,475	—	—
Public welfare	872,804	—	—	—	—
Other	—	—	—	—	—
Capital outlay	56,364	—	3,870,868	37,548	—
Debt service					
Principal	—	—	—	89,867	—
Interest and fiscal charges	—	—	—	4,997	—
Total expenditures	929,168	39,241	4,259,344	4,100,319	—
Excess (Deficiency) of Revenues Over (Under) Expenditures	83,316	947,118	4,291,055	417,274	510,021
Other Financing Sources (Uses)					
Transfers in	—	—	—	—	—
Transfers out	—	(3,800,000)	—	—	—
Proceeds from Long-Term Debt, net	—	—	—	—	—
Issuance of long-term debt	—	—	—	—	—
Lease proceeds	—	—	—	—	—
Sale of capital assets	—	—	—	—	—
Total other financing sources (uses)	—	(3,800,000)	—	—	—
Net Change in Fund Balances	83,316	(2,852,882)	4,291,055	417,274	510,021
Fund Balance, Beginning of Year, as previously presented	617,190	4,842,733	13,911,165	1,021,673	334,887
Change within financial reporting entity (major to nonmajor)	—	—	—	—	—
Change within financial reporting entity (nonmajor to major)	—	—	—	—	—
Fund Balance, Beginning of Year, as adjusted	617,190	4,842,733	13,911,165	1,021,673	334,887
Fund Balance, End of Year	\$ 700,506	\$ 1,989,851	\$ 18,202,220	\$ 1,438,947	\$ 844,908

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds			
	Economic Development Revolving Loans	Community Housing	Metropolitan Planning Organization	Street Arterial and Collector District
Revenues				
Taxes	\$ —	\$ 1,415,586	\$ —	\$ —
Special assessments	—	—	—	4,424
Licenses and permits	—	—	—	—
Intergovernmental	—	1,607	70	—
Charges for services	—	—	—	1,816,473
Fines and forfeits	—	—	—	—
Interest on investments	271	61,425	—	101,302
Change in fair market value of investments	—	45,934	—	80,130
Interest on loans receivable	42,657	—	—	—
Miscellaneous	—	89	5,876	1,323,678
Total revenues	42,928	1,524,641	5,946	3,326,007
Expenditures				
Current				
General government	—	—	—	—
Public safety	—	—	—	—
Public works	—	—	11,822	14,183
Public welfare	45,492	1,893,653	—	—
Other	—	—	—	—
Capital outlay	—	—	—	2,119,189
Debt service				
Principal	—	—	—	—
Interest and fiscal charges	—	—	—	—
Total expenditures	45,492	1,893,653	11,822	2,133,372
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,564)	(369,012)	(5,876)	1,192,635
Other Financing Sources (Uses)				
Transfers in	—	—	5,876	—
Transfers out	—	—	—	—
Proceeds from Long-Term Debt, net	—	—	—	—
Issuance of long-term debt	—	—	—	—
Lease proceeds	—	—	—	—
Sale of capital assets	—	—	—	—
Total other financing sources (uses)	—	—	5,876	—
Net Change in Fund Balances	(2,564)	(369,012)	—	1,192,635
Fund Balance, Beginning of Year, as previously presented	987,245	2,340,223	—	4,351,213
Change within financial reporting entity (major to nonmajor)	—	—	—	—
Change within financial reporting entity (nonmajor to major)	—	—	—	—
Fund Balance, Beginning of Year, as adjusted	987,245	2,340,223	—	4,351,213
Fund Balance, End of Year	\$ 984,681	\$ 1,971,211	\$ —	\$ 5,543,848

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds			
	North 7th Corridor TIF District	Northeast Urban Renewal TIF District	Mandeville/ Wheat Drive TIF District	Victim/Witness Advocate
Revenues				
Taxes	\$ 2,410,651	\$ 673,004	\$ 38,082	\$ —
Special assessments	—	—	—	—
Licenses and permits	—	—	—	—
Intergovernmental	50,535	1,818	—	798
Charges for services	—	—	—	—
Fines and forfeits	—	—	—	53,578
Interest on investments	62,473	38,795	6,048	12,103
Change in fair market value of investments	66,230	11,246	2,707	8,269
Interest on loans receivable	—	—	—	—
Miscellaneous	164	49	—	—
Total revenues	2,590,054	724,912	46,836	74,748
Expenditures				
Current				
General government	—	—	—	57,876
Public safety	—	—	—	—
Public works	—	—	—	—
Public welfare	2,152,298	43,766	—	—
Other	—	—	—	—
Capital outlay	238,630	40,855	—	—
Debt service				
Principal	—	43,401	—	—
Interest and fiscal charges	—	48,599	—	—
Total expenditures	2,390,928	176,621	—	57,876
Excess (Deficiency) of Revenues Over (Under) Expenditures	199,125	548,291	46,836	16,872
Other Financing Sources (Uses)				
Transfers in	—	—	—	—
Transfers out	(655,127)	—	—	—
Proceeds from Long-Term Debt, net	—	—	—	—
Issuance of long-term debt	—	—	—	—
Lease proceeds	—	—	—	—
Sale of capital assets	—	—	—	—
Total other financing sources (uses)	(655,127)	—	—	—
Net Change in Fund Balances	(456,002)	548,291	46,836	16,872
Fund Balance, Beginning of Year, as previously presented	2,942,927	1,054,670	166,694	345,883
Change within financial reporting entity (major to nonmajor)	—	—	—	—
Change within financial reporting entity (nonmajor to major)	—	—	—	—
Fund Balance, Beginning of Year, as adjusted	2,942,927	1,054,670	166,694	345,883
Fund Balance, End of Year	\$ 2,486,925	\$ 1,602,961	\$ 213,530	\$ 362,755

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds			
	Fire Department Equipment	South Bozeman TIF District	Parks and Trails District	Street Lighting
Revenues				
Taxes	\$ 959,539	\$ 47,705	\$ —	\$ —
Special assessments	—	—	15,179	422,024
Licenses and permits	—	—	—	—
Intergovernmental	—	—	36,233	—
Charges for services	—	—	6,688,040	—
Fines and forfeits	—	—	—	—
Interest on investments	—	2,592	130,931	16,048
Change in fair market value of investments	13,582	(1,506)	47,294	(6,181)
Interest on loans receivable	—	—	—	—
Miscellaneous	—	—	469,377	—
Total revenues	973,122	48,791	7,387,054	431,891
Expenditures				
Current				
General government	—	—	—	—
Public safety	265,183	—	—	—
Public works	—	—	—	494,160
Public welfare	—	16,409	5,276,162	—
Other	—	—	—	—
Capital outlay	1,383,271	—	492,191	—
Debt service	—	—	—	—
Principal	—	—	35,415	—
Interest and fiscal charges	—	—	27,483	—
Total expenditures	1,648,454	16,409	5,831,250	494,160
Excess (Deficiency) of Revenues Over (Under) Expenditures	(675,333)	32,382	1,555,804	(62,269)
Other Financing Sources (Uses)				
Transfers in	—	—	33,237	—
Transfers out	(2,000,000)	—	—	—
Proceeds from Long-Term Debt, net	—	—	—	—
Issuance of long-term debt	—	—	—	—
Lease proceeds	—	—	—	—
Sale of capital assets	—	—	—	—
Total other financing sources (uses)	(2,000,000)	—	33,237	—
Net Change in Fund Balances	(2,675,333)	32,382	1,589,041	(62,269)
Fund Balance, Beginning of Year, as previously presented	400,068	54,307	3,315,340	504,862
Change within financial reporting entity (major to nonmajor)	—	—	—	—
Change within financial reporting entity (nonmajor to major)	—	—	—	—
Fund Balance, Beginning of Year, as adjusted	400,068	54,307	3,315,340	504,862
Fund Balance, End of Year	\$ (2,275,265)	\$ 86,689	\$ 4,904,381	\$ 442,593

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds			Total Nonmajor
	Park Land	Municipal Court Restitution	Downtown Improvement District	Special Revenue Funds
Revenues				
Taxes	\$ —	\$ —		\$ 9,195,670
Special assessments	—	—		444,055
Licenses and permits	—	—		4,321,830
Intergovernmental	—	—		4,895,481
Charges for services	—	—		19,320,598
Fines and forfeits	—	—		53,578
Interest on investments	87,279	—		1,542,033
Change in fair market value of investments	25,796	—		893,862
Interest on loans receivable	—	—		42,657
Miscellaneous	807,631	—		2,751,309
Total revenues	920,706	—		43,461,072
Expenditures				
Current				
General government	—	—		3,073,747
Public safety	—	—		4,728,643
Public works	—	—		908,640
Public welfare	14,000	—		10,504,586
Other	—	—		—
Capital outlay	45,220	—		8,284,137
Debt service				
Principal	215,000	—		440,795
Interest and fiscal charges	18,719	—		129,309
Total expenditures	292,939	—		28,069,856
Excess (Deficiency) of Revenues Over (Under) Expenditures	627,767	—		15,391,216
Other Financing Sources (Uses)				
Transfers in	243,877	—		3,069,814
Transfers out	—	—		(14,229,265)
Proceeds from Long-Term Debt, net	—	—		—
Issuance of long-term debt	—	—		—
Lease proceeds	—	—		—
Sale of capital assets	—	—		—
Total other financing sources (uses)	243,877	—		(11,159,451)
Net Change in Fund Balances	871,644	—	—	4,231,765
Fund Balance, Beginning of Year, as previously presented	1,962,849	105	5,315,195	49,732,258
Change within financial reporting entity (major to nonmajor)	—	—	—	54,789
Change within financial reporting entity (nonmajor to major)	—	—	(5,315,195)	(5,315,195)
Fund Balance, Beginning of Year, as adjusted	1,962,849	105	—	44,471,852
Fund Balance, End of Year	\$ 2,834,493	\$ 105	\$ —	\$ 48,703,617

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Debt Service Funds			Total Nonmajor
	SID	General Obligation		Debt Service
	Revolving	Bonds	TIF Bonds	Funds
Revenues				
Taxes	\$ —	\$ 4,039,312	\$ —	\$ 4,039,312
Special assessments	—	—	—	—
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for services	—	—	—	—
Fines and forfeits	—	—	—	—
Interest on investments	1,554	17,436	—	18,990
Change in fair market value of investments	8,471	(136)	—	8,335
Interest on loans receivable	9,909	—	—	9,909
Miscellaneous	—	—	—	—
Total revenues	19,933	4,056,612	—	4,076,545
Expenditures				
Current				
General government	—	—	—	—
Public safety	—	—	—	—
Public works	—	—	—	—
Public welfare	—	—	—	—
Other	—	—	—	—
Capital outlay	—	—	—	—
Debt service				
Principal	—	2,300,000	458,000	2,758,000
Interest and fiscal charges	—	1,659,850	286,081	1,945,931
Total expenditures	—	3,959,850	744,081	4,703,931
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,933	96,762	(744,081)	(627,386)
Other Financing Sources (Uses)				
Transfers in	992,114	—	744,081	1,736,195
Transfers out	—	—	—	—
Proceeds from Long-Term Debt, net	—	—	—	—
Issuance of long-term debt	—	—	—	—
Lease proceeds	—	—	—	—
Sale of capital assets	—	—	—	—
Total other financing sources (uses)	992,114	—	744,081	1,736,195
Net Change in Fund Balances	1,012,047	96,762	—	1,108,809
Fund Balance, Beginning of Year, as previously presented	697,208	(290,217)	—	406,991
Change within financial reporting entity (major to nonmajor)	—	—	—	—
Change within financial reporting entity (nonmajor to major)	—	—	—	—
Fund Balance, Beginning of Year, as adjusted	697,208	(290,217)	—	406,991
Fund Balance, End of Year	\$ 1,709,255	\$ (193,455)	\$ —	\$ 1,515,800

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Permanent Fund	
	Cemetery Perpetual Care	Total Nonmajor Governmental Funds
Revenues		
Taxes	\$ —	\$ 13,234,982
Special assessments	—	444,055
Licenses and permits	—	4,321,830
Intergovernmental	—	4,895,481
Charges for services	101,063	19,421,661
Fines and forfeits	—	53,578
Interest on investments	63,660	1,624,682
Change in fair market value of investments	32,961	935,158
Interest on loans receivable	—	52,566
Miscellaneous	—	2,751,309
Total revenues	197,684	47,735,302
Expenditures		
Current		
General government	—	3,073,747
Public safety	—	4,728,643
Public works	—	908,640
Public welfare	—	10,504,586
Other	—	—
Capital outlay	—	8,284,137
Debt service		
Principal	—	3,198,795
Interest and fiscal charges	—	2,075,240
Total expenditures	—	32,773,787
Excess (Deficiency) of Revenues Over (Under) Expenditures	197,684	14,961,514
Other Financing Sources (Uses)		
Transfers in	—	4,806,008
Transfers out	—	(14,229,265)
Proceeds from Long-Term Debt, net	—	—
Issuance of long-term debt	—	—
Lease proceeds	—	—
Sale of capital assets	—	—
Total other financing sources (uses)	—	(9,423,257)
Net Change in Fund Balances	197,684	5,538,258
Fund Balance, Beginning of Year, as previously presented	1,804,399	51,943,648
Change within financial reporting entity (major to nonmajor)	—	54,789
Change within financial reporting entity (nonmajor to major)	—	(5,315,195)
Fund Balance, Beginning of Year, as adjusted	1,804,399	46,683,242
Fund Balance, End of Year	\$ 2,002,083	\$ 52,221,500

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds								
	Departmental			City Planning			ARPA		
	Final Budget	Actual Amounts	Variance with Final Budget	Final Budget	Actual Amounts	Variance with Final Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues									
Taxes	\$ 183,300	\$ 186,319	\$ 3,019	\$ 411,400	\$ 349,560	\$ (61,840)	\$ —	\$ —	\$ —
Special Assessments	—	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	65,700	98,758	33,058	—	—	—
Intergovernmental	183,000	317,579	134,579	188,100	181,212	(6,888)	4,543,500	4,115,310	(428,190)
Charges for services	—	51,125	51,125	1,406,500	1,312,122	(94,378)	—	—	—
Fines and forfeitures	—	—	—	—	—	—	—	—	—
Interest on investments	27,800	79,144	51,344	1,700	74,283	72,583	156,700	70,175	(86,525)
Change in fair market value of investments	—	29,099	29,099	—	5,264	5,264	—	140,751	140,751
Interest on loans receivable	—	—	—	—	—	—	—	—	—
Miscellaneous	—	13,710	13,710	49,300	78,177	28,877	—	—	—
Total revenues	394,100	676,976	282,876	2,122,700	2,099,376	(23,324)	4,700,200	4,326,237	(373,963)
Expenditures									
Current									
General government	—	—	—	4,206,100	3,015,871	1,190,229	—	—	—
Public safety	262,800	456,313	(193,513)	—	—	—	—	—	—
Public works	—	—	—	—	—	—	—	—	—
Public welfare	206,500	190,001	16,499	—	—	—	—	—	—
Other	180,900	—	180,900	—	—	—	—	—	—
Capital outlay	—	—	—	65,000	—	65,000	—	—	—
Debt service	—	—	—	—	—	—	—	—	—
Principal	70,100	34,690	35,411	—	22,422	(22,422)	—	—	—
Interest and fiscal charges	55,700	28,208	27,492	—	1,304	(1,304)	—	—	—
Total expenditures	776,000	709,211	66,789	4,271,100	3,039,597	1,231,503	—	—	—
Excess (Deficiency) of Revenues over (under) Expenditures	(381,900)	(32,235)	349,665	(2,148,400)	(940,221)	1,208,179	4,700,200	4,326,237	(373,963)
Other Financing Sources (Uses)									
Transfers in	122,200	147,998	25,798	2,754,300	2,638,825	(115,475)	—	—	—
Transfers out	—	—	—	—	—	—	(4,900,200)	(4,115,310)	784,890
Proceeds from Long-Term Debt, net	—	—	—	—	—	—	—	—	—
Issuance of long-term debt	—	—	—	—	—	—	—	—	—
Lease proceeds	—	—	—	—	—	—	—	—	—
Sale of capital assets	—	—	—	—	—	—	—	—	—
Total other financing sources (uses)	122,200	147,998	25,798	2,754,300	2,638,825	(115,475)	(4,900,200)	(4,115,310)	784,890
Net Change in Fund Balance	<u>\$ (259,700)</u>	<u>115,763</u>	<u>\$ 375,463</u>	<u>\$ 605,900</u>	<u>1,698,604</u>	<u>\$ 1,092,704</u>	<u>\$ (200,000)</u>	<u>210,927</u>	<u>\$ 410,927</u>
Fund Balance, Beginning of Year		2,311,422			1,368,543			54,789	
Fund Balance, End of Year		<u>\$ 2,427,185</u>			<u>\$ 3,067,147</u>			<u>\$ 265,716</u>	

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds								
	Health-Medical Insurance			Gas Tax Apportionment			Tree Maintenance		
	Final Budget	Actual Amounts	Variance with Final Budget	Final Budget	Actual Amounts	Variance with Final Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues									
Taxes	\$ 2,637,700	\$ 2,616,796	\$ (20,904)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Special Assessments	—	—	—	—	—	—	2,000	2,428	428
Licenses and permits	—	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	10,000	7,420	(2,580)
Charges for services	—	—	—	—	—	—	934,900	935,893	993
Fines and forfeitures	—	—	—	—	—	—	—	—	—
Interest on investments	3,800	11,264	7,464	—	4,833	4,833	8,400	21,760	13,360
Change in fair market value of investments	—	31,499	31,499	—	19,602	19,602	—	14,006	14,006
Interest on loans receivable	—	—	—	—	—	—	—	—	—
Miscellaneous	—	—	—	—	—	—	10,000	30,976	20,976
Total revenues	2,641,500	2,659,558	18,058	—	24,435	24,435	965,300	1,012,483	47,183
Expenditures									
Current									
General government	—	—	—	—	—	—	—	—	—
Public safety	—	—	—	—	—	—	—	—	—
Public works	—	—	—	—	—	—	—	—	—
Public welfare	—	—	—	—	—	—	978,900	872,804	106,096
Other	—	—	—	—	—	—	—	—	—
Capital outlay	—	—	—	—	—	—	215,000	56,364	158,636
Debt service	—	—	—	—	—	—	—	—	—
Principal	—	—	—	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	—	—	—
Total expenditures	—	—	—	—	—	—	1,193,900	929,168	264,732
Excess (Deficiency) of Revenues over (under) Expenditures	2,641,500	2,659,558	18,058	—	24,435	24,435	(228,600)	83,316	311,916
Other Financing Sources (Uses)									
Transfers in	—	—	—	—	—	—	—	—	—
Transfers out	(3,775,000)	(3,392,870)	382,130	(265,958)	(265,958)	—	—	—	—
Proceeds from Long-Term Debt, net	—	—	—	—	—	—	—	—	—
Issuance of long-term debt	—	—	—	—	—	—	—	—	—
Lease proceeds	—	—	—	—	—	—	—	—	—
Sale of capital assets	—	—	—	—	—	—	—	—	—
Total other financing sources (uses)	(3,775,000)	(3,392,870)	382,130	(265,958)	(265,958)	—	—	—	—
Net Change in Fund Balance	<u>\$ (1,133,500)</u>	<u>(733,311)</u>	<u>\$ 400,189</u>	<u>\$ (265,958)</u>	<u>(241,523)</u>	<u>\$ 24,435</u>	<u>\$ (228,600)</u>	<u>83,316</u>	<u>\$ 311,916</u>
Fund Balance, Beginning of Year		1,341,543			241,523			617,190	
Fund Balance, End of Year		<u>\$ 608,232</u>			<u>\$ —</u>			<u>\$ 700,506</u>	

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds								
	Fire Impact Fee			Street Impact Fee			Building Inspection		
	Final Budget	Actual Amounts	Variance with Final Budget	Final Budget	Actual Amounts	Variance with Final Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues									
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Special Assessments	—	—	—	—	—	—	—	—	—
Licenses and permits	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,797,000	\$ 4,223,073	\$ 426,073
Intergovernmental	—	—	—	—	—	—	214,000	171,305	(42,695)
Charges for services	558,200	724,018	165,818	6,176,700	7,741,627	1,564,927	28,000	51,300	23,300
Fines and forfeitures	—	—	—	—	—	—	—	—	—
Interest on investments	63,100	180,293	117,193	184,500	544,486	359,986	18,300	36,525	18,225
Change in fair market value of investments	—	82,048	82,048	—	261,829	261,829	—	16,265	16,265
Interest on loans receivable	—	—	—	—	—	—	—	—	—
Miscellaneous	—	—	—	200	2,457	2,257	—	19,125	19,125
Total revenues	621,300	986,359	365,059	6,361,400	8,550,399	2,188,999	4,057,300	4,517,593	460,293
Expenditures									
Current									
General government	—	—	—	—	—	—	—	—	—
Public safety	27,900	39,241	(11,341)	—	—	—	4,464,300	3,967,907	496,393
Public works	—	—	—	358,800	388,475	(29,675)	—	—	—
Public welfare	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—
Capital outlay	1,500,000	—	1,500,000	8,721,700	3,870,868	4,850,832	115,000	37,548	77,452
Debt service									
Principal	—	—	—	—	—	—	—	89,867	(89,867)
Interest and fiscal charges	—	—	—	—	—	—	—	4,997	(4,997)
Total expenditures	1,527,900	39,241	1,488,659	9,080,500	4,259,344	4,821,156	4,579,300	4,100,319	478,981
Excess (Deficiency) of Revenues over (under) Expenditures	(906,600)	947,118	1,853,718	(2,719,100)	4,291,055	7,010,155	(522,000)	417,274	939,274
Other Financing Sources (Uses)									
Transfers in	—	—	—	—	—	—	—	—	—
Transfers out	(3,800,000)	(3,800,000)	—	—	—	—	—	—	—
Proceeds from Long-Term Debt, net	—	—	—	—	—	—	—	—	—
Issuance of long-term debt	—	—	—	—	—	—	—	—	—
Lease proceeds	—	—	—	—	—	—	—	—	—
Sale of capital assets	—	—	—	—	—	—	—	—	—
Total other financing sources (uses)	(3,800,000)	(3,800,000)	—	—	—	—	—	—	—
Net Change in Fund Balance	<u>\$ (4,706,600)</u>	<u>(2,852,882)</u>	<u>\$ 1,853,718</u>	<u>\$ (2,719,100)</u>	<u>4,291,055</u>	<u>\$ 7,010,155</u>	<u>\$ (522,000)</u>	<u>417,274</u>	<u>\$ 939,274</u>
Fund Balance, Beginning of Year		4,842,733			13,911,165			1,021,673	
Fund Balance, End of Year		<u>\$ 1,989,851</u>			<u>\$ 18,202,220</u>			<u>\$ 1,438,947</u>	

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds								
	Pole Yard TIF District			Economic Development Revolving Loans			Community Housing		
	Final Budget	Actual Amounts	Variance with Final Budget	Final Budget	Actual Amounts	Variance with Final Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues									
Taxes	\$ 319,500	\$ 498,428	\$ 178,928	\$ —	\$ —	\$ —	\$ 1,389,700	\$ 1,415,586	\$ 25,886
Special Assessments	—	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—	—
Intergovernmental	4,000	11,592	7,592	—	—	—	2,000	1,607	(393)
Charges for services	—	—	—	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—	—	—	—
Interest on investments	—	—	—	—	271	271	5,600	61,425	55,825
Change in fair market value of investments	—	—	—	—	—	—	—	45,934	45,934
Interest on loans receivable	—	—	—	—	42,657	42,657	—	—	—
Miscellaneous	—	—	—	—	—	—	—	89	89
Total revenues	323,500	510,021	186,521	—	42,928	42,928	1,397,300	1,524,641	127,341
Expenditures									
Current									
General government	—	—	—	—	—	—	—	—	—
Public safety	—	—	—	—	—	—	—	—	—
Public works	—	—	—	—	—	—	—	—	—
Public welfare	600,000	—	600,000	—	45,492	(45,492)	3,552,700	1,893,653	1,659,047
Other	—	—	—	—	—	—	—	—	—
Capital outlay	—	—	—	—	—	—	—	—	—
Debt service									
Principal	—	—	—	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	—	—	—
Total expenditures	600,000	—	600,000	—	45,492	(45,492)	3,552,700	1,893,653	1,659,047
Excess (Deficiency) of Revenues over (under) Expenditures	(276,500)	510,021	786,521	—	(2,564)	(2,564)	(2,155,400)	(369,012)	1,786,388
Other Financing Sources (Uses)									
Transfers in	—	—	—	—	—	—	—	—	—
Transfers out	—	—	—	—	—	—	—	—	—
Proceeds from Long-Term Debt, net	—	—	—	—	—	—	—	—	—
Issuance of long-term debt	—	—	—	—	—	—	—	—	—
Lease proceeds	—	—	—	—	—	—	—	—	—
Sale of capital assets	—	—	—	—	—	—	—	—	—
Total other financing sources (uses)	—	—	—	—	—	—	—	—	—
Net Change in Fund Balance	\$ (276,500)	510,021	\$ 786,521	\$ —	(2,564)	\$ (2,564)	\$ (2,155,400)	(369,012)	\$ 1,786,388
Fund Balance, Beginning of Year		334,887			987,245			2,340,223	
Fund Balance, End of Year		\$ 844,908			\$ 984,681			\$ 1,971,211	

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds								
	Metropolitan Planning Organization			Street Arterial and Collector District			North 7th Corridor TIF District		
	Final Budget	Actual Amounts	Variance with Final Budget	Final Budget	Actual Amounts	Variance with Final Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues									
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,999,200	\$ 2,410,651	\$ 411,451
Special Assessments	—	—	—	3,500	4,424	924	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—	—
Intergovernmental	—	70	70	—	—	—	39,500	50,535	11,035
Charges for services	—	—	—	1,779,100	1,816,473	37,373	—	—	—
Fines and forfeitures	—	—	—	—	—	—	—	—	—
Interest on investments	—	—	—	56,400	101,302	44,902	28,100	62,473	34,373
Change in fair market value of investments	—	—	—	—	80,130	80,130	—	66,230	66,230
Interest on loans receivable	—	—	—	—	—	—	—	—	—
Miscellaneous	—	5,876	5,876	753,400	1,323,678	570,278	—	164	164
Total revenues	—	5,946	5,946	2,592,400	3,326,007	733,607	2,066,800	2,590,054	523,254
Expenditures									
Current									
General government	—	—	—	—	—	—	—	—	—
Public safety	—	—	—	—	—	—	—	—	—
Public works	—	11,822	(11,822)	233,100	14,183	218,917	—	—	—
Public welfare	—	—	—	—	—	—	2,165,900	2,152,298	13,602
Other	—	—	—	—	—	—	—	—	—
Capital outlay	—	—	—	5,553,100	2,119,189	3,433,911	725,000	238,630	486,370
Debt service									
Principal	—	—	—	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	—	—	—
Total expenditures	—	11,822	(11,822)	5,786,200	2,133,372	3,652,828	2,890,900	2,390,928	499,972
Excess (Deficiency) of Revenues over (under) Expenditures	—	(5,876)	(5,876)	(3,193,800)	1,192,635	4,386,435	(824,100)	199,125	1,023,225
Other Financing Sources (Uses)									
Transfers in	—	5,876	5,876	—	—	—	—	—	—
Transfers out	—	—	—	—	—	—	(655,200)	(655,127)	73
Proceeds from Long-Term Debt, net	—	—	—	—	—	—	—	—	—
Issuance of long-term debt	—	—	—	—	—	—	—	—	—
Lease proceeds	—	—	—	—	—	—	—	—	—
Sale of capital assets	—	—	—	—	—	—	—	—	—
Total other financing sources (uses)	—	5,876	5,876	—	—	—	(655,200)	(655,127)	73
Net Change in Fund Balance	\$ —	—	\$ —	\$ (3,193,800)	1,192,635	\$ 4,386,435	\$ (1,479,300)	(456,002)	\$ 1,023,298
Fund Balance, Beginning of Year		—			4,351,213			2,942,927	
Fund Balance, End of Year		\$ —			\$ 5,543,848			\$ 2,486,925	

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds								
	Northeast Urban Renewal TIF District			Mandeville/Wheat Drive TIF District			Victim/Witness Advocate		
	Final Budget	Actual Amounts	Variance with Final Budget	Final Budget	Actual Amounts	Variance with Final Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues									
Taxes	\$ 498,700	\$ 673,004	\$ 174,304	\$ 24,700	\$ 38,082	\$ 13,382	\$ —	\$ —	\$ —
Special Assessments	—	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—	—
Intergovernmental	1,300	1,818	518	—	—	—	—	798	798
Charges for services	—	—	—	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—	—	53,578	53,578
Interest on investments	11,000	38,795	27,795	2,100	6,048	3,948	5,900	12,103	6,203
Change in fair market value of investments	—	11,246	11,246	—	2,707	2,707	—	8,269	8,269
Interest on loans receivable	—	—	—	—	—	—	—	—	—
Miscellaneous	—	49	49	—	—	—	—	—	—
Total revenues	511,000	724,912	213,912	26,800	46,836	20,036	5,900	74,748	68,848
Expenditures									
Current									
General government	—	—	—	—	—	—	105,000	57,876	47,124
Public safety	—	—	—	—	—	—	—	—	—
Public works	—	—	—	—	—	—	—	—	—
Public welfare	60,500	43,766	16,734	160,200	—	160,200	—	—	—
Other	—	—	—	—	—	—	—	—	—
Capital outlay	986,900	40,855	946,045	—	—	—	—	—	—
Debt service									
Principal	43,500	43,401	99	—	—	—	—	—	—
Interest and fiscal charges	49,500	48,599	901	—	—	—	—	—	—
Total expenditures	1,140,400	176,621	963,779	160,200	—	160,200	105,000	57,876	47,124
Excess (Deficiency) of Revenues over (under) Expenditures	(629,400)	548,291	1,177,691	(133,400)	46,836	180,236	(99,100)	16,872	115,972
Other Financing Sources (Uses)									
Transfers in	—	—	—	—	—	—	—	—	—
Transfers out	—	—	—	—	—	—	—	—	—
Proceeds from Long-Term Debt, net	—	—	—	—	—	—	—	—	—
Issuance of long-term debt	—	—	—	—	—	—	—	—	—
Lease proceeds	—	—	—	—	—	—	—	—	—
Sale of capital assets	—	—	—	—	—	—	—	—	—
Total other financing sources (uses)	—	—	—	—	—	—	—	—	—
Net Change in Fund Balance	\$ (629,400)	548,291	\$ 1,177,691	\$ (133,400)	46,836	\$ 180,236	\$ (99,100)	16,872	\$ 115,972
Fund Balance, Beginning of Year		1,054,670			166,694			345,883	
Fund Balance, End of Year		\$ 1,602,961			\$ 213,530			\$ 362,755	

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds								
	Fire Department Equipment			South Bozeman TIF District			Parks and Trails District		
	Final Budget	Actual Amounts	Variance with Final Budget	Final Budget	Actual Amounts	Variance with Final Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues									
Taxes	\$ 731,000	\$ 959,539	\$ 228,539	\$ 35,700	\$ 47,705	\$ 12,005	\$ —	\$ —	\$ —
Special Assessments	—	—	—	—	—	—	—	15,179	15,179
Licenses and permits	—	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	457,000	36,233	(420,767)
Charges for services	—	—	—	—	—	—	6,257,200	6,688,040	430,840
Fines and forfeitures	—	—	—	—	—	—	—	—	—
Interest on investments	19,900	—	(19,900)	400	2,592	2,192	31,700	130,931	99,231
Change in fair market value of investments	—	13,582	13,582	—	(1,506)	(1,506)	—	47,294	47,294
Interest on loans receivable	—	—	—	—	—	—	—	—	—
Miscellaneous	—	—	—	—	—	—	10,000	469,377	459,377
Total revenues	750,900	973,122	222,222	36,100	48,791	12,691	6,755,900	7,387,054	631,154
Expenditures									
Current									
General government	—	—	—	—	—	—	—	—	—
Public safety	—	265,183	(265,183)	—	—	—	—	—	—
Public works	—	—	—	—	—	—	—	—	—
Public welfare	—	—	—	38,000	16,409	21,591	6,202,000	5,276,162	925,838
Other	—	—	—	—	—	—	—	—	—
Capital outlay	1,476,100	1,383,271	92,829	—	—	—	2,820,200	492,191	2,328,009
Debt service									
Principal	—	—	—	—	—	—	—	35,415	(35,415)
Interest and fiscal charges	—	—	—	—	—	—	—	27,483	(27,483)
Total expenditures	1,476,100	1,648,454	(172,354)	38,000	16,409	21,591	9,022,200	5,831,250	3,190,950
Excess (Deficiency) of Revenues over (under) Expenditures	(725,200)	(675,333)	49,867	(1,900)	32,382	34,282	(2,266,300)	1,555,804	3,822,104
Other Financing Sources (Uses)									
Transfers in	—	—	—	—	—	—	—	33,237	33,237
Transfers out	(2,849,800)	(2,000,000)	849,800	—	—	—	—	—	—
Proceeds from Long-Term Debt, net	2,437,200	—	(2,437,200)	—	—	—	1,385,000	—	(1,385,000)
Issuance of long-term debt	—	—	—	—	—	—	—	—	—
Lease proceeds	—	—	—	—	—	—	—	—	—
Sale of capital assets	1,000,000	—	(1,000,000)	—	—	—	—	—	—
Total other financing sources (uses)	587,400	(2,000,000)	(2,587,400)	—	—	—	1,385,000	33,237	(1,351,763)
Net Change in Fund Balance	\$ (137,800)	(2,675,333)	\$ (2,537,533)	\$ (1,900)	32,382	\$ 34,282	\$ (881,300)	1,589,041	\$ 2,470,341
Fund Balance, Beginning of Year		400,068			54,307			3,315,340	
Fund Balance, End of Year		\$ (2,275,265)			\$ 86,689			\$ 4,904,381	

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds					
	Street Lighting			Park Land		
	Final Budget	Actual Amounts	Variance with Final Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Special Assessments	553,400	422,024	(131,376)	—	—	—
Licenses and permits	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—
Charges for services	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—
Interest on investments	8,000	16,048	8,048	24,700	87,279	62,579
Change in fair market value of investments	—	(6,181)	(6,181)	—	25,796	25,796
Interest on loans receivable	—	—	—	—	—	—
Miscellaneous	—	—	—	1,096,200	807,631	(288,569)
Total revenues	561,400	431,891	(129,509)	1,120,900	920,706	(200,194)
Expenditures						
Current						
General government	—	—	—	—	—	—
Public safety	—	—	—	—	—	—
Public works	542,500	494,160	48,340	—	—	—
Public welfare	—	—	—	260,000	14,000	246,000
Other	—	—	—	—	—	—
Capital outlay	—	—	—	363,600	45,220	318,380
Debt service	—	—	—	—	—	—
Principal	—	—	—	338,700	215,000	123,700
Interest and fiscal charges	—	—	—	—	18,719	(18,719)
Total expenditures	542,500	494,160	48,340	962,300	292,939	669,361
Excess (Deficiency) of Revenues over (under) Expenditures	18,900	(62,269)	(81,169)	158,600	627,767	469,167
Other Financing Sources (Uses)						
Transfers in	—	—	—	243,900	243,877	(23)
Transfers out	—	—	—	—	—	—
Proceeds from Long-Term Debt, net	—	—	—	—	—	—
Issuance of long-term debt	—	—	—	—	—	—
Lease proceeds	—	—	—	—	—	—
Sale of capital assets	—	—	—	—	—	—
Total other financing sources (uses)	—	—	—	243,900	243,877	(23)
Net Change in Fund Balance	\$ 18,900	(62,269)	\$ (81,169)	\$ 402,500	871,644	\$ 469,144
Fund Balance, Beginning of Year		504,862			1,962,849	
Fund Balance, End of Year		\$ 442,593			\$ 2,834,493	

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds					
	Municipal Court Restitution			Total		
	Final Budget	Actual Amounts	Variance with Final Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues						
Taxes	\$ —	\$ —	\$ —	\$ 8,230,900	\$ 9,195,670	\$ 964,770
Special Assessments	—	—	—	558,900	444,055	(114,845)
Licenses and permits	—	—	—	3,862,700	4,321,830	459,130
Intergovernmental	—	—	—	5,642,400	4,895,481	(746,919)
Charges for services	—	—	—	17,140,600	19,320,598	2,179,998
Fines and forfeitures	—	—	—	—	53,578	53,578
Interest on investments	—	—	—	658,100	1,542,033	883,933
Change in fair market value of investments	—	—	—	—	893,862	893,862
Interest on loans receivable	—	—	—	—	42,657	42,657
Miscellaneous	—	—	—	1,919,100	2,751,309	832,209
Total revenues	—	—	—	38,012,700	43,461,073	5,448,373
Expenditures						
Current						
General government	—	—	—	4,311,100	3,073,747	1,237,353
Public safety	—	—	—	4,755,000	4,728,643	26,357
Public works	—	—	—	1,134,400	908,640	225,760
Public welfare	—	—	—	14,224,700	10,504,586	3,720,114
Other	—	—	—	180,900	—	180,900
Capital outlay	—	—	—	22,541,600	8,284,137	14,257,463
Debt service						
Principal	—	—	—	452,300	440,795	11,505
Interest and fiscal charges	—	—	—	105,200	129,309	(24,109)
Total expenditures	—	—	—	47,705,200	28,069,856	19,635,344
Excess (Deficiency) of Revenues over (under) Expenditures	—	—	—	(9,692,500)	15,391,216	25,083,716
Other Financing Sources (Uses)						
Transfers in	—	—	—	3,120,400	3,069,814	(50,586)
Transfers out	—	—	—	(16,246,158)	(14,229,265)	2,016,893
Proceeds from Long-Term Debt, net	—	—	—	3,822,200	—	(3,822,200)
Issuance of long-term debt	—	—	—	—	—	—
Lease proceeds	—	—	—	—	—	—
Sale of capital assets	—	—	—	1,000,000	—	(1,000,000)
Total other financing sources (uses)	—	—	—	(8,303,558)	(11,159,451)	(2,855,893)
Net Change in Fund Balance	\$ —	—	\$ —	\$ (17,996,058)	4,231,765	\$ 22,227,823
Fund Balance, Beginning of Year		105			44,471,852	
Fund Balance, End of Year		\$ 105			\$ 48,703,617	

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Debt Service Funds								
	SID Revolving			General Obligation Bonds			TIF Bonds		
	Final Budget	Actual Amounts	Variance with Final Budget	Final Budget	Actual Amounts	Variance with Final Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues									
Taxes	\$ —	\$ —	\$ —	\$ 3,993,700	\$ 4,039,312	\$ 45,612	\$ —	\$ —	\$ —
Special Assessments	—	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—	—	—
Charges for services	—	—	—	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—	—	—	—
Interest on investments	8,400	1,554	(6,846)	1,900	17,436	15,536	—	—	—
Change in fair market value of investments	—	8,471	8,471	—	(136)	(136)	—	—	—
Interest on loans receivable	—	9,909	9,909	—	—	—	—	—	—
Miscellaneous	—	—	—	—	—	—	—	—	—
Total revenues	8,400	19,933	11,533	3,995,600	4,056,612	61,012	—	—	—
Expenditures									
Current									
General government	—	—	—	—	—	—	—	—	—
Public safety	—	—	—	—	—	—	—	—	—
Public works	—	—	—	—	—	—	—	—	—
Public welfare	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—
Capital outlay	—	—	—	—	—	—	—	—	—
Debt service									
Principal	—	—	—	2,589,600	2,300,000	289,600	458,000	458,000	—
Interest and fiscal charges	—	—	—	1,371,300	1,659,850	(288,550)	286,100	286,081	19
Total expenditures	—	—	—	3,960,900	3,959,850	1,050	744,100	744,081	19
Excess (Deficiency) of Revenues over (under) Expenditures	8,400	19,933	11,533	34,700	96,762	62,062	(744,100)	(744,081)	19
Other Financing Sources (Uses)									
Transfers in	—	992,114	992,114	—	—	—	744,100	744,081	(19)
Transfers out	(27,100)	—	27,100	(130,000)	—	130,000	—	—	—
Proceeds from Long-Term Debt, net Issuance of long-term debt	—	—	—	—	—	—	—	—	—
Lease proceeds	—	—	—	—	—	—	—	—	—
Sale of capital assets	—	—	—	—	—	—	—	—	—
Total other financing sources (uses)	(27,100)	992,114	1,019,214	(130,000)	—	130,000	744,100	744,081	(19)
Net Change in Fund Balance	<u>\$ (18,700)</u>	<u>1,012,047</u>	<u>\$ 1,030,747</u>	<u>\$ (95,300)</u>	<u>96,762</u>	<u>\$ 192,062</u>	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>
Fund Balance, Beginning of Year		697,208			(290,217)			—	
Fund Balance, End of Year		<u>\$ 1,709,255</u>			<u>\$ (193,455)</u>			<u>\$ —</u>	

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Debt Service Funds			Permanent Fund			Total		
	Total			Cemetery Perpetual Care			Total		
	Final Budget	Actual Amounts	Variance with Final Budget	Final Budget	Actual Amounts	Variance with Final Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues									
Taxes	\$ 3,993,700	\$ 4,039,312	\$ 45,612	\$ —	\$ —	\$ —	\$ 12,224,600	\$ 13,234,982	\$ 1,010,382
Special Assessments	—	—	—	—	—	—	558,900	444,055	(114,845)
Licenses and permits	—	—	—	—	—	—	3,862,700	4,321,830	459,130
Intergovernmental	—	—	—	—	—	—	5,642,400	4,895,481	(746,919)
Charges for services	—	—	—	62,300	101,063	38,763	17,202,900	19,421,661	2,218,761
Fines and forfeitures	—	—	—	—	—	—	—	53,578	53,578
Interest on investments	10,300	18,990	8,690	24,400	63,660	39,260	692,800	1,624,682	931,882
Change in fair market value of investments	—	8,335	8,335	—	32,961	32,961	—	935,158	935,158
Interest on loans receivable	—	9,909	9,909	—	—	—	—	52,566	52,566
Miscellaneous	—	—	—	—	—	—	1,919,100	2,751,309	832,209
Total revenues	4,004,000	4,076,545	72,545	86,700	197,684	110,984	42,103,400	47,735,302	5,631,902
Expenditures									
Current									
General government	—	—	—	—	—	—	4,311,100	3,073,747	1,237,353
Public safety	—	—	—	—	—	—	4,755,000	4,728,643	26,357
Public works	—	—	—	—	—	—	1,134,400	908,640	225,760
Public welfare	—	—	—	—	—	—	14,224,700	10,504,586	3,720,114
Other	—	—	—	—	—	—	180,900	—	180,900
Capital outlay	—	—	—	—	—	—	22,541,600	8,284,137	14,257,463
Debt service	—	—	—	—	—	—	—	—	—
Principal	3,047,600	2,758,000	289,600	—	—	—	3,499,900	3,198,795	301,105
Interest and fiscal charges	1,657,400	1,945,931	(288,531)	—	—	—	1,762,600	2,075,240	(312,640)
Total expenditures	4,705,000	4,703,931	1,069	—	—	—	52,410,200	32,773,787	19,636,413
Excess (Deficiency) of Revenues over (under) Expenditures	(701,000)	(627,386)	73,614	86,700	197,684	110,984	(10,306,800)	14,961,515	25,268,315
Other Financing Sources (Uses)									
Transfers in	744,100	1,736,195	992,095	—	—	—	3,864,500	4,806,008	941,508
Transfers out	(157,100)	—	157,100	—	—	—	(16,403,258)	(14,229,265)	2,173,993
Proceeds from Long-Term Debt, net	—	—	—	—	—	—	3,822,200	—	(3,822,200)
Issuance of long-term debt	—	—	—	—	—	—	—	—	—
Lease proceeds	—	—	—	—	—	—	—	—	—
Sale of capital assets	—	—	—	—	—	—	1,000,000	—	(1,000,000)
Total other financing sources (uses)	587,000	1,736,195	1,149,195	—	—	—	(7,716,558)	(9,423,257)	(1,706,699)
Net Change in Fund Balance	\$ (114,000)	1,108,809	\$ 1,222,809	\$ 86,700	197,684	\$ 110,984	\$ (18,023,358)	5,538,258	\$ 23,561,616
Fund Balance, Beginning of Year		406,991			1,804,399			46,683,242	
Fund Balance, End of Year		\$ 1,515,800			\$ 2,002,083			\$ 52,221,500	

The enterprise funds account for the operations that are financed and operated in a manner similar to private business enterprises where the intent of the City is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the City has decided that periodic determination of the revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or for other purposes.

The City operates the following nonmajor enterprise funds:

Parking Fund – Accounts for the City’s parking enforcement and facilities operations.

Stormwater Fund – Accounts for the City’s stormwater management and mitigation operations.

City of Bozeman, Montana
Combining Statement of Net Position
Nonmajor Enterprise Funds
Year Ended June 30, 2024

	Parking	Storm Water	Total
Assets			
Current Assets			
Cash and cash investments	\$ 1,217,151	\$ 2,052,684	\$ 3,269,836
Receivables (net of allowance for uncollectibles):			
Interest	7,459	8,592	16,051
Accounts	—	187,858	187,858
Special assessments	—	699	699
Total current assets	<u>1,224,610</u>	<u>2,249,833</u>	<u>3,474,443</u>
Noncurrent Assets			
Restricted assets			
Cash and investments	722,269	58,288	780,557
Capital Assets			
Land	303,436	—	303,436
Construction in progress	—	311,576	311,576
Buildings	11,971,077	24,215	11,995,291
Machinery and equipment	561,843	757,188	1,319,031
Vehicles	203,079	197,137	400,216
Infrastructure	47,058	9,681,525	9,728,583
Less accumulated depreciation/amortization	(6,347,739)	(1,598,203)	(7,945,943)
Total capital assets, net of accumulated depreciation/amortization	<u>6,738,753</u>	<u>9,373,438</u>	<u>16,112,190</u>
Total noncurrent assets	<u>7,461,022</u>	<u>9,431,726</u>	<u>16,892,747</u>
Total assets	<u>8,685,632</u>	<u>11,681,559</u>	<u>20,367,190</u>
Deferred Outflows of Resources			
OPEB	10,695	9,783	20,478
Pensions	84,244	159,604	243,848
Total deferred outflows of resources	<u>94,939</u>	<u>169,387</u>	<u>264,326</u>
Liabilities			
Current Liabilities			
Accounts payable	71,840	38,533	110,373
Current portion of long-term debt	26,137	146,847	172,984
Current Debt/Bonds	—	89,000	89,000
Compensated absences payable	14,928	64,974	79,902
Total current liabilities	<u>97,977</u>	<u>185,380</u>	<u>283,357</u>
Noncurrent Liabilities			
Long-term debt, net of current portion			
Bonds payable	—	1,020,000	1,020,000
Compensated absences	(11,209)	7,127	(4,082)
Compensated absences payable	14,928	64,974	79,901
Total OPEB liability	60,008	41,438	101,446
Net pension liability	317,674	601,848	919,522
Total noncurrent liabilities	<u>366,473</u>	<u>1,670,413</u>	<u>2,036,886</u>
Total liabilities	<u>464,450</u>	<u>1,855,794</u>	<u>2,320,244</u>
Deferred Inflows of Resources			
OPEB Plans	13,080	7,665	20,745
Pension plans	11,331	21,466	32,797
Total deferred inflows of resources	<u>24,411</u>	<u>29,132</u>	<u>53,542</u>
Net Position			
Net investment in capital assets	6,738,753	8,303,924	15,042,677
Restricted for:			
Parking capital projects	722,269		722,269
Unrestricted	830,688	1,662,096	2,492,784
Total net position	<u>\$ 8,291,710</u>	<u>\$ 9,966,020</u>	<u>\$ 18,257,730</u>

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Net Position
Nonmajor Enterprise Funds
Year Ended June 30, 2024

	Parking	Storm Water	Total
Operating Revenues			
Charges for services	\$ 1,214,125	\$ 2,023,962	\$ 3,238,087
Operating Expenses			
Salaries and benefits	456,131	903,913	1,360,044
Materials and supplies	39,187	23,738	62,925
Repairs and maintenance	60,349	28,599	88,948
Utilities	44,528	5,543	50,072
Administrative charges	132,818	482,941	615,759
Other services	481,938	135,467	617,405
Depreciation/amortization	372,923	238,285	611,207
Change in estimated closure and post-closure care costs	—	—	—
Total operating expenses	1,587,874	1,818,486	3,406,360
Operating Income (Loss)	(373,749)	205,476	(168,273)
Nonoperating Revenues (Expenses)			
Loss on disposal of assets	(10,267)	—	(10,267)
Interest income	61,524	69,755	131,279
Net increase in fair market value of investments	40,163	35,451	75,613
Interest expense and bond fees	—	(29,363)	(29,363)
Intergovernmental revenues	6,644	12,588	19,232
Impact fees	—	—	—
Lease income	—	—	—
Miscellaneous revenue	8,354	13,020	21,375
Total nonoperating revenues (expenses)	106,418	101,451	207,869
Income (Loss) before Contributions and Transfers	(267,331)	306,928	39,597
Transfers in	—	—	—
Transfers out	—	(46,636)	(46,636)
Capital contributions from other governments	—	724,167	724,167
Change in Net Position	(267,331)	984,458	717,127
Total Net Position, Beginning of Year	8,559,041	8,981,562	17,540,603
Total Net Position, End of Year	\$ 8,291,710	\$ 9,966,020	\$ 18,257,730

City of Bozeman, Montana
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2024

	Parking	Storm Water	Total
Operating Activities			
Receipts from customers and users	\$ 1,215,729	\$ 2,019,102	\$ 3,234,831
Other operating cash receipts	8,354	13,020	21,375
Payments to suppliers	(634,665)	(206,349)	(841,014)
Payments to and on behalf of employees	(456,951)	(844,603)	(1,301,554)
Payments to internal service funds and administration	(132,818)	(482,941)	(615,759)
Net Cash from (Used for) Operating Activities	(351)	498,229	497,879
Noncapital Financing Activities			
Transfers to other funds	—	(46,636)	(46,636)
Intergovernmental operating grants	6,644	12,588	19,232
Net Cash from Noncapital Financing Activities	6,644	(34,048)	(27,404)
Capital and Related Financing Activities			
Acquisition of capital assets	(108,886)	(264,667)	(373,553)
Debt service			
Principal	—	(87,000)	(87,000)
Interest	—	(29,363)	(29,363)
Net Cash Used for Capital and Related Financing Activities	(108,886)	(381,030)	(489,916)
Investing Activity			
Interest and dividends from investments	99,448	101,805	201,252
Change in cash and investments	(3,145)	184,956	181,811
Cash and investments, beginning of year	1,942,565	1,926,016	3,868,581
Cash and investments, end of year	<u>\$ 1,939,420</u>	<u>\$ 2,110,972</u>	<u>\$ 4,050,392</u>
Reconciliation of Operating Loss to			
Net Cash from (Used for) Operating Activities			
Operating income (loss)	\$ (373,749)	\$ 205,476	\$ (168,272)
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities			
Depreciation/amortization	372,923	238,285	611,207
Other operating cash receipts	8,354	13,020	21,375
Changes in assets and liabilities			
Accounts receivable	1,604	(4,227)	(2,623)
Special assessments receivable	—	(633)	(633)
Pension related deferred outflows	(24,918)	(59,375)	(84,293)
OPEB related deferred outflows	1,658	5,004	6,662
Vouchers payable	(8,662)	(13,002)	(21,664)
Compensated absences	(1,508)	5,334	3,824
Net pension liability	33,138	121,137	154,275
Total OPEB liability	1,742	5,259	7,001
Pension related deferred inflows	(9,500)	(13,726)	(23,226)
OPEB related deferred inflows	(1,432)	(4,323)	(5,755)
Net cash from (used for) operating activities	<u>\$ (350)</u>	<u>\$ 498,229</u>	<u>\$ 497,879</u>
Supplemental Schedule of Noncash			
Acquisition of capital assets through capital contributions and donations	<u>\$ —</u>	<u>\$ 724,167</u>	<u>\$ 724,167</u>

City of Bozeman, Montana
Description of Internal Service Funds
Internal Service Funds
Year Ended June 30, 2024

Internal Service Funds are used to account for the goods or services provided by one department to other departments of the City on a cost-reimbursement basis.

The City operates the following internal service funds:

Vehicle Maintenance Shop – Accounts for the maintenance and repair of vehicles used in operation of City services.

Medical Health Insurance – Accounts for insurance premiums received from the various City departments and retirees, and the related costs of health and dental premiums paid to the City's insurance provider.

Public Works Administration – Accounts for the professional level management, engineering, and GIS technical support provided to other Public Works divisions, including water, wastewater, solid waste, stormwater, in addition to support provided to other City departments.

City of Bozeman, Montana
Combining Balance Sheet
Internal Service Funds
Year Ended June 30, 2024

	Vehicle Maintenance Shop	Medical Health Insurance	Public Works Administration	Total
Assets				
Current Assets				
Cash and investments	\$ 106,447	\$ —	\$ 2,956,012	\$ 3,062,459
Receivables (net of allowance for uncollectibles):				
Interest	409	—	11,077	11,486
Accounts	3,241	23,502	—	26,742
Prepaid items	—	566,218	—	566,218
Other assets	—	—	8,657	8,657
Total current assets	<u>110,097</u>	<u>589,719</u>	<u>2,975,747</u>	<u>3,675,562</u>
Noncurrent Assets				
Capital Assets				
Buildings	1,424,215	—	121,905	1,546,120
Machinery and equipment	255,469	—	528,721	784,189
Vehicles	88,980	—	142,487	231,467
Infrastructure	—	—	29,314	29,314
Right-of-use lease assets	—	—	423,122	423,122
Less accumulated depreciation/amortization	(945,696)	—	(727,039)	(1,672,735)
Total capital assets, net of accumulated depreciation/amortization	<u>822,967</u>	<u>—</u>	<u>518,510</u>	<u>1,341,477</u>
Total noncurrent assets	<u>822,967</u>	<u>—</u>	<u>518,510</u>	<u>1,341,477</u>
Total assets	<u>933,064</u>	<u>589,719</u>	<u>3,494,256</u>	<u>5,017,039</u>
Deferred Outflows of Resources				
Other postemployment benefits	12,696	—	27,534	40,230
Pension plans	182,459	—	753,402	935,861
Total deferred outflows of resources	<u>195,155</u>	<u>—</u>	<u>780,936</u>	<u>976,091</u>

City of Bozeman, Montana
Combining Balance Sheet
Internal Service Funds
Year Ended June 30, 2024

	Vehicle Maintenance Shop	Medical Health Insurance	Public Works Administration	Total
Liabilities				
Current Liabilities				
Accounts payable	108,877	398	268,180	377,455
Due to other funds	—	4,044	—	4,044
Accrued interest payable	—	—	1,103	1,103
Current portion of long-term debt	40,893	—	312,768	353,661
Current Debt/Bonds	—	—	86,108	86,108
Total current liabilities	149,770	4,442	582,051	736,263
Noncurrent Liabilities				
Long-term debt, net of current portion				
Leases payable	—	—	194,363	194,363
Compensated absences	2,913	—	79,683	82,596
Total OPEB liability	70,299	—	217,408	287,707
Net pension liability	688,031	—	2,840,989	3,529,020
Total noncurrent liabilities	761,243	—	3,332,443	4,093,686
Total liabilities	911,013	4,442	3,914,494	4,829,949
Deferred Inflows of Resources				
Other postemployment benefits	12,405	—	48,756	61,161
Pension plans	24,540	—	101,331	125,871
Total deferred inflows of resources	36,945	—	150,087	187,032
Net Position				
Net investment in capital assets	822,967	—	238,039	1,061,006
Unrestricted	(642,707)	585,277	(27,428)	(84,858)
Total net position	\$ 180,260	\$ 585,277	\$ 210,611	\$ 976,148

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2024

	Vehicle Maintenance Shop	Medical Health Insurance	Public Works Administration	Total
Operating Revenues				
Charges for services	\$ 3,627,068	\$ 6,639,354	\$ 5,505,445	15,771,867
Operating Expenses				
Salaries and benefits	1,072,126	—	4,682,970	5,755,094
Materials and supplies	1,210,070	—	29,344	1,239,414
Repairs and maintenance	20,443	—	2,416	22,860
Utilities	30,915	—	10,063	40,978
Administrative charges	275,514	—	702,921	978,434
Other services	59,106	6,585,647	1,157,427	7,802,179
Depreciation/amortization	72,499	—	171,572	244,071
Total operating expenses	2,740,672	6,585,647	6,756,713	16,083,031
Operating Income (Loss)	886,395	53,707	(1,251,267)	(311,164)
Nonoperating Revenues (Expenses)				
Gain (loss) on disposal of assets	—	—	8,132	8,132
Interest income	(10,080)	(513)	88,573	77,979
Net (decrease) increase in fair market value of investments	(1,561)	—	83,687	82,126
Interest expense and bond fees	—	—	(16,302)	(16,302)
Intergovernmental revenues	14,390	—	69,419	83,809
Miscellaneous revenue	14,800	10,852	13,222	38,874
Total nonoperating revenues (expenses)	17,549	10,339	246,732	274,620
Income (Loss) before Contributions and Transfers	903,945	64,046	(1,004,535)	(36,544)
Transfers in	—	—	93,272	93,272
Change in Net Position	903,945	64,046	(911,263)	56,728
Total Net Position, Beginning of Year	(723,685)	521,231	1,121,874	919,420
Total Net Position (Deficit), End of Year	\$ 180,260	\$ 585,277	\$ 210,611	\$ 976,148

City of Bozeman, Montana
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2024

	Vehicle Maintenance Shop	Medical Health Insurance	Public Works Administration	Total
Operating Activities				
Receipts from customers and users	\$ 3,625,739	\$ 6,631,519	\$ 5,505,445	\$ 15,762,703
Other operating cash receipts	14,800	10,852	13,222	38,874
Payments to suppliers	(1,385,567)	(6,625,938)	(1,146,005)	(9,157,510)
Payments to and on behalf of employees	(956,252)	—	(4,071,664)	(5,027,916)
Payments to internal service funds and administration	(275,514)	—	(702,921)	(978,435)
Net Cash from (Used for) Operating Activities	1,023,206	16,433	(401,923)	637,716
Noncapital Financing Activities				
Transfers from other funds	—	—	93,272	93,272
Intergovernmental operating grants	14,390	—	69,419	83,809
Net Cash from Noncapital Financing Activities	14,390	—	162,691	177,081
Capital and Related Financing Activities				
Payments received on advances to other funds	(880,942)	(15,920)	—	(896,862)
Acquisition of capital assets	(38,154)	—	—	(38,154)
Debt service				
Principal	—	—	(100,695)	(100,695)
Interest	—	—	(17,351)	(17,351)
Net Cash Used for Capital and Related Financing Activities	(919,096)	(15,920)	(118,046)	(1,053,062)
Investing Activity				
Interest and dividends from investments	(12,051)	(513)	170,765	158,201
Change in cash and investments	106,450	—	(186,513)	(80,063)
Cash and investments, beginning of year	—	—	3,142,522	3,142,522
Cash and investments, end of year	\$ 106,452	\$ —	\$ 2,956,012	\$ 3,062,459
Reconciliation of Operating Loss to				
Net Cash (Used for) from Operating Activities				
Operating income (loss)	\$ 886,395	\$ 53,707	\$ (1,251,267)	\$ (311,164)
Adjustments to reconcile operating loss to net cash from (used for) operating activities				
Depreciation/amortization	72,499	—	171,572	244,071
Other operating cash receipts	14,800	10,852	13,222	38,874
Changes in assets and liabilities				
Accounts receivable	(1,329)	(7,835)	—	(9,163)
Prepaid expenses	—	(40,265)	—	(40,265)
Pension related deferred outflows	(75,027)	—	(364,840)	(439,867)
OPEB related deferred outflows	5,317	—	18,922	24,239
Vouchers payable	(65,038)	(26)	53,245	(11,819)
Compensated absences	5,324	—	(32,929)	(27,605)
Net pension liability	201,228	—	916,793	1,118,021
Total OPEB liability	5,588	—	19,885	25,473
Pension related deferred inflows	(21,963)	—	69,821	47,858
OPEB related deferred inflows	(4,593)	—	(16,346)	(20,939)
Net cash from (used for) operating activities	\$ 1,023,203	\$ 16,433	\$ (401,923)	\$ 637,716

Custodial funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (or other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

The City has the following custodial funds:

Municipal Court Trust Fund – Accounts for monies held for appearance bonds and restitution to criminal arrests and reimbursement for damage caused.

Tourism Business Improvement District – Accounts for amounts collected from hotels on behalf of the District, a special-purpose government, whose purpose is to enhance the economic vitality of Bozeman by promoting tourism through sales and marketing strategies.

City of Bozeman, Montana
Combining Statement of Fiduciary Net Position
Custodial Funds
Year Ended June 30, 2024

	Municipal Court	Tourism Business Improvement District	Total
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and Investments	\$ 398,794	\$ 50,170	\$ 448,964
Receivables (net of allowance for uncollectibles):			
Customers receivables, net	2,892	—	2,892
Total assets	<u>401,686</u>	<u>50,170</u>	<u>451,856</u>
Liabilities			
Accounts Payable	<u>404,107</u>	<u>—</u>	<u>404,107</u>
Net Position			
Restricted for			
Other organization or individuals	<u><u>\$ (2,421)</u></u>	<u><u>\$ 50,170</u></u>	<u><u>\$ 47,749</u></u>

City of Bozeman, Montana
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Year Ended June 30, 2024

	Municipal Court	Tourism Business Improvement District	Total
	<u> </u>	<u> </u>	<u> </u>
Additions			
Miscellaneous	\$ —	\$ —	\$ —
	<u> </u>	<u> </u>	<u> </u>
Deductions	30	—	30
	<u> </u>	<u> </u>	<u> </u>
Change in Net Position	(30)	—	(30)
	<u> </u>	<u> </u>	<u> </u>
Net Position, Beginning	(2,391)	50,170	47,779
	<u> </u>	<u> </u>	<u> </u>
Net Position, Ending	<u>\$ (2,421)</u>	<u>\$ 50,170</u>	<u>\$ 47,749</u>

Statistical Section
Year Ended June 30, 2024
City of Bozeman, Montana

This part of the City of Bozeman's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

[Financial Trends](#) – These schedules contain trend information to help the reader understand and assess how the government's financial position has changed over time.

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[Revenue Capacity](#) – These schedules contain information to assist the reader in understanding and assessing the factors affecting the government's ability to generate its own-source revenues.

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[Debt Capacity](#) – These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.

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[Demographic and Economic Information](#) – These schedules offer demographic and economic information to (1) assist the reader in understanding the socioeconomic environment within which a government operates and (2) provide information that facilitates comparisons of financial statement information over time and among governments.

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[Operating Information](#) – These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.

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Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of Bozeman, Montana
Components of Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net investment in capital assets	\$ 93,409,850	\$ 104,342,191	\$ 115,696,956	\$ 137,058,945	\$ 155,191,911	\$ 118,577,368	\$ 196,931,242	\$ 217,241,690	\$ 236,885,005	\$ 259,727,878
Restricted	41,755,126	42,829,320	41,583,992	36,522,195	21,202,050	69,208,376	68,458,112	55,321,501	46,965,688	69,617,937
Unrestricted	(5,137,642)	(3,923,466)	(4,839,467)	(5,514,909)	4,799,426	27,280,681	(31,383,436)	(15,708,281)	7,527,542	3,658,281
Total Governmental Activities Net Position	<u>130,027,334</u>	<u>143,248,045</u>	<u>152,441,481</u>	<u>168,066,231</u>	<u>181,193,387</u>	<u>215,066,425</u>	<u>234,005,918</u>	<u>256,854,910</u>	<u>291,378,235</u>	<u>333,004,096</u>
Business-Type Activities										
Net investment in capital assets	211,419,777	221,385,655	229,372,281	239,254,236	245,190,586	260,124,896	271,812,360	286,461,913	297,691,119	308,955,362
Restricted	4,977,984	4,990,635	8,866,951	13,070,517	12,671,931	12,307,565	14,839,596	29,337,941	31,659,041	45,687,628
Unrestricted	6,619,399	10,582,408	9,154,014	12,923,470	21,053,523	25,801,918	23,152,084	14,910,714	15,428,360	5,707,868
Total Business-Type Activities Net Position	<u>223,017,160</u>	<u>236,958,698</u>	<u>247,393,246</u>	<u>265,248,223</u>	<u>278,916,040</u>	<u>298,234,379</u>	<u>309,804,040</u>	<u>330,710,568</u>	<u>344,778,520</u>	<u>360,350,858</u>
Primary Government										
Net investment in capital assets	304,829,627	325,727,846	345,069,237	376,313,181	400,382,497	378,702,264	468,743,602	503,703,603	534,576,124	568,683,240
Restricted	46,733,110	47,819,955	50,450,943	49,592,712	33,873,981	81,515,941	83,297,708	84,659,442	78,624,729	115,305,565
Unrestricted	1,481,757	6,658,942	4,314,547	7,408,561	25,852,949	53,082,599	(8,231,352)	(797,567)	22,955,902	9,366,149
Total Primary Government Net Position	<u>\$ 353,044,494</u>	<u>\$ 380,206,743</u>	<u>\$ 399,834,727</u>	<u>\$ 433,314,454</u>	<u>\$ 460,109,427</u>	<u>\$ 513,300,804</u>	<u>\$ 543,809,958</u>	<u>\$ 587,565,478</u>	<u>\$ 636,156,755</u>	<u>\$ 693,354,954</u>

City of Bozeman, Montana
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities										
General government	\$ 7,417,644	\$ 8,058,925	\$ 9,415,702	\$ 9,896,366	\$ 10,310,075	\$ 9,854,245	\$ 11,517,404	\$ 12,352,494	\$ 17,726,413	\$ 21,008,788
Public safety	17,023,578	18,391,357	17,689,004	18,637,422	19,699,377	20,664,687	22,698,030	22,442,450	28,002,592	29,522,432
Public works	6,458,930	6,861,939	7,857,917	8,615,272	9,850,802	9,781,345	11,018,661	12,176,141	14,646,742	14,780,608
Public health and welfare	7,579,653	7,994,697	9,210,264	9,476,010	9,658,817	10,354,632	13,429,890	16,211,729	15,343,285	20,213,912
Interest and fiscal charges	824,266	893,470	771,714	781,255	786,236	1,763,155	2,105,985	2,051,119	2,070,117	1,963,485
Total governmental activities expenses	<u>39,304,071</u>	<u>42,200,388</u>	<u>44,944,601</u>	<u>47,406,325</u>	<u>50,305,307</u>	<u>52,418,064</u>	<u>60,769,970</u>	<u>65,233,933</u>	<u>77,789,149</u>	<u>87,489,225</u>
Business-Type Activities										
Water	6,869,870	7,995,910	9,273,395	9,740,629	9,832,508	9,984,114	9,807,970	10,687,976	13,882,728	15,227,618
Waste water	8,955,592	6,940,983	8,163,312	8,590,477	8,548,138	9,291,509	9,209,689	10,209,279	11,979,470	13,276,495
Solid waste	6,958,209	3,308,441	4,570,884	4,262,650	4,535,865	4,739,710	4,665,613	4,991,829	7,980,984	6,835,328
Parking	805,274	789,186	830,869	897,278	1,133,777	1,119,466	1,304,465	1,183,693	1,565,405	1,598,141
Stormwater	161,180	309,585	469,743	930,444	878,173	924,282	1,051,497	985,732	1,711,451	1,847,848
Total business-type activities expenses	<u>23,750,125</u>	<u>19,344,105</u>	<u>23,308,203</u>	<u>24,421,478</u>	<u>24,928,461</u>	<u>26,059,081</u>	<u>26,039,234</u>	<u>28,058,509</u>	<u>37,120,038</u>	<u>38,785,430</u>
Total Primary Government Expenses	<u>\$ 63,054,196</u>	<u>\$ 61,544,493</u>	<u>\$ 68,252,804</u>	<u>\$ 71,827,803</u>	<u>\$ 75,233,768</u>	<u>\$ 78,477,145</u>	<u>\$ 86,809,204</u>	<u>\$ 93,292,442</u>	<u>\$ 114,909,187</u>	<u>\$ 126,274,656</u>

City of Bozeman, Montana
Changes in Net Position (Continued)

Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program Revenues										
Governmental Activities										
Charges for services										
General government	\$ 1,947,445	\$ 2,530,474	\$ 2,683,016	\$ 3,139,427	\$ 3,777,184	\$ 3,546,689	\$ 4,380,033	\$ 5,472,678	\$ 7,128,575	\$ 8,453,622
Public safety	3,211,911	3,347,859	3,175,257	2,234,994	4,158,560	4,020,453	4,260,366	4,317,541	4,942,022	6,333,264
Public works	8,784,447	9,310,147	10,342,921	15,531,304	12,189,258	16,522,229	18,836,107	19,176,512	22,563,519	26,135,750
Public health and welfare	1,097,845	1,213,526	1,414,394	1,593,025	1,724,864	1,567,557	5,294,909	6,833,910	1,687,204	1,254,034
Operating grants and contributions	2,254,052	2,494,244	2,715,986	3,021,400	5,419,871	7,622,415	12,156,812	7,707,580	12,843,761	13,255,074
Capital grants and contributions	2,960,051	5,018,559	2,667,352	7,651,008	6,593,221	15,429,642	4,518,830	12,153,695	14,514,120	14,726,239
Total governmental activities program revenues	20,255,751	23,914,809	22,998,926	33,171,158	33,862,958	48,708,985	49,447,057	55,661,916	63,679,201	70,157,983
Business-Type Activities										
Charges for services										
Water	9,969,058	11,935,016	11,166,944	12,915,454	11,438,495	11,913,879	13,970,784	15,431,185	14,886,895	17,180,977
Waste water	9,008,247	9,283,600	9,668,524	10,686,506	10,445,185	10,671,361	11,691,165	12,684,974	12,343,552	14,693,222
Solid waste	2,953,414	2,617,243	3,613,721	3,926,123	4,228,099	4,631,523	4,969,868	5,431,005	5,872,630	6,655,306
Parking	576,357	597,238	878,458	958,378	958,504	1,028,036	1,005,788	1,062,010	968,042	1,214,125
Stormwater	304,906	943,621	1,293,941	1,324,461	1,349,678	1,429,449	1,519,994	1,673,866	1,883,096	2,023,962
Operating grants and contributions	123,439	134,946	169,509	134,523	83,264	104,868	243,536	1,511,436	1,435,529	1,677,660
Capital grants and contributions	6,385,418	11,287,654	7,774,707	9,944,719	8,324,760	13,312,504	5,427,166	13,064,462	11,084,423	7,079,665
Total business-type activities program revenues	29,320,839	36,799,318	34,565,804	39,890,164	36,827,985	43,091,620	38,828,301	50,858,938	48,474,167	50,524,917
Total Primary Government Program Revenues	<u>\$ 49,576,590</u>	<u>\$ 60,714,127</u>	<u>\$ 57,564,730</u>	<u>\$ 73,061,322</u>	<u>\$ 70,690,943</u>	<u>\$ 91,800,605</u>	<u>\$ 88,275,358</u>	<u>\$ 106,520,854</u>	<u>\$ 112,153,368</u>	<u>\$ 120,682,900</u>
Net Revenue (Expense)										
Governmental Activities	\$ (19,048,320)	\$ (18,285,579)	\$ (21,945,675)	\$ (14,235,167)	\$ (16,442,349)	\$ (3,709,079)	\$ (11,322,913)	\$ (9,572,017)	\$ (14,109,948)	\$ (17,331,242)
Business-Type Activities	5,570,714	17,455,213	11,257,601	15,468,686	11,899,524	17,032,539	12,789,067	22,800,429	11,354,129	11,739,487
Total Primary Government Net Revenue (Expense)	<u>\$ (13,477,606)</u>	<u>\$ (830,366)</u>	<u>\$ (10,688,074)</u>	<u>\$ 1,233,519</u>	<u>\$ (4,542,825)</u>	<u>\$ 13,323,460</u>	<u>\$ 1,466,154</u>	<u>\$ 13,228,412</u>	<u>\$ (2,755,819)</u>	<u>\$ (5,591,756)</u>

City of Bozeman, Montana
Changes in Net Position (Continued)

Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Position										
Governmental Activities										
Property taxes	\$ 20,203,718	\$ 21,234,288	\$ 21,708,812	\$ 22,532,724	\$ 23,823,994	\$ 28,308,301	\$ 27,115,391	\$ 29,432,001	\$ 39,860,197	\$ 45,454,899
Unrestricted intergovernmental	7,699,711	7,992,180	8,372,625	6,171,297	4,658,177	4,859,238	4,956,187	5,099,529	5,370,015	5,717,540
Unrestricted investment earnings (losses)	403,152	519,637	554,870	64,058	1,490,286	1,604,365	428,653	(1,685,354)	1,118,619	4,448,723
Miscellaneous	374,966	418,215	1,317,137	2,320,536	1,009,437	1,128,061	(1,722,976)	520,517	1,225,899	3,348,246
Gain (loss) on disposal of capital asset	—	123,934	(71,335)	28,861	167,291	16,862	20,072	(15,735)	2,726,201	393,500
Transfers	(410,016)	1,218,036	(742,999)	(758,084)	(475,000)	(546,353)	(534,921)	(1,396,976)	(1,667,658)	(401,119)
Total governmental activities	28,271,531	31,506,290	31,139,110	30,359,392	30,674,185	35,370,474	30,262,406	31,953,982	48,633,273	58,961,788
Business-Type Activities										
Unrestricted investment earnings	—	—	304,231	3,389	1,010,849	846,331	38,987	(1,291,575)	833,995	3,102,361
Miscellaneous	—	—	1,256,284	2,529,824	362,631	518,162	233,508	219,770	226,026	329,371
(Loss) gain on disposal of capital asset	—	—	(2,013,292)	10,005	(172,428)	4,012	17,918	1,031	(13,856)	—
Transfers	380,347	(1,218,036)	742,999	758,084	475,000	546,353	534,921	1,396,976	1,667,658	401,119
Total business-type activities	380,347	(1,218,036)	290,222	3,301,302	1,676,052	1,914,858	825,334	326,202	2,713,823	3,832,851
Total Primary Government	<u>\$ 28,651,878</u>	<u>\$ 30,288,254</u>	<u>\$ 31,429,332</u>	<u>\$ 33,660,694</u>	<u>\$ 32,350,237</u>	<u>\$ 37,285,332</u>	<u>\$ 31,087,740</u>	<u>\$ 32,280,184</u>	<u>\$ 51,347,096</u>	<u>\$ 62,794,640</u>
Change in Net Position										
Governmental Activities	\$ 9,223,211	\$ 13,220,711	\$ 9,193,435	\$ 16,124,225	\$ 14,231,836	\$ 31,661,395	\$ 18,939,493	\$ 22,381,965	\$ 34,523,325	\$ 41,630,546
Business-Type Activities	5,951,061	16,237,177	11,547,823	18,769,988	13,575,576	18,947,397	13,614,401	23,126,631	14,067,952	15,572,338
Total Primary Government Change in Net Position	<u>\$ 15,174,272</u>	<u>\$ 29,457,888</u>	<u>\$ 20,741,258</u>	<u>\$ 34,894,213</u>	<u>\$ 27,807,412</u>	<u>\$ 50,608,792</u>	<u>\$ 32,553,894</u>	<u>\$ 45,508,596</u>	<u>\$ 48,591,277</u>	<u>\$ 57,202,884</u>

City of Bozeman, Montana
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 37,167	\$ 124,570
Restricted	—	—	—	—	—	—	—	—	Restricted	89,079
Committed	—	—	—	—	—	—	—	—	6,087,489	3,291,645
Assigned	6,061,965	5,541,841	6,402,882	7,739,020	7,739,582	8,110,313	9,313,580	8,708,695	—	1,638,700
Unassigned	—	979,258	87,274	(274,252)	—	1,030,550	(130,315)	(107,076)	8,953,349	21,131,964
Total General Fund	<u>\$ 6,061,965</u>	<u>\$ 6,521,099</u>	<u>\$ 6,490,156</u>	<u>\$ 7,464,768</u>	<u>\$ 7,739,582</u>	<u>\$ 9,140,863</u>	<u>\$ 9,183,265</u>	<u>\$ 8,601,619</u>	<u>\$ 15,078,005</u>	<u>\$ 26,275,958</u>
All Other Governmental Funds										
Nonspendable	\$2,061,790	\$1,426,575	\$1,533,338	\$1,623,816	\$1,735,591	\$1,796,174	\$1,884,479	\$1,919,979	\$1,804,399	\$2,002,083
Restricted	12,546,935	39,856,356	38,938,127	34,403,744	23,129,241	65,273,723	61,818,904	55,582,529	60,797,482	68,570,189
Committed	3,088,936	3,528,263	3,901,694	3,856,238	4,279,091	4,328,163	3,621,644	3,168,927	603,360	2,318,664
Assigned	—	7,425,398	7,259,749	1,868,485	1,293,436	578,852	96,473	134,135	2,927,964	1,554,280
Unassigned	(97,173)	914,535	107,103	(42,648)	8,731,534	(125,584)	662,773	(312,180)	(302,973)	(2,468,720)
Total All Other Governmental Funds	<u>\$ 17,600,488</u>	<u>\$ 53,151,127</u>	<u>\$ 51,740,011</u>	<u>\$ 41,709,635</u>	<u>\$ 39,168,893</u>	<u>\$ 71,851,328</u>	<u>\$ 68,084,273</u>	<u>\$ 60,493,390</u>	<u>\$ 65,830,232</u>	<u>\$ 71,976,496</u>

City of Bozeman, Montana
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 20,404,236	\$ 21,303,074	\$ 21,682,667	\$ 22,553,972	\$ 23,788,018	\$ 28,321,349	\$ 26,973,106	\$ 29,607,197	\$ 39,657,027	\$ 45,430,765
Special assessments	1,578,855	1,265,954	1,163,275	1,137,103	1,116,925	1,390,355	1,676,909	1,616,318	1,293,350	981,136
Licenses and permits	1,827,842	2,112,090	2,092,673	2,541,727	2,392,081	2,524,368	2,902,616	2,850,060	3,542,188	4,766,902
Intergovernmental	8,562,937	8,920,424	8,956,044	9,419,104	10,488,662	12,600,824	15,297,152	12,638,682	18,089,987	18,888,805
Charges for services	10,629,791	12,283,683	13,743,830	17,885,529	16,987,622	20,142,910	24,847,833	30,095,236	30,136,508	36,103,851
Fines and forfeitures	1,305,166	1,253,705	1,256,525	1,240,154	1,234,324	1,199,601	1,168,880	1,053,196	1,069,270	967,872
Investment income (losses)	370,305	479,699	520,690	34,709	1,439,743	1,343,201	155,647	(1,885,520)	1,092,193	4,288,617
Loan repayments	94,989	38,552	31,837	25,827	31,695	44,930	38,276	53,539	30,346	52,566
Miscellaneous	363,274	415,646	1,307,668	2,313,097	995,553	1,790,144	1,766,620	2,712,894	2,031,152	3,309,370
Total revenues	45,137,395	48,072,827	50,755,209	57,151,222	58,474,623	69,357,682	74,827,039	78,741,602	96,942,021	114,789,884
Expenditures										
General government	6,594,474	7,318,539	7,643,886	8,268,285	8,782,078	9,280,183	10,449,026	11,891,184	15,001,137	16,148,004
Public safety	15,086,695	16,485,549	16,812,131	17,602,966	18,005,944	19,598,592	19,778,375	22,104,511	25,534,451	27,230,772
Public works	3,786,283	3,840,405	4,422,771	4,955,559	5,774,783	5,376,499	5,868,383	6,977,080	8,454,661	8,347,215
Public health & welfare	7,366,955	7,245,425	7,654,059	7,975,354	8,339,885	9,046,331	11,690,142	14,598,944	13,296,225	18,366,077
Other	1,113,340	418,431	506,169	655,532	728,642	665,517	3,500,760	2,204,370	1,836,292	2,292,263
Capital outlay	9,905,333	9,337,470	12,468,020	18,420,501	19,106,110	24,265,809	32,608,736	30,801,575	17,918,459	26,001,640
Debt service										
Principal	1,121,593	1,345,250	1,422,555	1,500,687	1,635,369	6,639,947	3,188,603	2,969,165	3,927,518	3,875,897
Interest and fiscal charges	824,266	893,470	771,714	718,597	786,238	1,763,155	2,105,985	2,051,119	2,304,135	2,283,583
Total expenditures	45,798,939	46,884,539	51,701,305	60,097,481	63,159,049	76,636,033	89,190,010	93,597,948	88,272,878	104,545,451
Excess (Deficiency) of										
Revenues over (under)										
Expenditures	(661,544)	1,188,288	(946,096)	(2,946,259)	(4,684,426)	(7,278,351)	(14,362,971)	(14,856,346)	8,669,143	10,244,433

City of Bozeman, Montana
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Other Financing

Sources (Uses)

Transfers in	4,816,671	6,483,413	3,950,059	4,394,277	4,202,825	8,867,568	5,976,400	10,802,182	23,487,954	18,527,011
Transfers out	(5,197,018)	(5,496,492)	(4,693,058)	(5,152,361)	(4,677,825)	(9,413,920)	(6,511,321)	(12,199,158)	(25,155,612)	(19,021,403)
Bonds issued	5,619,361	47,406	234,702	1,103,586	2,859,598	41,878,844	10,501,000	7,045,000	—	—
Premium (discount) on bonds	—	—	—	—	—	—	649,009	515,591	—	—
Leases and other debt issued	—	—	—	—	—	—	—	19,833	2,011,672	7,591,175
Sale of capital assets	64,855	227,984	43,277	35,144	33,898	29,567	23,744	34,836	2,800,071	7,687

Total other financing

sources (uses)

5,303,869	1,262,311	(465,020)	380,646	2,418,496	41,362,059	10,638,832	6,218,284	3,144,085	7,104,470
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Net Change in

Fund Balances

\$ 4,642,325	\$ 2,450,599	\$ (1,411,116)	\$ (2,565,613)	\$ (2,265,930)	\$ 34,083,708	\$ (3,724,139)	\$ (8,638,062)	\$ 11,813,228	\$ 17,348,903
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City of Bozeman, Montana
Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Residential Property	Commercial and Industrial Property	Other Property	Total Taxable Assessed Value*	Total Direct Tax Rate	Total Market Value**	Assessed Taxable Value as a Percentage of Total Market Value
2024	\$ 139,071,121	\$ 90,836,077	\$ 17,198,561	\$ 247,105,759	150.72	\$ 17,730,663,050	1.394%
2023	89,925,341	58,735,884	11,120,831	159,782,056	204.50	11,021,338,679	1.450%
2022	87,432,389	57,107,580	10,812,534	155,352,503	154.12	10,724,564,866	1.449%
2021	72,903,489	47,617,844	9,015,783	129,537,116	169.48	8,875,762,356	1.459%
2020	70,588,175	46,105,567	8,729,455	125,423,197	188.45	8,596,253,775	1.459%
2019	58,712,093	38,348,553	7,260,771	104,321,417	191.24	6,981,943,409	1.494%
2018	56,952,419	37,199,199	7,043,156	101,194,774	187.33	6,745,351,312	1.500%
2017	52,777,954	30,966,657	6,013,815	89,758,426	205.30	5,870,738,906	1.529%
2016	50,899,738	29,864,642	5,799,800	86,564,180	210.16	5,698,588,679	1.519%
2015	50,978,520	31,641,840	5,273,640	87,894,000	188.76	3,598,269,877	2.443%

Source: Based on information provided by Gallatin County and Montana Department of Revenue

Note: Property in Gallatin County is reassessed by the State Department of Revenue every two years.

* Includes tax-exempt property

** Sales price of property is not public record in the State of Montana, so the Total Market Value was used instead

City of Bozeman, Montana
City Taxable Market and Taxable Values
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxable Market Value	Full Taxable Value	Incremental Value for All Tax Increment Districts	Net Taxable Value (Excludes Tax Increment Districts Incremental Values)	Taxable Value for Open Space Purposes
2024	\$ 17,730,663,050	\$ 268,988,379	\$ 21,882,620	\$ 247,105,759	\$ 259,899,096
2023	11,021,338,679	171,848,662	12,066,606	159,782,056	172,444,905
2022	10,724,564,866	166,838,141	11,485,638	155,352,503	164,979,565
2021	8,875,762,356	137,983,427	8,446,311	129,537,116	137,765,762
2020	8,596,253,775	133,582,036	8,158,839	125,423,197	133,391,037
2019	6,981,943,409	109,713,782	5,392,365	104,321,417	191,152,592
2018	6,745,351,312	106,224,806	5,030,032	101,194,774	105,727,520
2017	5,870,738,906	94,102,761	4,344,335	89,758,426	93,212,816
2016	5,698,588,679	90,787,797	4,223,617	86,564,180	91,973,923
2015	3,598,269,877	92,081,322	4,187,322	87,894,000	90,735,030

Source: Based on information provided by Gallatin County and Montana Department of Revenue

Note: Property is assessed by the State Department of Revenue every two years.

City of Bozeman, Montana
Tax Increment District Taxable Valuation Detail
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Bozeman Downtown			Northeast Renewal District			Bozeman Midtown*		
	Incremental			Incremental			Incremental		
	Taxable	Taxable	Total Taxable	Taxable	Taxable	Taxable	Taxable	Taxable	Taxable
2024	\$ 1,328,695	\$ 13,789,647	\$ 15,118,342	\$ 423,054	\$ 1,382,658	\$ 1,805,712	\$ 3,507,723	\$ 5,397,828	\$ 8,905,551
2023	1,328,695	8,245,319	9,574,014	423,054	660,471	1,083,525	3,507,723	2,751,885	6,259,608
2022	1,328,695	7,893,562	9,222,257	423,054	636,368	1,059,422	3,507,723	2,589,893	6,097,616
2021	1,328,695	6,247,663	7,576,358	423,054	477,252	900,306	3,507,723	1,707,571	5,215,294
2020	1,328,695	5,987,410	7,316,105	423,054	457,274	880,328	3,507,723	1,714,155	5,221,878
2019	1,328,695	4,159,996	5,488,691	423,054	229,047	652,101	3,507,723	982,574	4,490,297
2018	1,328,695	3,769,917	5,098,612	423,054	223,765	646,819	3,507,723	948,746	4,456,469
2017	1,328,695	3,068,902	4,397,597	423,054	193,281	616,335	3,473,127	1,003,546	4,476,673
2016	1,328,695	2,898,551	4,227,246	423,054	214,470	637,524	2,886,997	1,055,385	3,942,382
2015	1,328,695	2,718,220	4,046,915	423,054	190,579	613,633	2,886,997	1,225,604	4,112,601

Source: Based on information provided by Gallatin County and Montana Department of Revenue

Note: Property is assessed by the State Department of Revenue every two years.

*Previously North 7th Corridor

City of Bozeman, Montana
Tax Increment District Taxable Valuation Detail (Continued)
Last Ten Fiscal Years

Fiscal Year Ended June 30,	North Park Urban Renewal**			Bozeman Technology			Pole Yard Urban Renewal***		
	Incremental			Incremental			Incremental		
	Base Taxable	Taxable	Total Taxable	Base Taxable	Taxable	Total Taxable	Base Taxable	Taxable	Total Taxable
2024	\$ 244,332	\$ 85,307	\$ 329,639	\$ 417	\$ 98,233	\$ 98,650	\$ 1,137,056	\$ 1,128,947	\$ 2,266,003
2023	244,332	37,133	281,465	417	56,410	56,827	1,137,056	315,388	1,452,444
2022	244,332	53,750	298,082	417	56,410	56,827	1,137,056	255,655	1,392,711
2021	244,332	13,824	258,156	417	—	417	—	—	—
2020	244,332	—	244,332	417	—	417	—	—	—
2019	244,332	20,749	265,081	417	—	417	—	—	—
2018	—	—	—	417	—	417	—	—	—
2017	—	—	—	417	—	417	—	—	—
2016	—	—	—	417	—	417	—	—	—
2015	—	—	—	417	3	420	—	—	—

Source: Based on information provided by Gallatin County and Montana Department of Revenue

Note: Property is assessed by the State Department of Revenue every two years.

**New District created in fiscal year 2019

***New District created in fiscal year 2022

City of Bozeman, Montana
Tax Increment District Taxable Valuation Detail (Continued)
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Base Taxable	Total Incremental Taxable	Total Taxable
2024	\$ 6,641,277	\$ 21,882,620	\$ 28,523,897
2023	6,641,277	12,066,606	18,707,883
2022	6,641,277	11,485,638	18,126,915
2021	5,504,221	8,446,310	13,950,531
2020	5,504,221	8,158,839	13,663,060
2019	5,504,221	5,392,366	10,896,587
2018	5,259,889	4,942,428	10,202,317
2017	5,225,293	4,265,729	9,491,022
2016	4,639,163	4,168,406	8,807,569
2015	4,639,163	4,134,406	8,773,569

Source: Based on information provided by Gallatin County and Montana Department of Revenue

Note: Property is assessed by the State Department of Revenue every two years.

City of Bozeman, Montana
Downtown Bozeman Improvement District & Comparison to City Taxable Value
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Downtown Bozeman Improvement District			City Taxable Value (Excluding ALL Tax Increment District Valuations)	The District's Incremental Taxable Value Percentage of the City's Taxable Value
	Taxable of Property in the District	Taxable Value of Property in the District	Incremental Taxable Value		
2024	\$ 929,774,932	\$ 15,118,342	\$ 13,789,647	\$ 247,105,759	5.58%
2023	607,434,219	9,574,014	8,245,319	159,782,056	5.16%
2022	580,867,055	9,222,257	7,893,562	155,352,503	5.08%
2021	465,530,358	7,576,358	6,247,663	129,537,116	4.82%
2020	447,565,041	7,316,105	5,987,410	125,423,197	4.77%
2019	319,728,707	5,488,691	4,159,996	104,321,417	3.99%
2018	297,005,720	5,098,612	3,769,917	101,194,774	3.73%
2017	265,793,431	4,397,597	3,068,902	89,758,426	3.42%
2016	259,138,001	4,227,246	2,898,551	86,564,180	3.35%
2015	190,128,511	4,046,915	2,718,220	87,894,000	3.09%

Source: Based on information provided by Gallatin County and Montana Department of Revenue

Note: Property is assessed by the State Department of Revenue every two years.

City of Bozeman, Montana
Property Tax Levies for Tax Increment/Urban Renewal Districts
Last Ten Fiscal Years

Taxing Entity	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statewide School Equalization	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Gallatin County Operating and Bond	89.55	99.77	100.41	91.23	98.87	91.17	99.09	93.48	95.05	75.81
Open Space Bond	4.95	5.03	5.85	5.13	4.69	3.90	4.04	3.74	2.30	1.32
County-Wide School	99.94	106.85	105.39	99.67	102.44	96.45	96.74	91.29	89.58	80.70
Bozeman High School District	72.97	76.76	77.25	73.10	108.95	92.77	97.61	84.86	86.05	62.51
Bozeman Elementary School District	143.70	151.15	154.81	146.92	142.63	125.90	121.74	101.99	102.09	77.21
City of Bozeman	188.76	210.16	205.30	187.33	191.24	187.70	163.62	152.12	204.50	150.72
Total revenues	639.87	689.72	689.01	643.38	688.82	637.89	622.84	567.48	619.57	488.27
Exempt from Tax Increment										
University Millage	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Gallatin Conservation District	0.95	1.05	1.01	0.89	0.91	0.77	—	—	—	—
County-Wide Planning	2.35	2.39	2.39	2.48	2.50	2.22	1.48	2.18	2.23	1.59

Source: Based on information provided by Gallatin County and Montana Department of Revenue

Note: Property is assessed by the State Department of Revenue every six years and beginning in 2017 every two years.

City of Bozeman, Montana
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Basic Rate	General Obligation Debt Service	Total Direct Tax Rate	Bozeman School District	Gallatin County	State of Montana
2024	133.90	16.82	150.72	139.72	157.83	46.00
2023	181.15	—	181.15	188.14	186.93	46.00
2022	131.89	22.23	154.12	219.35	195.83	46.00
2021	140.73	28.75	169.48	218.67	191.52	46.00
2020	162.82	25.63	188.45	251.58	206.00	46.00
2019	178.22	13.02	191.24	220.02	223.33	46.00
2018	173.92	13.41	187.33	232.06	241.69	46.00
2017	190.17	15.13	205.30	227.91	241.69	46.00
2016	194.51	15.65	210.16	216.67	215.78	46.00
2015	177.52	11.24	188.76	218.41	221.00	46.00

Source: Based on information provided by Gallatin County and Department of Revenue

City of Bozeman, Montana

Principal Property Taxpayers

Last Ten Fiscal Years

Taxpayer	2024			2015		
	Taxable Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Valuation
Northwestern Energy - T & D	\$ 7,686,407.00	1	3.11%	\$ 3,830,123	1	4.36%
Plato MT I Propco LLC	1,441,254.00	2	0.58%	—	N/A	N/A
Harvest Parkway Drive LLC	996,211.00	3	0.40%	—	N/A	N/A
Bozeman Apartment Group Owners LLC	979,189.00	4	0.40%	—	N/A	N/A
Cannery District Partners LLC	858,298.00	5	0.35%	—	N/A	N/A
Straightaway Bozeman Investors LLC	843,046.00	6	0.34%	—	N/A	N/A
NB Stadium View DST	780,225.00	7	0.32%	—	N/A	N/A
GKT Bozeman Gateway LLC	763,717.00	8	0.31%	—	N/A	N/A
Etha Hotel LLC	728,043	9	0.29%	—	N/A	N/A
Crestview Lake LLC	669,190	10	0.27%	—	N/A	N/A
Centurylink, Inc. (Qwest)	—	N/A	N/A	733,061	2	0.83%
Bresnan Communications	—	N/A	N/A	596,481	3	0.68%
Verizon Wireless	—	N/A	N/A	460,115	6	0.52%
Harry Daum - Gallatin Mall	—	N/A	N/A	496,708	4	0.57%
Stone Ridge Partners LLC	—	N/A	N/A	472,006	5	0.54%
J & D Family LLP	—	N/A	N/A	355,492	9	0.40%
Bridger Peaks Holding LLC	—	N/A	N/A	362,555	7	0.41%
First Security Bank	—	N/A	N/A	362,097	8	0.41%
George E. Westlake	—	N/A	N/A	327,461	10	0.37%
Total attributable to top taxpayers	15,745,580		6.37%	7,996,099		9.10%
Total of all other properties	231,360,179		93.63%	79,897,901		90.90%
	\$ 247,105,759		100.00%	\$ 87,894,000		100.00%

Source: Gallatin County Treasurer

City of Bozeman, Montana
Principal Property Taxpayers in Downtown Bozeman Improvement District
Current Year and Prior Year

Taxpayer	Business	2024			2023		
		Taxable Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Valuation
Straight Away Bozeman Investors LLC	Commercial	\$ 843,046	1	5.58%	\$ 401,588	2	4.19%
ETHA Hotel LLC	Property Investor/Developer	728,043	2	4.82%	479,342	1	5.01%
First Security Bank	Bank	606,737	3	4.01%	283,859	4	2.96%
G25 Holdings LLC	Property Investor/Developer	438,524	4	2.90%	332,967	3	3.48%
106 East Babcock LLC	Multi-Tenant Commercial/Residential Building	266,585	5	1.76%	216,271	5	2.26%
5 West LLC	Multi-Tenant Commercial/Residential Building	257,480	6	1.70%	185,489	6	1.94%
Downtowner Group LLC	Business Support Services	226,707	7	1.50%	150,146	9	1.57%
104 East Main LLC	Multi-Tenant Commercial/Residential Building	221,207	8	1.46%	161,377	8	1.69%
Main St Holdings LLC	Property Investor/Developer	206,603	9	1.37%	—	N/A	N/A
Osborne Building LLC	Multi-Tenant Commercial/Residential Building	204,900	10	1.36%	166,700	7	1.74%
Moose Point LP	Commercial Property Developer	—	N/A	N/A	142,399	10	1.49%
Total attributable to top taxpayers		3,999,832		26.46%	2,520,138		26.32%
Total of all other properties		11,118,510		73.54%	7,053,876		73.68%
		<u>\$ 15,118,342</u>		<u>100.00%</u>	<u>\$ 9,574,014</u>		<u>100.00%</u>

Source: Gallatin County Treasurer

City of Bozeman, Montana
Properties in the Bozeman Midtown Urban Renewal District
Current Year and Prior Year

Property Type/Property Tax Classification	2023/2024		2022/2023	
	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
3 agricultural land	\$ 16,884	\$ 814	\$ 16,239	\$ 803
4 residential	83,822,014	1,127,288	48,687,693	652,961
4 commercial	405,538,454	7,664,673	290,738,314	5,494,952
5 pollution control, electric and telephone cooperatives	101,953	3,058	4,215	126
8 business equipment	3,148,932	47,256	2,602,716	39,042
9 pipelines and non-electric generating property of electric utility	354,606	42,554	411,219	49,346
13 electrical generation and telecommunication	331,789	19,908	372,962	22,378
	<u>\$ 493,314,632</u>	<u>\$ 8,905,551</u>	<u>\$ 342,833,358</u>	<u>\$ 6,259,608</u>

Source: Montana Department of Revenue

City of Bozeman, Montana

Principal Property Taxpayers in Downtown Bozeman Midtown Urban Renewal District

Current Year and Prior Year

Taxpayer	2023/2024			2022/2023		
	Taxable Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Valuation
Rocky Mountain Retail LLC	\$ 336,792	1	3.78%	\$ 220,308	3	2.47%
TCIP Partnership	328,800	2	3.69%	264,335	1	2.97%
Grantree Hotels LP	302,400	3	3.40%	219,618	4	2.47%
Walmart Stores Inc.	299,912	4	3.37%	247,136	2	2.78%
Westlake, George	285,878	5	3.21%	187,745	6	2.11%
Buffalo Ventures LLC	262,215	6	2.94%	213,835	5	2.40%
Aspen Land Co LLC	252,393	7	2.83%	163,602	8	1.84%
DK Martinen LLC	221,170	8	2.48%	—	N/A	N/A
Bozeman Hospitality LLC	209,998	9	2.36%	167,963	7	1.89%
Oak Street Partnership	193,353	10	2.17%	146,997	9	1.65%
RSVP Motel LLC	—	N/A	N/A	136,794	10	1.54%
Total attributable to top taxpayers	2,692,911		30.24%	1,968,333		22.10%
Total of all other properties	6,212,640		69.76%	4,291,275		48.19%
	<u>\$ 8,905,551</u>		<u>100.00%</u>	<u>\$ 6,259,608</u>		<u>70.29%</u>

Source: Gallatin County Treasurer

City of Bozeman, Montana
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2024	\$ 37,252,252	\$ 36,055,455	96.79%	\$ —	\$ 36,055,455	96.79%
2023	32,675,419	32,618,261	99.83%	130,856	32,749,117	100.23%
2022	23,793,072	23,777,644	99.94%	38,861	23,816,505	100.10%
2021	21,454,058	21,017,696	97.97%	62,849	21,080,545	98.26%
2020	23,589,506	23,381,671	99.12%	207,835	23,589,506	100.00%
2019	19,950,675	19,940,784	99.95%	9,891	19,950,675	100.00%
2018	18,956,357	18,791,653	99.13%	59,105	18,850,758	99.44%
2017	18,338,501	18,069,230	98.53%	100,060	18,169,290	99.08%
2016	18,191,892	18,009,556	99.00%	74,846	18,084,402	99.41%
2015	16,590,871	16,559,270	99.81%	31,601	16,590,871	100.00%

Source: Gallatin County
City Manager's Final Adopted Budget

City of Bozeman, Montana

Water Sold by Type of Customer
(in hundreds of cubic feet [HCF])

Last Ten Fiscal Years

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Residential	1,385,140	1,493,192	1,601,439	1,623,881	1,556,249	1,546,308	1,788,984	1,612,932	1,583,076	1,516,380
Government	53,165	51,923	56,956	75,001	54,270	103,536	73,416	82,308	110,364	123,972
MSU	210,107	208,618	225,394	217,967	238,968	178,368	171,840	199,080	202,164	202,872
Commercial	599,193	610,741	620,761	618,398	627,116	506,868	590,076	578,688	600,456	579,012
Total	2,247,605	2,364,474	2,504,550	2,535,247	2,476,603	2,335,080	2,624,316	2,473,008	2,496,060	2,422,236
Total direct rate per 1,000 HCF	\$ 3,105.14	\$ 3,175.41	\$ 3,256.73	\$ 3,337.92	\$ 3,508.94	\$ 3,757.07	\$ 3,697.72	\$ 4,001.23	\$ 4,054.42	\$ 4,454.54

Source: City of Bozeman Finance Department

City of Bozeman, Montana

Water and Sewer Rates

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Water*		Sewer*	
	Monthly Base Rate	Rate per 1,000 Gallons	Monthly Base Rate	Rate per 1,000 Gallons
2024	\$ 18.11	\$ 28.37	\$ 21.93	\$ 36.34
2023	\$ 16.17	\$ 25.33	\$ 19.58	\$ 32.45
2022	\$ 16.17	\$ 25.33	\$ 19.58	\$ 32.45
2021	\$ 16.17	\$ 25.33	\$ 19.58	\$ 32.45
2020	\$ 16.17	\$ 25.33	\$ 19.58	\$ 32.45
2019	\$ 16.17	\$ 25.33	\$ 19.58	\$ 32.45
2018	\$ 15.70	\$ 24.60	\$ 19.01	\$ 31.50
2017	\$ 15.39	\$ 24.11	\$ 18.63	\$ 30.87
2016	\$ 15.02	\$ 23.53	\$ 18.09	\$ 29.98
2015	\$ 14.65	\$ 22.95	\$ 17.56	\$ 29.10

* For Residential Customers, using 5/8 inch meter size.

Sources: City of Bozeman, Montana Commission Resolution 4327

City of Bozeman, Montana Commission Resolution 4328

City of Bozeman, Montana Commission Resolution 4454

City of Bozeman, Montana Commission Resolution 4626 & 4627

City of Bozeman, Montana Commission Resolution 4819 & 4820

City of Bozeman, Montana Commission Resolution 4927 & 4928

City of Bozeman, Montana Commission Resolution 5065 & 5066

City of Bozeman, Montana Commission Resolution 5273 & 5274

City of Bozeman, Montana
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Year	Governmental Activities							Year	Business-type Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (2)
	General Obligation Bonds	Increment Financing Bonds	Special Assessment Bonds	Notes Payable	Financed & Leases Payable	Subscription IT Agreements	Unamortized Premium		Water Revenue Bonds	Wastewater Revenue Bonds	Stormwater Revenue Bond	Leases Payable			
2024	\$ 49,675,000	\$ 9,301,366	\$ 3,167,567	\$ 1,716,030	\$1,740,201	\$ 626,375	\$ 4,337,187	2024	\$ 14,593,000	\$ 23,888,000	\$ 1,109,000	\$ —	\$ 110,153,725	4%	\$ 1,922
2023	45,765,000	9,802,767	3,372,289	2,045,505	343,801	853,425	4,230,082	2023	15,949,000	25,939,000	1,196,000	—	109,496,869	6%	1,951
2022	47,990,000	10,288,570	3,764,217	2,322,582	630,917	—	4,484,963	2022	17,267,000	27,932,231	1,280,000	—	115,962,502	7%	2,126
2021	43,240,000	10,763,655	3,948,216	2,246,694	310,270	—	4,198,474	2021	18,547,000	24,582,587	1,362,000	434,598	109,635,515	8%	2,057
2020	45,445,000	4,733,238	139,500	2,481,079	404,043	—	3,778,566	2020	19,791,000	14,057,000	1,442,000	363,749	92,637,195	7%	1,859
2019	12,940,000	5,338,811	171,500	2,637,009	651,453	—	208,593	2019	21,001,000	15,229,000	1,520,000	290,538	59,989,923	6%	1,236
2018	13,835,000	5,018,931	406,000	763,588	463,535	—	222,051	2018	19,107,497	16,368,000	1,292,430	214,887	57,693,937	6%	1,238
2017	14,710,000	4,425,000	501,000	902,500	270,492	—	235,509	2017	15,760,000	17,856,000	1,367,430	183,591	56,213,539	6%	1,242
2016	15,570,000	4,630,000	662,500	884,844	249,501	—	248,967	2016	16,567,000	18,930,565	1,440,430	71,077	59,256,900	7%	1,365
2015	16,320,000	4,825,000	890,500	963,274	295,912	—	262,425	2015	17,365,000	19,972,565	229,750	10,585	61,137,026	7%	1,468

Sources: City Manager's Final Adopted Budget

City of Bozeman Finance Department

City of Bozeman, Montana
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Year	General Obligation Bonds	Tax Increment Financing District Bonds	Total	Percentage of Market Value of Property	Per Capita
2024	\$ 49,675,000	\$ 9,301,366	\$ 58,976,366	23.87%	\$ 1,029.17
2023	45,765,000	9,802,767	55,567,767	34.78%	\$ 990.11
2022	47,990,000	10,288,570	58,278,570	37.51%	\$ 1,068.45
2021	43,240,000	10,763,655	54,003,655	41.69%	\$ 1,013.33
2020	45,445,000	4,733,238	50,178,238	40.01%	\$ 1,006.97
2019	12,940,000	5,338,811	18,278,811	17.52%	\$ 376.63
2018	13,835,000	4,926,931	18,761,931	18.54%	\$ 402.65
2017	14,710,000	4,425,000	19,135,000	21.32%	\$ 422.87
2016	15,570,000	4,630,000	20,200,000	23.34%	\$ 465.38
2015	16,320,000	4,825,000	21,145,000	24.06%	\$ 507.56

Source: City Manager's Final Adopted Budget

Debt Outstanding is reduced by cash held for bond reserves for the purposes of this table

City of Bozeman, Montana
Computation of Direct and Overlapping Debt
Last Ten Fiscal Years

Taxing Entity	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
City of Bozeman	\$ 69,937,350	100.00%	\$ 69,937,350
Gallatin County	45,125,038	36.17%	16,321,286
Bozeman School District #7	151,745,912	62.00%	94,087,669
	<u>196,870,950</u>		<u>110,408,955</u>
Subtotal overlapping debt	<u>196,870,950</u>		<u>110,408,955</u>
Total Direct and Overlapping Debt	<u>\$ 266,808,300</u>		<u>\$ 180,346,305</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Bozeman. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each entity's total taxable assessed value.

Sources: City of Bozeman Finance Department
Gallatin County Assessor's Office
Bozeman School District #7

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit*	\$ 84,500,000	\$ 142,464,717	\$ 147,500,000	\$ 168,633,783	\$ 174,548,585	\$ 214,906,344	\$ 221,894,059	\$ 268,114,122	\$ 275,533,467	\$ 443,265,826
Total net debt applicable to limit	<u>23,557,111</u>	<u>22,245,812</u>	<u>21,044,501</u>	<u>20,709,105</u>	<u>21,947,366</u>	<u>56,981,426</u>	<u>64,707,309</u>	<u>69,481,249</u>	<u>65,559,444</u>	<u>51,391,030</u>
Legal debt margin	<u>\$ 60,942,889</u>	<u>\$ 120,218,905</u>	<u>\$ 126,455,499</u>	<u>\$ 147,924,678</u>	<u>\$ 152,601,219</u>	<u>\$ 157,924,918</u>	<u>\$ 157,186,750</u>	<u>\$ 198,632,873</u>	<u>\$ 209,974,023</u>	<u>\$ 391,874,796</u>
Total net debt applicable as a percentage of debt limit	27.88%	15.61%	14.27%	12.28%	12.57%	26.51%	29.16%	25.91%	23.79%	11.59%

*2.5% of total market value of taxable property per MCA 7-7-4201

Source: City Manager's Final Adopted Budget and Certified Taxable Values from the Department of Revenue

City of Bozeman, Montana
Pledged Revenue Coverage – Governmental Activities
Last Ten Fiscal Years

Year	Special Assessment Bonds					
	Special Assessment Collections	Debt Service			Coverage	
		Principal	Interest	Total		
2024	\$ 515,511	\$ 204,722	\$ 115,554	\$ 320,276	1.61	
2023	569,231	391,928	128,795	520,723	1.09	
2022	901,483	183,999	135,136	319,135	2.82	
2021	975,387	192,284	135,114	327,398	2.98	
2020	775,230	32,000	26,434	58,434	13.27	
2019	518,351	234,500	18,740	253,240	2.05	
2018	506,819	95,000	23,221	118,221	4.29	
2017	558,988	161,500	30,335	191,835	2.91	
2016	705,143	228,000	39,343	267,343	2.64	
2015	586,116	295,000	50,070	345,070	1.70	

City of Bozeman, Montana
Pledged Revenue Coverage – Business-Type Activities
Last Ten Fiscal Years

Water Revenue Bonds							
Year	Water Revenue	Less: Expenditures	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2024	\$ 12,520,898	\$ 11,477,265	\$ 1,043,633	\$ 1,356,000	\$ 440,388	\$ 1,796,388	0.58
2023	12,314,794	10,150,775	2,164,019	1,318,000	478,523	1,796,523	1.20
2022	11,613,448	7,868,703	3,744,745	1,280,000	515,842	1,795,842	2.09
2021	11,027,542	6,878,458	4,149,084	1,244,000	552,156	1,796,156	2.31
2020	9,852,377	6,848,489	3,003,888	1,210,000	587,350	1,797,350	1.67
2019	9,396,171	6,525,730	2,870,441	1,176,000	578,954	1,754,954	1.64
2018	10,157,888	6,494,121	3,663,767	1,141,000	530,881	490,890	7.46
2017	9,281,821	6,589,396	2,692,425	822,000	490,890	1,312,890	2.05
2016	8,414,870	6,176,752	2,238,118	798,000	515,010	1,313,010	1.70
2015	7,748,913	4,973,926	2,774,987	775,000	538,425	1,313,425	2.11

Waste Water Revenue Bonds							
Year	Water Revenue	Less: Expenditures	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2024	\$ 11,878,072	\$ 9,083,589	\$ 2,794,483	\$ 2,051,000	\$ 676,628	\$ 2,727,628	1.02
2023	10,787,474	7,621,951	3,165,523	1,993,321	733,053	2,726,374	1.16
2022	10,389,216	6,607,192	3,782,024	1,951,000	729,704	2,680,704	1.41
2021	9,926,730	6,329,624	3,597,106	1,760,000	581,214	2,341,214	1.54
2020	9,441,675	6,592,798	2,848,877	1,172,000	446,064	1,618,064	1.76
2019	9,336,007	6,348,468	2,987,539	1,139,000	479,859	1,618,859	1.85
2018	8,876,017	5,158,989	3,717,028	1,104,000	513,009	1,617,009	2.30
2017	8,566,893	5,496,164	3,070,729	1,074,565	545,267	1,619,832	1.90
2016	7,927,692	5,139,029	2,788,663	1,042,000	552,269	1,594,269	1.75
2015	7,631,117	3,914,454	3,716,663	1,053,000	632,268	1,685,268	2.21

City of Bozeman, Montana
Debt Service Requirements and Coverage for Tax Increment Districts
Last Ten Fiscal Years

Year	Downtown Improvement District			Northeast Urban Renewal District*			Midtown Improvement District**		
	Revenues Available for Debt Service	Annual Debt Service Payment	Coverage	Revenues Available for Debt Service	Annual Debt Service Payment	Coverage	Revenues Available for Debt Service	Annual Debt Service Payment	Coverage
2024	\$ 12,715,048	\$ 332,831	38.20	\$ 724,912	\$ 92,000	7.88	\$ 2,590,054	\$ 411,250	6.30
2023	2,347,685	330,150	7.11	414,674	92,000	4.51	1,734,350	409,950	4.23
2022	1,483,518	332,372	4.46	397,037	92,000	4.32	1,701,529	408,550	4.16
2021	1,847,752	332,448	5.56	470,096	92,000	5.11	1,118,930	401,893	2.78
2020	1,803,534	447,987	4.03	289,196	92,000	3.14	—	—	N/A
2019	2,150,531	423,573	5.08	164,252	95,000	1.73	—	—	N/A
2018	2,430,377	422,288	5.76	149,580	92,000	1.63	—	—	N/A
2017	2,160,187	425,488	5.08	—	—	N/A	—	—	N/A
2016	2,066,749	423,288	4.88	—	—	N/A	—	—	N/A
2015	1,853,725	425,888	4.35	—	—	N/A	—	—	N/A

*\$863,000 Bond issuance for the Northeast Urban Renewal District on 7/20/2017

**\$6,500,000 Bond issuance for the Northeast Urban Renewal District on 7/9/2020

City of Bozeman, Montana

Summary of Outstanding SIDs

Last Ten Fiscal Years

<u>Bond Issue</u>	<u>Original Amount</u>	<u>Maturity Date</u>	<u>Bonds Outstanding</u>	<u>Cash Balance</u>	<u>Assessments Outstanding</u>	<u>Delinquent Assessments</u>
SID 674	\$ 494,000	7/1/2024	\$ —	\$ (13,635)	\$ —	\$ 326
SID 747	<u>4,001,000</u>	7/1/2040	<u>3,167,567</u>	<u>(26,113)</u>	<u>2,417,711</u>	<u>7,522</u>
Total	<u>\$ 4,495,000</u>		<u>\$ 3,167,567</u>	<u>\$ (39,748)</u>	<u>\$ 2,417,711</u>	<u>\$ 7,848</u>

City of Bozeman, Montana
Revolving Fund Balance and Bond Secured Thereby
Last Ten Fiscal Years

<u>Fiscal Year Ended June 30,</u>	<u>Revolving Fund Cash Balance</u>	<u>Principal Amount of Debt</u>
2024	\$ 336,358	\$ 1,372,646
2023	54,728	680,263
2022	766,881	766,510
2021	2,555,927	1,152,898
2020	2,173,692	1,537,286
2019	3,020,315	643,983
2018	2,903,817	916,503
2017	2,874,013	1,040,533
2016	2,924,604	1,120,708
2015	2,948,129	1,295,224

City of Bozeman, Montana
Special Improvement District Assessment Billing and Collections
Last Ten Fiscal Years

<u>Fiscal Year Ended June 30,</u>	<u>Assessment Billing</u>	<u>Total Annual Collections</u>
2024	\$ 513,169	\$ 515,511
2023	567,476	569,230
2022	578,154	599,831
2021	594,719	649,643
2020	642,408	703,796
2019	476,212	518,351
2018	505,481	506,819
2017	528,622	558,988
2016	543,351	705,143
2015	538,697	586,116

City of Bozeman, Montana
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Estimated Population	Percentage Change in Estimated Population	Personal Income	Per Capita Personal Income	Median Age	Residents (age 25 and over) with Bachelor's Degree or Higher	Pre K-12 School Enrollment	Unemployment Rate
2024	57,305	2.11%	\$ 2,615,240,500	\$ 53,500	28.3	64.2%	7,386	2.1%
2023	56,123	2.89%	1,952,338,137	39,939	28.0	63.8%	7,357	1.9%
2022	54,545	2.35%	1,700,066,144	36,526	29.0	63.1%	7,308	2.1%
2021	53,293	6.95%	1,393,673,190	32,865	28.0	58.7%	6,893	3.2%
2020	49,831	2.68%	1,279,025,432	30,268	28.0	56.8%	7,152	4.5%
2019	48,532	4.15%	1,047,804,618	29,097	28.0	56.9%	7,015	3.8%
2018	46,596	2.97%	993,940,022	28,748	27.9	55.6%	6,908	2.8%
2017	45,250	4.25%	918,565,430	26,506	27.7	56.5%	6,770	2.8%
2016	43,405	4.19%	849,682,100	26,350	27.5	54.4%	6,533	2.8%
2015	41,660	#DIV/0!	849,198,410	26,335	27.3	53.6%	6,294	2.9%

Sources: Bozeman Public Schools
U.S. Bureau of Labor Statistics
U.S. Census Bureau

2024		2015	
Private Employers by Class	Employer Class Size	Private Employers by Class	Employer Class Size
Albertsons	6	Albertsons	6
Big Sky Resort	8	Bridger Bowl	6
Bozeman Deaconess Hospital	9	Community Food Co-Op	6
Bozeman Health Medical Group	7	Costco	6
Bridger Bowl	7	Federal Premium Ammunition	6
Costco	7	First Student	6
Gibson Brands	6	Kenyon Noble Lumber & Hardware	6
Glacier Bancorp	6	Korman Marketing Group	6
Kenyon Noble Lumber & Hardware	7	Martel Construction	6
Lone Mountain Land Company	7	McDonalds	6
McDonalds	6	Murdoch's Ranch & Home Supply	6
Montage Big Sky	7	Ressler Motor	6
Murdoch's Ranch & Home Supply	6	Rosauers Super Markets	6
Oracle America	7	Simkins Hallin Lumber & Hardware	6
Ressler Motors	7	Town & Country Foods	6
Town & Country Foods	8	Town Pump Convenience Stores	6
Town Pump	7	Zoot Enterprises	6
Wal-Mart	7	Oracle America	7
Williams Plumbing & Heating	6	Wal-Mart	7
Zoot Enterprises	6	Bozeman Deaconess Hospital	9
Public Employers by Class	Employer Class Size	Public Employers by Class	Employer Class Size
Montana State University	9	Montana State University	9
Belgrade School District	8	Belgrade School District	8
Bozeman School District	8	School District #7	9
Gallatin County	8	Gallatin County	7
City of Bozeman	7	City of Bozeman	7
		Department of Agriculture	7

Source: Montana Department of Labor & Industry

Class 6 - 100 to 249 Employees
Class 7 - 250 to 499 Employees
Class 8 - 500 to 999 Employees
Class 9 - 1,000+ Employees

City of Bozeman, Montana
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
City Commission	2.10	2.10	2.10	0.10	2.10	2.10	2.10	2.10	2.10	2.10
City Manager	5.00	6.00	6.00	9.00	9.00	9.00	9.00	9.00	8.00	9.00
Municipal Court	9.00	8.50	8.50	9.50	9.50	9.60	9.98	11.23	12.25	12.25
City Attorney	9.00	10.20	10.20	10.70	10.70	11.70	12.70	12.70	13.00	14.00
Administrative Services*	21.00	21.50	23.50	—	—	—	—	—	—	—
Human Resources*	—	—	—	4.00	5.00	5.00	5.00	5.00	6.00	6.00
Finance*	—	—	—	12.50	13.50	13.50	15.00	14.00	8.25	10.25
Information Technology*	—	—	—	6.00	7.00	7.00	7.00	8.00	9.00	10.00
Community Development	12.60	11.60	13.00	13.00	14.25	15.25	15.25	18.25	21.00	20.00
Facilities Management	3.50	3.50	3.50	4.50	5.00	5.00	6.00	7.00	8.00	9.50
Total general government	62.20	63.40	66.80	69.30	76.05	78.15	82.03	87.28	87.60	93.10
Public safety										
Police Department	72.25	71.70	72.70	72.70	74.55	75.55	76.95	80.95	83.30	88.80
Fire Department	45.00	46.00	46.00	46.00	47.00	50.00	50.00	50.00	48.00	51.00
Building Inspection	14.00	18.50	18.50	19.50	19.75	19.75	19.75	19.75	23.25	23.25
Parking	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.17	5.82
Total public safety	137.25	142.20	143.20	144.20	147.30	151.30	152.70	156.70	160.72	168.87
Public Services										
Public Services Admin/Engineering	6.58	10.25	11.50	11.50	16.25	18.25	22.25	26.25	31.25	30.25
Streets	16.20	18.85	19.85	21.85	21.35	22.30	22.30	22.30	26.10	26.10
Metropolitan Planning Organization (MPO) **	—	—	—	—	—	—	—	—	—	1.00
Storm Water	4.00	6.25	6.50	7.50	7.50	8.50	9.50	9.50	8.75	8.75
Water	30.08	24.95	24.95	24.50	26.75	28.70	28.65	29.65	31.55	32.55
Wastewater	28.59	28.05	28.80	27.00	27.50	29.55	30.55	30.55	27.45	27.45
Solid Waste Collection/Recycling	15.90	15.15	16.15	17.15	17.15	18.75	19.75	19.75	21.40	21.40
Vehicle Maintenance	5.00	6.50	6.50	7.50	7.50	8.50	8.50	9.50	9.50	9.50
Total public services	106.35	110.00	114.25	117.00	124.00	134.55	141.50	147.50	156.00	157.00
Public Welfare										
Parks & Recreation	43.08	48.75	50.46	48.26	53.05	53.05	52.85	52.85	55.16	60.16
Library	23.41	26.02	28.02	28.02	28.02	28.02	26.53	26.53	26.87	26.87
Neighborhood Services***	—	—	—	—	—	—	—	—	—	4.85
Economic Development	3.50	3.50	3.50	2.00	2.00	3.00	3.00	3.00	3.83	3.83
Sustainability	1.50	1.50	1.50	1.50	1.50	1.50	1.50	3.00	3.00	3.00
Total public services	71.49	79.77	83.48	79.78	84.57	85.57	83.88	85.38	88.86	98.71
Total	377.29	395.37	407.73	410.28	431.92	449.57	460.11	476.86	493.18	517.68

Source: City Manager's Final Adopted Budget

* Administrative Services consists of Finance, Information Technology and Human Resources. Beginning in fiscal year 2018, these programs are reported separately.

City of Bozeman, Montana
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Finance										
SID Statements	16,506	16,893	17,200	17,463	18,185	18,552	18,895	19,655	20,001	20,001
Utility Bills	162,000	166,000	169,000	172,000	168,280	176,263	180,720	205,092	208,259	210,695
Accounts Payable Checks Processed	11,098	11,000	11,800	12,350	11,762	11,800	12,488	10,543	9,846	11,790
Police										
Number of Officers	61	60	61	60	60	60	60	60	61	62
Calls for Service	46,290	47,400	48,200	47,136	50,548	48,099	48,560	69,857	49,182	44,227
Arrests	2,195	2,078	2,427	2,314	2,618	2,017	2,118	1,936	2,402	1,688
Misdemeanor Citations Issued - includes traffic	6,169	6,390	5,886	4,940	5,430	4,800	4,058	4,012	5,460	5,075
Traffic Stops	7,757	7,482	7,900	7,675	9,600	8,410	8,736	8,062	5,991	4,207
Traffic Crashes	1,601	1,792	1,850	1,958	1,840	1,813	1,351	1,452	1,707	1,601
Fire*										
Fires, Hazardous Conditions, Rupture/Explosions	296	349	445	564	522	340	304	319	367	460
Emergency Medical Services/Rescue	2,032	2,424	3,062	3,320	3,073	3,154	3,005	2,716	2,714	2,275
Service Calls	202	244	334	438	406	239	170	311	282	285
Building Inspection										
Commercial Permits										
Number	1,560	1,628	1,731	883	768	702	707	548	1,014	878
Value (Millions)	\$ 98.02	\$ 164.47	\$ 65.00	\$ 216.00	\$ 249.00	\$ 302.00	\$ 237.00	\$ 201.00	\$ 271.00	\$ 276.00
Residential Permits										
Number	2,836	3,937	3,905	3,222	2,307	2,094	2,674	1,947	2,354	2,117
Value (Millions)	\$ 191.97	\$ 200.00	\$ 130.00	\$ 340.00	\$ 311.00	\$ 176.00	\$ 233.00	\$ 479.00	\$ 444.00	\$ 686.00
Water										
New Service Main Taps	70	60	72	65	101	96	100	60	25	37
Meter Replacement/Repair	1,006	978	1,500	994	1,042	528	1,273	1,285	645	781
Water Main Breaks/Repairs	5	7	6	7	5	11	14	9	5	4
Wastewater										
Main Line Flushing (in Miles)	90.0	50.0	30.9	50.0	37.5	48.0	33.3	73.7	55.1	56.1
New Infrastructure TV (in Miles)	8.00	2.60	9.90	7.00	2.80	3.30	7.40	6.77	3.70	6.32
New Service Taps	44	20	30	30	56	25	34	19	19	12
Solid Waste Collection & Recycling										
Residential Accounts	8,369	8,878	9,695	10,384	10,884	11,321	11,841	12,317	12,379	12,560
Commercial Customers	265	461	449	515	573	566	520	612	649	648
Recycling Customers	2,100	2,663	3,386	3,854	4,434	4,867	5,526	6,025	6,231	6,426
Annual Tonnage Collected: Collections Program	11,457	11,691	12,490	17,657	18,880	19,815	19,955	21,369	23,530	23,768
Vehicle Maintenance										
Work Orders Processed	1,549	1,453	1,509	2,592	2,392	2,057	3,718	1,802	1,845	1,814
Gallons of Oil Disposed	8,969	7,395	6,475	5,007	5,522	4,900	5,787	2,925	4,676	5,596
Parks										
Park Reservations	400	400	400	425	493	423	912	1,433	938	1,868

Sources: City Manager's Final Adopted Budget, City of Bozeman Finance Department

*Statistics are based on calendar year

City of Bozeman, Montana
Capital Assets Statistics by Function/Program
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units (Cars)*	22	21	21	22	21	21	24	20	22	22
Patrol Units (Motorcycles)	2	3	3	3	3	3	3	3	3	3
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Fire Trucks	7	7	7	7	7	7	7	7	9	9
Streets										
Street & Alley Mileage	262	266	267	271	275	280	282	286	297	319
Lane Miles Painted	49	50	50	52	48	53	51	51	53	54
Number of Signs Installed/Repaired	600	600	600	708	394	1,107	1,270	273	467	355
Water										
Water Mains (Miles)	268.57	274.89	276.92	283.95	286.68	297.10	299.52	304.53	309.46	317.54
Fire Hydrants	2,419	2,511	2,573	2,618	2,668	2,758	2,782	2,835	2,932	3,097
Wastewater										
Sanitary Sewers (Miles)	212.53	219.14	224.28	234.64	236.04	239.00	242.43	254.14	254.79	257.95
Number of Manholes	4,219	4,360	4,492	4,614	4,677	4,828	5,023	5,051	5,125	5,216
Solid Waste										
Number of Collection Vehicles	8	8	8	8	8	6	6	8	9	10
Number of Roll-off Trucks	4	4	4	5	5	5	5	5	5	5
Number of Recycling Trucks	2	2	2	2	2	2	2	2	2	2
Number of Compost Collection Trucks	2	2	2	1	1	1	1	1	1	1
Parks										
Formal Turf Acres	126	140	140	172	192	192	192	196	475	475
Natural Parkland Acres	220	220	220	323	343	388	413	413	436	436
Miles Trails	63	63	63	63	65	65	65	71	79	7

*Patrol cars determined by Vehicle & Equipment Master List-Fire Extinguishers tab-Total of "Utility" & "Interceptor" vehicles 206

Sources: City Manager's Final Adopted Budget
City of Bozeman Finance Department
City of Bozeman GIS Department
City of Bozeman Police Department



Federal Awards Reports in Accordance
with the Uniform Guidance

June 30, 2024

City of Bozeman, Montana



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*

The City Commission
City of Bozeman, Montana

We have audited, in accordance with 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Bozeman (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 20, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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 City'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 financial statements. 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*.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Billings, Montana
December 20, 2024



Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

The City Commission
City of Bozeman, Montana

Report on Compliance for Each Major Federal Program

Opinion on the Major Federal Program

We have audited City of Bozeman's (the City) 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 the City's major federal program for the year ended June 30, 2024. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 the City 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 the City'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 the City'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 the City'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 GAAS, *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 the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the City'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 the City'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 the City'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 type 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 requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Billings, Montana
December 20, 2024

City of Bozeman, Montana
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture			
Passed through Montana Department of Natural Resources and Conservation:			
Cooperative Forestry Assistance	10.664	FHE-21-101	\$ 2,603
Total U.S. Department of Agriculture			<u>2,603</u>
U.S. Department of Interior			
Passed through Montana Historical Society:			
Historic Preservation Fund Grants-in-Aid	15.904	MT-23-012	8,000
Total U.S. Department of Interior			<u>8,000</u>
U.S. Department of Justice			
Direct Program:			
Treatment Court Discretionary Grant Program	16.585	15PBJA-23-GG-04278-DGCT	63,558
Bulletproof Vest Partnership Program	16.607		10,411
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-03578-JAGX	2,410
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-03578-JAGX	2,115
Passed Montana Department of Crime Control:			
National Criminal History Improvement Program	16.554	2020-RU-BZ-K026	3,378
Passed through Haven:			
Edward Byrne Memorial Justice Assistance Grant Program: Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	16.738	Rural FY21-24 BvsA-BPD	5,989
Passed through Gallatin County:			
Edward Byrne Memorial Justice Assistance Grant Program: Missouri River Drug Task Force	16.738	2024055	70,188
Total U.S. Department of Justice			<u>158,049</u>
U.S. Department of Energy			
Passed through Montana Department of Environmental Quality			
State Energy Program	81.041	EE-0008656	12,000
Total U.S. Department of Transportation			<u>12,000</u>
U.S. Department of Homeland Security			
Passed through Montana Disaster and Emergency Services:			
Homeland Security Grant Program (Fire)	97.067	EMW-2021-SS-00042	34,336
Homeland Security Grant Program (Fire Dept. HazMat)	97.067	FY23 SHSP Bozeman FD Hazmat	11,119
Homeland Security Grant Program (Police)	97.067	EMW-2022-SS-00078	1,123
Total U.S. Department of Homeland Security			<u>46,578</u>
U.S. Department of Transportation			
Passed through Montana Department of Transportation: Highway Traffic Safety			
State and Community Highway Safety	20.6	00-03-09-02	593
National Priority Safety Programs	20.616	00-03-09-02	1,229
State and Community Highway Safety	20.6	112824	620
National Priority Safety Programs	20.616	112824	371
Total U.S. Department of Transportation			<u>2,813</u>
U.S. Department of Treasury			
Direct Program:			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		4,115,310
Passed through Montana Department of Natural Resources and Conservation:			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Various	1,223,374
Total U.S. Department of Treasury			<u>5,338,684</u>
Total Federal Financial Assistance			<u>\$ 5,568,727</u>

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the City of Bozeman, Montana (the City) under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the City.

Note B - Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. When applicable, 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. No federal assistance has been provided to a subrecipient.

Note C - Indirect Cost Rate

The City has not elected to use the 10% de minimus cost rate.

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	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 Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing</u>
Covid 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported.

Section III – Federal Award Findings and Questioned Costs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a.)

Section IV – State of Montana Compliance Findings

Our audit did not disclose any matters required to be reported.

Summary Schedule of Prior Year Audit Findings

Financial Statement Findings

Finding 2023-001: Street Impact Fees -Assessment

Initial Fiscal Year Finding Occurred: 2023

Finding Summary: The City of Bozeman (City) did not have adequate internal controls to ensure street impact fees were assessed and recorded consistently and that adequate documentation was maintained to support the amounts that were charged.

Status: The City should enhance internal controls to ensure street impact fees are consistently assessed and appropriately recorded and that documentation is maintained to support the inputs into the calculations performed.

This recommendation has been implemented.

Federal Awards Findings

No findings reported.