

Annual Comprehensive Financial Report
Year Ended June 30, 2025

City of Bozeman, Montana

Prepared by the Finance Department

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Introductory Section
Year Ended June 30, 2025

City of Bozeman, Montana

December 15, 2025

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, 2025, 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, 2025. 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 59,420 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 approximately 125,000. 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.

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's strong fundamentals continue to support a favorable economic environment for the City and its residents. Located in Gallatin County and anchored by the presence of Montana State University (MSU), Bozeman serves as a regional center that blends recreation-based lifestyle appeal with growing knowledge- and industry-based activity.

Key Trends

- Population and income: The City has experienced sustained population growth, with the most recent data showing a population of approximately 55,000 and an increase of about 3.6% from 2026 to 2025. During the same period median household income rose to an estimated \$79,900.
- Economic diversification: While tourism and retail historically played a large role, Bozeman's economy is increasingly supported by knowledge-based services, manufacturing and technology-oriented firms. The City's "2024 Economic & Market Update" highlights this broadening base.
- Commercial/industrial real estate: Vacancy rates in the industrial market remain low (e.g., 2.65% in H1 2023) indicating tight supply and underlying demand (SterlingCRE Advisors).
- Residential housing market: Bozeman remains one of the fastest-growing micropolitan areas in the U.S. Rising demand for housing over recent years, combined with the quality-of-life appeal, has driven home values upward and created strong pressure on the local market.
- Regional context: At the state level, Montana's economy is projected to grow at about 3.7% over the next five years, supporting the regional tailwinds for Bozeman's economy (IBISWorld).
- Bozeman has been ranked the #1 micropolitan area for Economic Strength by POLICOM for seven consecutive years, reflecting long-term stability in both growth and economic quality.

Implications for the City

These trends carry implications for the City's finances and investment planning:

- Growing population and incomes increase the potential tax base, broaden demand for City services and open opportunities for economic development, while also bringing cost pressures on infrastructure, housing, utilities and transportation.
- Diversification into higher value industries supports more resilient revenues and reduces reliance on lower-wage sectors such as hospitality/retail.
- Tight industrial and commercial space demonstrates demand for development, which may translate into new revenue streams, but also necessitates strategic planning (for land use, competitive infrastructure) to ensure sustainable growth.
- A strong residential market supports property values and related taxes but also challenges affordability, which may impose community and budgetary pressures for workforce housing, service delivery and equity concerns.

Outlook and Risk Considerations

The outlook for Bozeman remains broadly positive, with continued growth likely given the City's attractiveness, educated workforce (via MSU), and expanding industry base. At the same time, the City recognizes several risk and moderating factors:

- Housing affordability and availability may increasingly constrain workforce recruitment and retention, and place pressure on infrastructure and social services.
- Growth brings infrastructure, service and maintenance obligations—careful prioritization (for example in the City's Capital Improvement Program) is essential to maintain fiscal sustainability.

- External economic factors (e.g., interest rate movements, inflation, supply-chain or labor shortages) could moderate growth, raise costs or affect revenues.
- The City's ability to capitalize on new commercial/industrial growth depends on maintaining competitive infrastructure, land supply, and an environment conducive to business attraction and retention.

Conclusion

The City of Bozeman is well positioned for continued long-term success. Its combination of strong quality-of-life, growing populations and incomes, and evolving industrial base provide a solid foundation. With prudent management of infrastructure, housing and service delivery, the City is poised to support sustainable growth while preserving the attributes that make Bozeman special.

BUDGET DEVELOPMENT PROCESS

The annual budget serves as the City's primary tool for allocating resources and communicating policy priorities. Each year the City Manager submits a recommended budget to the City Commission, followed by public work sessions and hearings that allow for review, adjustment, and public comment; the budget is legally adopted through the annual appropriation ordinance.

The City Commission adopts appropriations at the budget-unit level, which is structured by fund type. Departments funded within the General Fund (such as Police, Fire/EMS, and Recreation) are appropriated together as a budget unit, while Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Enterprise Funds, and Permanent Funds are adopted as separate budget units at the fund-type level. This structure groups similar revenue sources and expenditure authority together and ensures that total appropriations may not be exceeded for any budget unit without Commission approval. Although internal controls are maintained at more detailed departmental and line-item levels, the ACFR presents budget-to-actual results at a level that meets or exceeds this legal level of control. Mid-year adjustments, including the annual August amendment following receipt of final certified taxable values, are made in accordance with state statute.

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 annual comprehensive financial report for the fiscal year ended June 30, 2024 and for the 41st 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

City Manager



Melissa Hodnett

Director of Finance

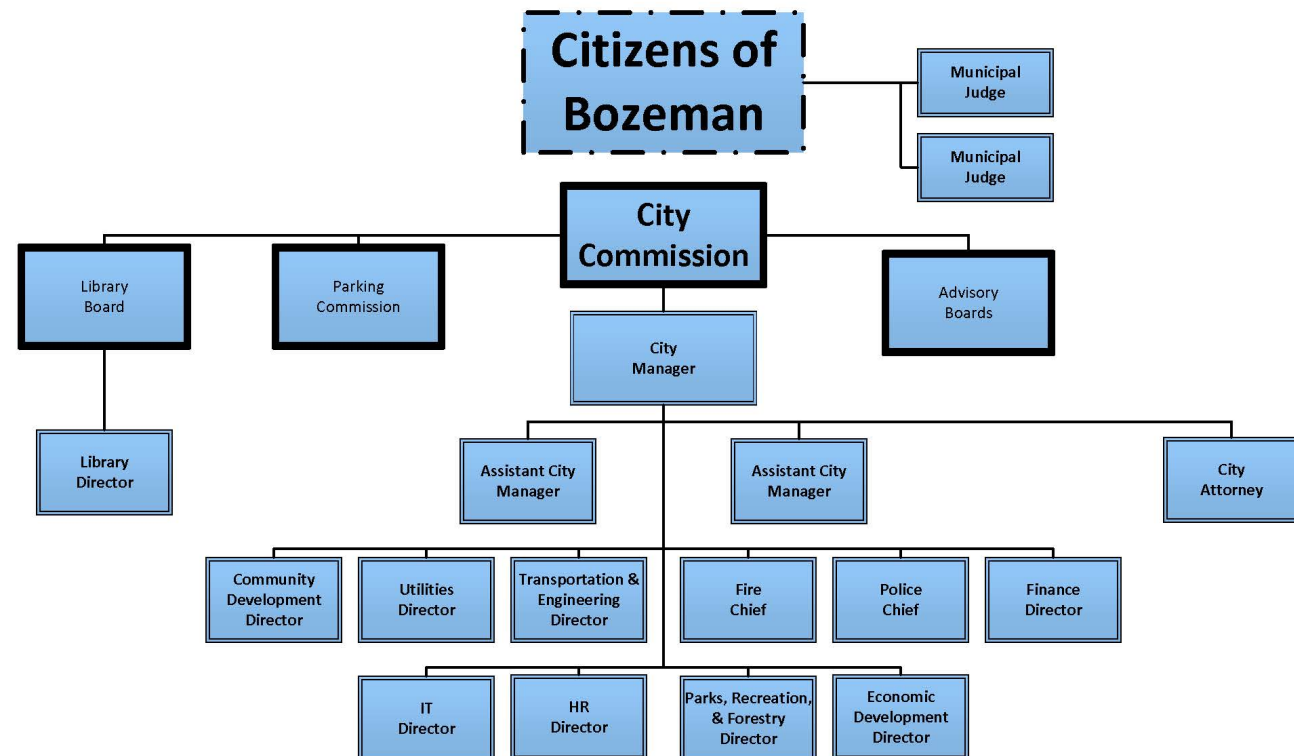
City of Bozeman, Montana

Listing of City Officials

June 30, 2025

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	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, MBS	Human Resources Director
Department of Public Safety	
James Veltkamp	Police Chief
Josh Waldo	Fire Chief
Department of Public Service	
Nicholas Ross	Director of Transportation and Engineering
Department of Public Welfare	
Mitch Overton	Director of Parks and Recreation
Susan Gregory	Director of Bozeman Public Library
Department of Planning and Community Development	
Erin George	Director of Community Development

BOZEMAN^{MT}





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, 2024

Christopher P. Morrell

Executive Director/CEO

Financial Section
Year Ended June 30, 2025
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 aggregate discretely presented component units, 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, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Bozeman Public Library Foundation, which represent 98% of the net position and revenues of the discretely presented component unit as of June 30, 2025. 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.

Adoption of a New Accounting Standard

As discussed in Note I to the financial statements, the City has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, for the year ended June 30, 2025. As a result of implementing the standard, there was no effect on the beginning fund balance or net position as of July 1, 2024. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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 15, 2025 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 cursive script that reads "Eide Bailly LLP".

Denver Colorado
December 15, 2025

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, 2025. 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 the governmental fund financial statements, which focus on how money flows into and out of those funds and the year-end balances 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 in the Other Supplementary Information section 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.

June 30, 2025

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 \$740.3 million at the close of the most recent fiscal year. Net position increased by \$46.9 million this year as compared to a \$57.2 million increase last year. Net position of the City includes \$123.8 million (16.7%) 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, 80.9%, 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, 2025 and 2024.

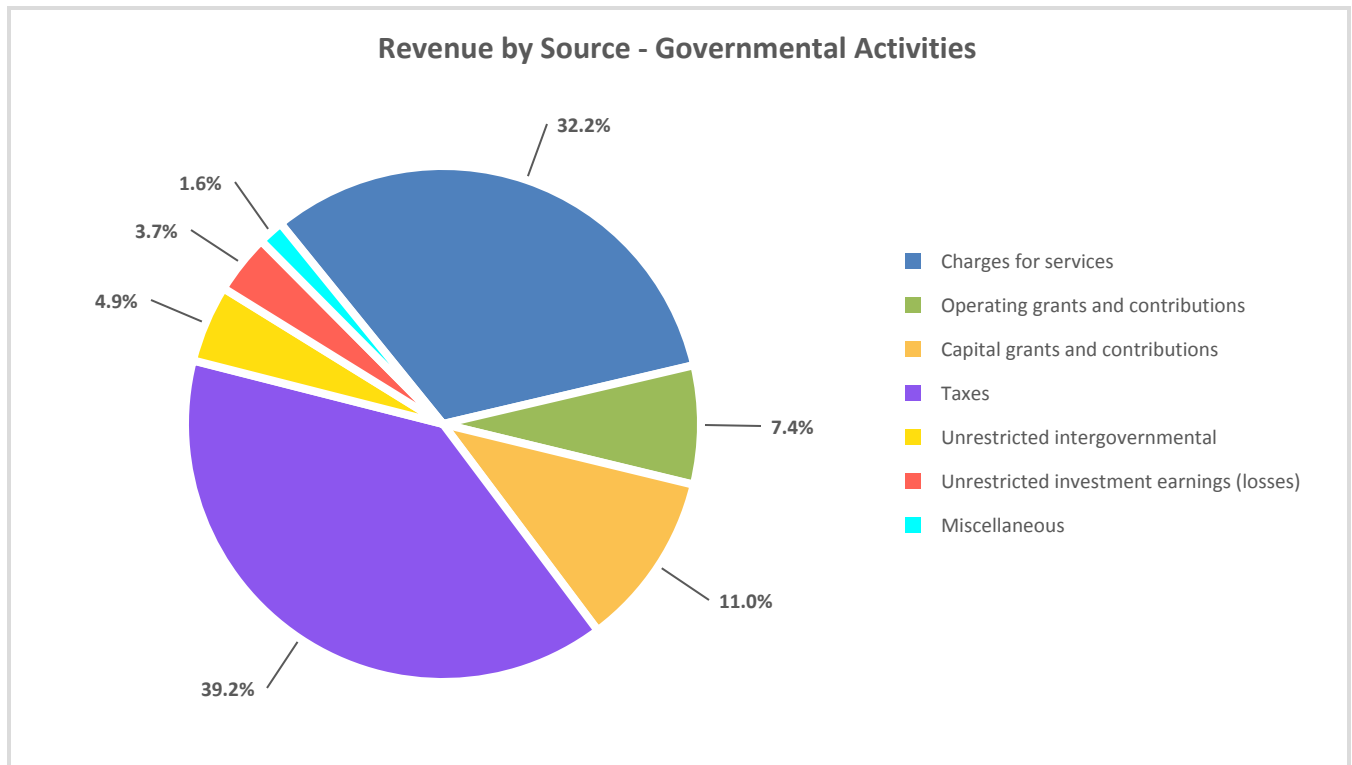
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	\$ 132,573,901	\$ 122,590,942	\$ 72,957,947	\$ 66,564,321	\$ 205,531,848	\$ 189,155,263
Capital assets	350,092,757	329,123,620	357,078,201	345,864,779	707,170,958	674,988,399
Total assets	482,666,658	451,714,562	430,036,148	412,429,100	912,702,806	864,143,662
Deferred outflows of resources	8,286,698	9,359,680	1,530,602	1,966,535	9,817,300	11,326,215
Liabilities						
Other liabilities	14,506,535	16,610,220	3,754,178	2,792,289	18,260,713	19,402,509
Long-term liabilities	112,769,792	109,743,904	48,684,885	50,542,101	161,454,677	160,286,005
Total liabilities	127,276,327	126,354,124	52,439,063	53,334,390	179,715,390	179,688,514
Deferred inflows of resources	1,866,617	1,716,022	648,095	710,387	2,514,712	2,426,409
Net position						
Net investment in capital assets	278,556,381	259,727,878	320,698,156	308,955,362	599,254,537	568,683,240
Restricted	74,795,824	69,617,937	49,009,376	45,687,628	123,805,200	115,305,565
Unrestricted	8,458,207	3,658,281	8,772,060	5,707,868	17,230,267	9,366,149
Total net position	\$ 361,810,412	\$ 333,004,096	\$ 378,479,592	\$ 360,350,858	\$ 740,290,004	\$ 693,354,954

The following table presents condensed financial information on the City's changes in net position for the fiscal years ending June 30, 2025 and 2024.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Charges for services	\$ 40,132,587	\$ 42,176,670	\$ 41,804,631	\$ 41,767,592	\$ 81,937,218	\$ 83,944,262
Operating grants and contributions	9,281,456	13,255,074	132,021	1,677,660	9,413,477	14,932,734
Capital grants and contributions	13,706,374	14,726,239	12,546,980	7,079,665	26,253,354	21,805,904
General revenues						
Taxes	48,889,808	45,454,899	—	—	48,889,808	45,454,899
Unrestricted intergovernmental	6,062,173	5,717,540	—	—	6,062,173	5,717,540
Unrestricted investment earnings (losses)	4,671,030	4,448,723	3,102,434	3,102,361	7,773,464	7,551,084
Miscellaneous	1,991,534	3,348,246	230,874	329,371	2,222,408	3,677,617
Gain (loss) on disposal of capital assets	—	393,500	21,127	—	21,127	393,500
Gain on debt forgiveness	—	—	300,000	—	300,000	—
Total revenues	124,734,962	129,520,891	58,138,067	53,956,649	182,873,029	183,477,540
Expenses						
General government	21,708,850	21,008,788	—	—	21,708,850	21,008,788
Public safety	33,434,205	29,522,433	—	—	33,434,205	29,522,433
Public service	15,732,700	14,780,608	—	—	15,732,700	14,780,608
Public welfare	22,296,310	20,213,912	—	—	22,296,310	20,213,912
Interest and fiscal charges	2,287,076	1,963,485	—	—	2,287,076	1,963,485
Water	—	—	15,895,081	15,227,618	15,895,081	15,227,618
Wastewater	—	—	13,119,968	13,276,495	13,119,968	13,276,495
Solid waste	—	—	7,725,295	6,835,328	7,725,295	6,835,328
Parking	—	—	1,522,213	1,598,141	1,522,213	1,598,141
Stormwater	—	—	2,216,281	1,847,848	2,216,281	1,847,848
Total expenses	95,459,141	87,489,226	40,478,838	38,785,430	135,937,979	126,274,656
Excess before transfers	29,275,821	42,031,665	17,659,229	15,171,219	46,935,050	57,202,884
Transfers	(469,505)	(401,119)	469,505	401,119	—	—
Change in net position	28,806,316	41,630,546	18,128,734	15,572,338	46,935,050	57,202,884
Beginning net position	333,004,096	291,373,550	360,350,858	344,778,520	693,354,954	636,152,070
Ending net position	<u>\$ 361,810,412</u>	<u>\$ 333,004,096</u>	<u>\$ 378,479,592</u>	<u>\$ 360,350,858</u>	<u>\$ 740,290,004</u>	<u>\$ 693,354,954</u>

Governmental Activities

The net position of the City's governmental activities increased by \$28.8 million or 8.7% from \$333.0 million in fiscal year 2024 (FY24) to \$361.8 million in fiscal year 2025 (FY25). Governmental activities revenues for the year decreased \$4.8 million or 3.7%, from \$129.5 million in FY24 to \$124.7 million in FY25, while total expenses increased by \$8.0 million or 9.1%, from \$87.5 million in FY24 to \$95.5 million in FY25.



Property tax revenues increased by \$3.4 million or 7.6% from \$45.5 million in FY24 to \$48.9 million in FY25. Mill values for the City of Bozeman decreased by less than 1% from \$247,166 in FY24 to \$245,208 in FY25 primarily due to appeals to the Department of Revenue correcting taxable values in the prior year. The City levied 150.72 mills in FY24 compared to 158.22 mills in FY25. The increase in total tax revenue generated is in line with the City Commission's Adopted FY25 Operating Budget which focuses on maintaining and improving the level of service the City provides to the citizens of Bozeman.

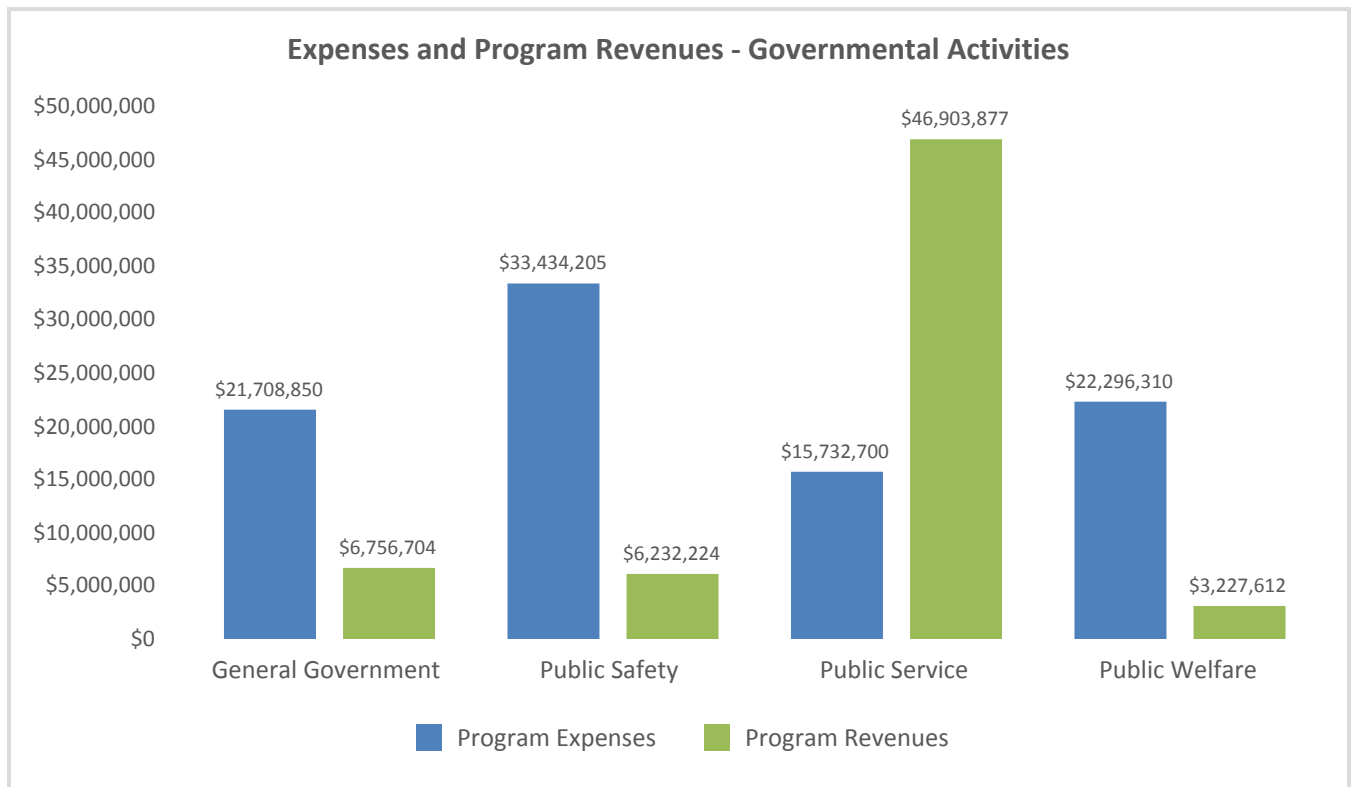
Charges for services, which primarily includes City assessments for streets, parks, and trees, and fire and street impact fees, decreased by \$2.0 million or 4.8% from \$42.2 million in FY24 to \$40.1 million in FY25. Street impact fee revenue decreased by \$2.7 million from \$7.7 million in FY24 to \$5.1 million in FY25. Impact fee revenues can fluctuate significantly from year to year based on the volume, size, and timing of new development. Decreases in impact fees were offset slightly by marginal increases in City assessments. The City Commission adopted 3% increases to the City's four city-wide assessment districts: street maintenance, street arterial & collector, parks & trails district, and forestry. The total increase in assessment revenue across the districts is \$645,000.

Operating grants and contributions decreased by \$4.0 million or 30.0% from \$13.3 million in FY24 to \$9.3 in FY25. The decrease was primarily due to a decrease in federal grant revenues and the City's share of state gas tax. In FY25 the city utilized all remaining federal direct funding from the American Rescue Plan Act (ARPA) grant in support of governmental operations in the amount of \$174,091. In FY24, the City used \$4.1 million of ARPA grant funding to support governmental operations. The City's share of state gas tax revenue decreased from \$3.5 million in FY24 to \$2.0 million in FY25. Due to a one time only change by the state, the City received two years (FY23 & FY24) of gas tax funding in FY24 compared to a single year allocation in FY25. Decreases were partially offset by \$335,964 received in FY25 from the Staffing For Adequate Fire and Emergency Response (SAFER) federal grant, awarded to the City to fund 12 new fire fighters.

Total expenses increased by \$8.0 million or 9.1% from \$87.5 million in FY24 to \$95.5 million in FY25 primarily as a result of negotiated increases to wages and rising costs of providing medical benefits. Overall, general government and public service expenditures were fairly consistent with the prior year. General government expenses increased slightly by \$0.7 million or 3.3% from \$21.0 million in FY24 to \$21.7 million in FY25. Public service expenditures increased by \$1.0 million or 6.4% from \$14.8 million in FY24 to \$15.7 million in FY25. Public safety expenditures increased by \$3.9 million or 13.3% from \$29.5 million in FY24 to \$33.4 million in FY25. In addition to negotiated wage increases, 12 new firefighter positions were added with funding from the SAFER grant. Public welfare expenses increased by \$2.1 million or 10.3% from \$20.2 million in FY24 to \$22.3 million in FY25.

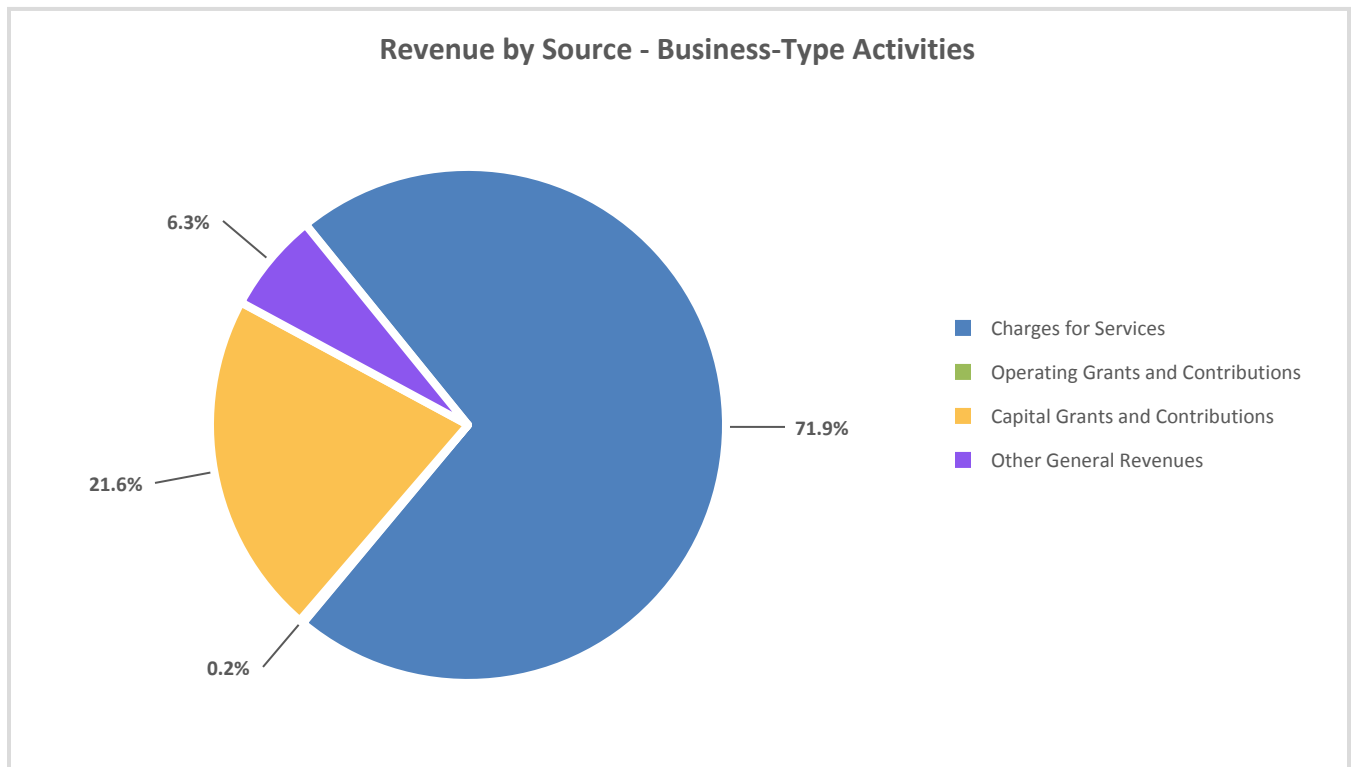
Interest and fiscal charges increased by approximately \$0.32 million or 16.5% from \$1.96 million in FY24 to \$2.29 million in FY25. The increase in interest and fiscal charges is due to the General Obligation bonds, Series 2024A and Series 2024B, issued towards the end of FY24. Initial interest payments for these two debt issues were made in FY25 for \$304,411.

With the exception of public service, revenues generated by City programs are not sufficient to cover the cost of providing services. The City relies heavily on property tax revenues to provide governmental services.



Business-Type Activities

The net position of the City's business-type activities increased by \$18.1 million or 5.0% from \$360.4 million in FY24 to \$378.5 million in FY25. 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, stormwater, and parking funds.



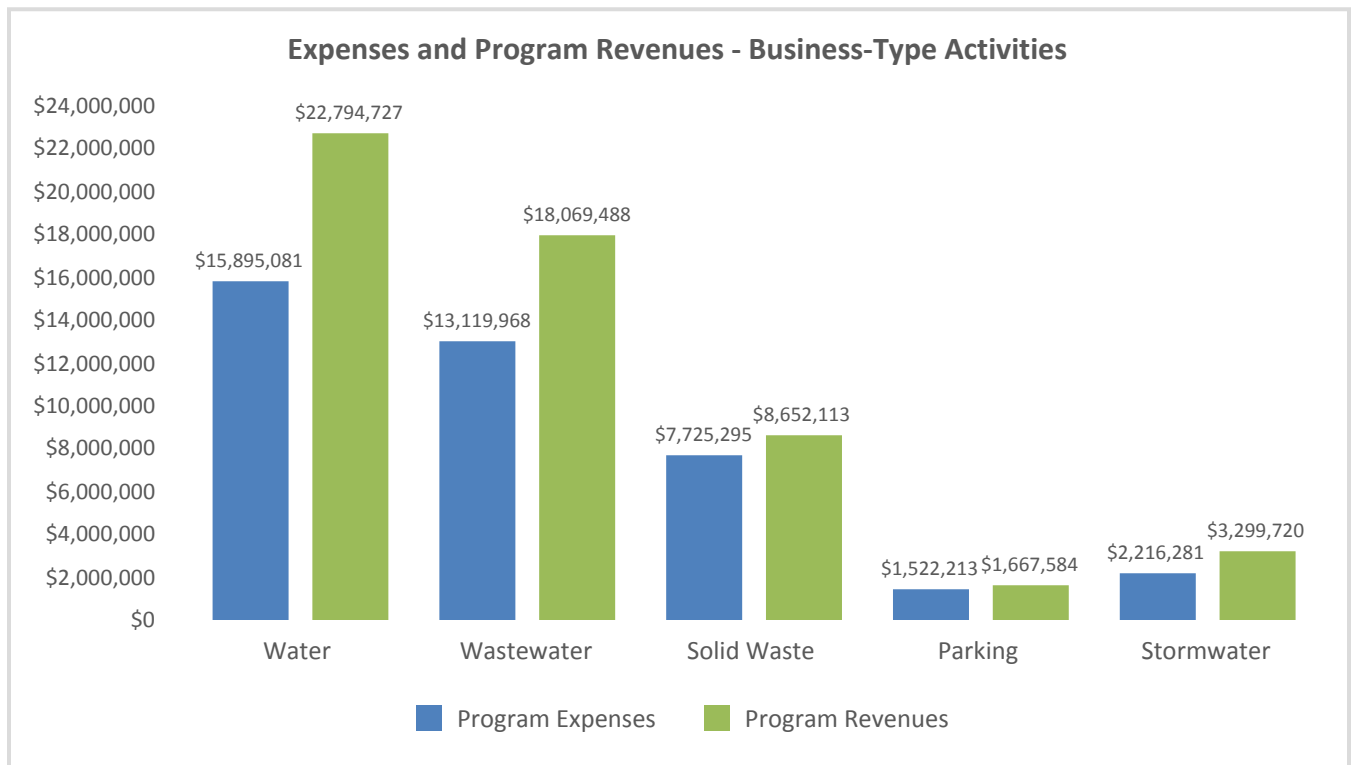
Business-type activities total revenues increased by \$4.2 million or 7.7% from \$54.0 million in FY24 to \$58.1 million in FY25, and expenses increased by \$1.7 million or 4.4%, from \$38.8 million in FY24 to \$40.5 million in FY25.

Charges for services revenues remained largely flat overall, with a \$37,039 increase from \$41.8 million in FY24 to \$41.8 million in FY25. Water service revenues increased approximately \$1.9 million or 14.8%, wastewater service revenues increased approximately \$1.0 million or 8.7%, and solid waste services revenues increased by approximately \$804,639 or 12.1%, compared to FY24. User rates for water increased by 12%, wastewater by 6%, and solid waste increased by 10% during FY25. The increases in charges for services revenues were offset by decreases in water and wastewater impact fee revenues. Water impact fee revenue decreased approximately \$2.7 million or 57.9% and wastewater impact fee revenue decreased approximately \$1.5 million or 54.6%. Impact fee revenues fluctuate significantly from year to year based on the volume, size, and timing of new development.

Capital grants and contributions increased by \$5.5 million or 77.2% from \$7.1 million in FY24 to \$12.5 million in FY25. Capital grants & contributions consist primarily of privately constructed water, wastewater, and stormwater 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. In FY25, developer contributions increased by approximately \$3.0 million compared to FY24. Federal grant revenues are also included in capital grants and contributions. In FY25, federal grant revenues increased by approximately \$1.0 million compared to FY24. The increase was primarily due to a new federal grant received by solid waste for new trucks and disposal bins to start an organics program. In FY25, grant revenues for the organics program were approximately \$1.2 million.

Water expenses increased by \$0.7 million or 4.4%, from \$15.2 million in FY24 to \$15.9 million in FY25. The increase was primarily due to an increase in repairs and maintenance expenses of approximately \$.4 million compared to FY24. Repair and maintenance costs can vary based on a number of factors year to year for departments like water that maintain a significant amount of capital assets. Wastewater expenses decreased by \$0.2 million from \$13.3 million in FY24 to \$13.1 million in FY25. The minimal decrease is primarily attributable to payroll and benefits expenses due to vacant positions. Solid waste expenses increased by \$0.9 million or 13%, from \$6.8 million in FY24 to \$7.7 million in FY25. The increase is attributable to increases in payroll and benefits expenses, as well as administrative charges, including allocated overhead and vehicle maintenance costs. In addition, solid waste expanded services to offer a new organics division including two additional staff hired about mid-way through FY25. Parking expenses decreased by \$0.1 million from \$1.6 million in FY24 to \$1.5 million in FY25. The decrease in parking expenses was primarily due to a decrease in payroll and benefits expenses due to vacant positions within the department. Stormwater expenses increased by \$0.4 million or 19.9%, from \$1.8 million in FY24 to \$2.2 million in FY25. The increase in stormwater expenses was primarily due to an increase in contracted services related to capital projects.

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, 2025, the City's governmental funds reported combined ending fund balances of \$107.1 million, an increase of \$8.9 million or 9.0% 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 \$1.2 million or 4.7%, from \$26.3 million in FY24 to \$27.5 million in FY25. General Fund revenues increased by \$4.9 million or 9.8%, while expenditures increased by approximately \$8.8 million compared to the prior year. The increase in revenues was primarily due to an increase in tax revenues of \$4.0 million or 13.5% from \$29.5 million in FY24 to \$33.5 million in FY25. While mill values for the City of Bozeman decreased by less than 1%, the City levied 158.22 mills in FY25, an increase of 5% compared to the prior year. The increase in expenditures was primarily due to increases in public safety expenditures and capital outlay. Public safety expenditures increased \$3.8 million or 16.73% from \$22.5 million in FY24 to \$26.3 million FY25. Approximately \$3.1 million of the increase in public safety expenditures were from salary and benefits contract negotiation increases with police and fire in FY24 and FY25. In addition, fire hired 12 new firefighters in FY25. Capital outlay increased \$2.8 million or 90.1% from \$3.1 million in FY24 to \$5.9 million in FY25. The increase was primarily due to the city hall remodel capital project, and replacement of patrol vehicles. Capital expenditures totaled approximately \$1.5 million for the city hall remodel and \$1.1 million for new patrol vehicles. A portion of the public safety and capital outlay increases were offset by a federal grant for the new fire fighters and the issuance of debt for the new patrol vehicles.

Significant variances (variances over 15%) between original and final budgets for the General Fund were as follows:

- The budget for Intergovernmental revenue was amended by approximately \$4.1 million to account for the State of Montana's required pension contribution.
- The budget for public safety expenditures was amended by approximately \$4.2 million. The budget was increased by approximately \$3.8 million for the non-cash pension expense related to the State of Montana's required pension contribution. The budget was also increased to include federal grant expenditures for SAFER personnel and outfitting costs for new firefighters.
- The budget for capital outlay was increased by approximately \$8.6 million. The variance is driven by unexpended capital appropriations carried into FY25 from the prior fiscal year (\$7.5m) and lease-related budget adjustments for the lease with Montana State University for the new fire station (\$1.1m). Montana law requires budgeting for the total contract amount of a project, resulting in unspent appropriations carrying forward until the project is complete.
- Debt service, principal, and interest and fiscal charges was increased by approximately \$201,000. Budget was increased for a right of use lease signed in FY25 that was originally budgeted as an operating expense.

Significant expenditures variances (variances over 15%) between the final budget compared to actual results were as follows:

- General government actual expenditures were approximately \$2.9 million or 16.9% under budget. The budget-to-actual variance reflects \$1.1 million in vacancy savings, driven primarily by unfilled positions in the City Manager and City Attorney offices. In addition, \$1.3 million in contracted services savings occurred during the fiscal year. Some of these savings relate to multi-year agreements initiated in FY25, with work continuing into FY26. Montana law requires budgeting for the total contract amount of a project, resulting in unspent appropriations carrying forward until the project is complete.
- Capital outlay expenditures were \$6.3 million or 51.8% under budget. A portion of the capital projects budgeted in FY25 were not completed by the end of the fiscal year. These projects are ongoing and anticipated to be completed in FY26. Montana law requires budgeting for the total contract amount of a project, resulting in unspent appropriations carrying forward until the project is complete.
- Debt service principal expenditures were \$292,771 or 193.6% over budget. The variance was due to subscription software agreements that did not qualify as Subscription Based Information Technology Arrangements (SBITAs) in the prior year but upon evaluation of new contracts signed in FY25 were accounted for under GASB 96 and accounted for as debt service instead of in functional expense totals.
- Debt issuance costs were \$32,117 or 82.6% under budget. The variance is due to an overestimation of debt issuance costs in the budget. Actual issuance costs were lower than originally projected.

The *Street Maintenance District Fund* accounts for city-wide special assessments to pay for street maintenance expenditures. The fund balance decreased \$0.5 million or 9.9% from \$4.9 million in FY24 to \$4.4 million in FY25. Revenues decreased \$0.8 million or 6.1% from \$12.8 million in FY24 to \$12.0 million in FY25. The decrease in revenue was due to a decrease of \$1.2 million in intergovernmental revenue from the one-time payment under the now-repealed Bridge and Road Safety Accountability Act (BaRSAA) that the City received in FY24. Total expenditures increased \$1.5 million or 14.2% from \$10.9 million in FY24 to \$12.4 million in FY25. The increase was primarily due to an increase in contracted services related to street repair and maintenance projects. Budgeted expenditures exceeded actual expenditures by \$2.6 million, primarily due to delays in planned street maintenance and capital projects.

The *Downtown Urban Renewal District* accounts for the revenue and expenditures associated with the downtown tax increment financing district. Fund balance increased \$2.3 million or 30.6%, from \$7.4 million in FY24 to \$9.7 million in FY25. The increase was primarily due to delays in planned projects for the downtown district.

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. Special Improvement Districts, or SID's, 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 increased by \$0.1 million or 13.0%, from \$1.0 million in FY24 to \$1.2 million in FY25. The increase was primarily due to the creation of a new SID and the initial billing to property owners located within the district.

The *Construction Capital Projects Fund* accounts for the construction of capital improvement projects financed by debt and/or special assessments other than those financed by proprietary funds. Fund balance decreased by \$3.0 million or 47.4%, from \$6.4 million in FY24 to \$3.3 million in FY25. The decrease is primarily due to the completion of the new Fire Station #2 and improvements to the Swim Center which were primarily funded with debt issued in prior years.

Capital Asset and Debt Administration**Capital Assets**

At the end of FY25 the City had \$707.2 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 \$32.2 million or 4.8%, from \$675.0 million in FY24 to \$707.2 million in FY25. Major additions and capital projects during the year include: \$2.4 million for swim center repairs and improvements; \$1.8 million for the sourdough intake water infrastructure project; \$1.8 million for heavy equipment purchases for streets; \$1.6 million for park projects (splash pad construction, Lindley Center and Story Mill park improvements); \$1.5 million for solid waste organics trucks; and \$1.5 million for the city hall remodel.

The following table presents a summary of capital assets, net of accumulated depreciation/amortization as of June 30, 2025 and 2024. Amounts are shown in thousands.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Capital assets (net of accumulated depreciation/amortization where applicable)						
Land	\$ 42,517	\$ 41,728	\$ 2,219	\$ 2,219	\$ 44,735	\$ 43,947
Artwork	137	43	—	—	137	43
Right of way/Intangibles	—	—	2,762	2,762	2,762	2,762
Construction in progress	6,631	26,756	5,938	7,641	12,569	34,397
Buildings	74,328	57,997	80,147	81,603	154,475	139,600
Improvements other than buildings	743	—	4	56	747	56
Machinery and equipment	11,309	10,854	7,138	3,987	18,447	14,841
Infrastructure	208,260	188,093	258,156	246,946	466,416	435,039
Vehicles	3,850	2,600	715	651	4,564	3,251
Right-of-use lease assets - buildings	1,168	215	—	—	1,168	215
Subscription-based IT assets	1,150	838	—	—	1,150	838
Total capital assets	<u>\$ 350,093</u>	<u>\$ 329,124</u>	<u>\$ 357,078</u>	<u>\$ 345,865</u>	<u>\$ 707,171</u>	<u>\$ 674,989</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 \$109.5 million in bonds, notes, leases, finance purchases, and subscription IT agreements outstanding compared to \$110.2 million in FY24 – a decrease of \$0.7 million or 0.6%. Of this amount, \$47.1 million comprises general obligation debt backed by the full faith and credit of the City. The slight decrease is due to annual payments paid in FY25 exceeding new debt issued. In addition, the City met the terms of the debt agreement with the Montana Department of Natural Resources and wastewater revenue bonds in the amount of \$300,000 were forgiven. Additional information on the City's long-term debt can be found in Note 7 in the notes to the basic financial statements.

The following table presents a summary of long term debt as of June 30, 2025 and 2024. Amounts are shown in thousands.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ 47,130	\$ 49,675	\$ —	\$ —	\$ 47,130	\$ 49,675
Tax increment financing bonds	8,783	9,301	—	—	8,783	9,301
Special assessment bonds	2,996	3,168	—	—	2,996	3,168
Water revenue bonds	—	—	13,198	14,593	13,198	14,593
Wastewater revenue bonds	—	—	21,477	23,888	21,477	23,888
Stormwater revenue bonds	—	—	1,020	1,109	1,020	1,109
Notes payable	1,597	1,716	—	—	1,597	1,716
Unamortized premiums	4,064	4,337	—	—	4,064	4,337
Financed purchases payable	4,887	1,482	2,274	—	7,161	1,482
Leases payable	1,216	259	—	—	1,216	259
Subscription-based IT agreements	844	626	—	—	844	626
Landfill closure/postclosure	—	—	1,606	1,982	1,606	1,982
Pollution remediation	—	—	770	537	770	537
Compensated absences	5,285	4,095	970	695	6,255	4,790
Total OPEB liability	3,892	3,972	806	823	4,698	4,795
Net pension liability	32,076	31,113	6,564	6,915	38,640	38,028
Total long-term liabilities	<u>\$ 112,770</u>	<u>\$ 109,744</u>	<u>\$ 48,685</u>	<u>\$ 50,542</u>	<u>\$ 161,455</u>	<u>\$ 160,286</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 taxable value in FY25 was \$17,630,717,738 resulting in a debt limit of \$440,767,943. The City's total outstanding debt backed by the General Fund as of June 30, 2025 was \$71,516,610, within the limit set by statute.

Economic Factors and Next Year's Budgets and Rates

Bozeman continues to experience sustained long-term growth. The city remains one of the fastest-growing communities in the nation, driven by strong regional economic performance, continued in-migration, and the presence of Montana State University. Population growth remains a major factor influencing service demand and budget decisions. The most recent Bozeman Economic and Market Update (Economic & Planning Systems, 2024) estimates the city's 2023 population at approximately 60,425, representing 45.6% of Gallatin County's population and an average annual growth rate of 3.7% since 2010. This growth continues to increase demand on public safety, transportation, utilities, and parks services, as well as administrative support functions.

The FY26 budget reflects the realities of operating in a rapidly growing community while balancing affordability for residents. Over several prior fiscal years, budget strategies emphasized minimizing rate and tax impacts, which resulted in deferred maintenance and limited reinvestment in infrastructure. To stabilize operations and continue providing essential services, the FY26 adopted budget includes targeted rate adjustments to support the city's utility systems. These adjustments include 10% revenue increases for water services and 6% for wastewater services, along with 3% inflationary adjustments for stormwater, the street maintenance district, the arterial/collector district, the parks and trails district, and forestry services. Property tax impacts for a typical single-family home are projected to decrease by approximately 9% due to legislative changes at the state level.

Cost pressures continue to influence the city's financial outlook. Personnel costs are expected to grow by 5.0% to 6.0% in FY26, based on negotiated labor agreements and market adjustments. Inflation in construction, materials, and contracted services, while moderating from peak levels, remains elevated compared to pre-2020 trends. These conditions continue to affect the city's capital program and the ability to maintain or expand infrastructure needed to support a growing population.

The FY27 budget development process will rely on conservative economic assumptions and focuses on preserving core service delivery, aligning resources with City Commission priorities, maintaining infrastructure, and managing long-term financial stability. While growth continues to support the community's economic base, it also presents ongoing challenges related to capacity and affordability. The city's financial planning efforts will continue to evaluate rate structures, long-term capital needs, and operational efficiencies to ensure that Bozeman remains fiscally resilient in the face of these pressures.

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, 2025

	Primary Government			Discretely Presented Component Unit	
	Governmental Activities	Business-Type Activities	Total	Bozeman Public Library Foundation	Business Improvement District
Assets					
Cash and investments	\$ 80,111,366	\$ 28,875,270	\$ 108,986,636	\$ 259,843	\$ 208,435
Certificates of deposit, short-term	—	—	—	2,007,378	—
Receivables (net of allowance for uncollectibles, as applicable)					
Interest	395,786	234,633	630,419	16,891	—
Taxes	6,505,053	—	6,505,053	—	—
Accounts	4,595,017	3,097,786	7,692,803	136,605	2,700
Special assessments	3,672,816	1,519	3,674,335	—	3,942
Intergovernmental	859,298	1,006,427	1,865,725	—	—
Leases	—	280,606	280,606	—	—
Notes receivable	632,956	—	632,956	—	—
Prepaid items	714,246	—	714,246	—	—
Other assets	8,657	—	8,657	309,545	—
Restricted assets					
Cash and investments	35,078,706	39,461,706	74,540,412	—	—
Investments	—	—	—	5,391,326	—
Capital assets, net of accumulated depreciation amortization, where applicable					
Land	42,516,713	2,218,553	44,735,266	—	—
Artwork	137,333	—	137,333	10,046	—
Intangible - water rights	—	2,762,142	2,762,142	—	—
Construction in progress	6,630,991	5,938,383	12,569,374	—	—
Buildings	74,328,499	80,146,529	154,475,028	—	—
Improvements other than buildings	742,953	4,009	746,962	—	—
Machinery and equipment	11,308,860	7,137,887	18,446,747	—	18,440
Infrastructure	208,259,687	258,155,989	466,415,676	—	—
Vehicles	3,849,691	714,709	4,564,400	—	—
Right-of-use lease assets - buildings	1,167,780	—	1,167,780	—	—
Right-of-use subscription assets	1,150,250	—	1,150,250	—	—
Total assets	482,666,658	430,036,148	912,702,806	8,131,634	233,517
Deferred outflows of resources					
Other postemployment benefits	522,807	124,617	647,424	—	—
Pension plans	7,763,891	1,405,985	9,169,876	—	—
Total deferred outflows of resources	8,286,698	1,530,602	9,817,300	—	—

City of Bozeman, Montana
Statement of Net Position (Continued)
June 30, 2025

	Primary Government			Discretely Presented Component Unit	
	Governmental Activities	Business-Type Activities	Total	Bozeman Public Library Foundation	Business Improvement District
Liabilities					
Accounts payable	10,882,136	3,236,740	14,118,876	18,117	—
Escheat property payable	265,637	—	265,637	—	—
Retainage and other payables	118,391	249,957	368,348	—	—
Accrued payroll	1,429	—	1,429	2,668	4,512
Accrued interest payable	11,693	—	11,693	—	—
Unearned revenue	3,227,249	267,481	3,494,730	—	—
Debt					
Due within one year, other than OPEB	7,760,390	4,918,071	12,678,461	—	—
Due in more than one year, other than OPEB and pensions	69,040,966	36,396,236	105,437,202	—	—
Total OPEB liability	3,891,914	806,554	4,698,468	—	—
Net pension liability	32,076,522	6,564,024	38,640,546	—	—
Total liabilities	127,276,327	52,439,063	179,715,390	20,785	4,512
Deferred inflows of resources					
Other postemployment benefits	1,159,842	235,111	1,394,953	—	—
Pension plans	706,775	145,966	852,741	—	—
Lease related	—	267,018	267,018	—	—
Total deferred inflows of resources	1,866,617	648,095	2,514,712	—	—
Net Position					
Net investment in capital assets	278,556,381	320,698,156	599,254,537	—	—
Restricted for					
General government	369,246	—	369,246	—	—
Public safety	6,548,928	—	6,548,928	—	—
Public service	34,584,497	—	34,584,497	—	—
Public welfare					
Expendable	24,841,361	—	24,841,361	4,590,934	229,005
Nonexpendable	2,200,303	—	2,200,303	3,519,915	—
Debt service	2,905,950	—	2,905,950	—	—
Capital improvements	3,345,539	49,009,376	52,354,915	—	—
Unrestricted	8,458,207	8,772,060	17,230,267	—	—
Total net position	\$ 361,810,412	\$ 378,479,592	\$ 740,290,004	\$ 8,110,849	\$ 229,005

City of Bozeman, Montana
Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit	
					Governmental Activities	Business-Type Activities	Total	Bozeman Public Library Foundation	Business Improvement District
Primary government									
Governmental activities									
General government	\$ 21,708,850	\$ 878,499	\$ 5,878,205	\$ —	\$ (14,952,146)	\$ —	\$ (14,952,146)	\$ —	\$ —
Public safety	33,434,205	6,227,724	—	4,500	(27,201,981)	—	(27,201,981)	—	—
Public service	15,732,700	31,800,499	2,217,832	12,885,546	31,171,177	—	31,171,177	—	—
Public welfare	22,296,310	1,225,865	1,185,419	816,328	(19,068,698)	—	(19,068,698)	—	—
Interest	2,287,076	—	—	—	(2,287,076)	—	(2,287,076)	—	—
Total governmental activities	95,459,141	40,132,587	9,281,456	13,706,374	(32,338,724)	—	(32,338,724)	—	—
Business-type activities									
Water	15,895,081	16,341,501	48,818	6,404,408	—	6,899,646	6,899,646	—	—
Waste water	13,119,968	14,184,958	36,867	3,847,663	—	4,949,520	4,949,520	—	—
Solid waste	7,725,295	7,459,945	29,876	1,162,292	—	926,818	926,818	—	—
Parking	1,522,213	1,662,751	4,833	—	—	145,371	145,371	—	—
Stormwater	2,216,281	2,155,476	11,627	1,132,617	—	1,083,439	1,083,439	—	—
Total business-type activities	40,478,838	41,804,631	132,021	12,546,980	—	14,004,794	14,004,794	—	—
Total primary government	<u>\$135,937,979</u>	<u>\$ 81,937,218</u>	<u>\$ 9,413,477</u>	<u>\$ 26,253,354</u>	<u>(32,338,724)</u>	<u>14,004,794</u>	<u>(18,333,930)</u>	<u>—</u>	<u>—</u>
Component unit									
Bozeman public library foundation									
Public Welfare	\$ 769,056	\$ —	\$ 1,199,151	\$ —	—	—	—	430,095	—
Business improvement district									
Public welfare	272,111	334,219	—	—	—	—	—	—	62,108
Total component unit activities	<u>\$ 1,041,167</u>	<u>\$ 334,219</u>	<u>\$ 1,199,151</u>	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>430,095</u>	<u>62,108</u>
General revenues									
Property taxes					48,889,808	—	48,889,808	—	—
Unrestricted intergovernmental					6,062,173	—	6,062,173	—	—
Unrestricted investment earnings					4,671,030	3,102,434	7,773,464	260,469	—
Miscellaneous					1,991,534	230,874	2,222,408	20,222	—
Gain on disposal of assets					—	21,127	21,127	—	—
Gain on debt forgiveness					—	300,000	300,000	—	—
Transfers					(469,505)	469,505	—	—	—
Total general revenue and transfers					61,145,040	4,123,940	65,268,980	280,691	—
Change in net position					28,806,316	18,128,734	46,935,050	710,786	62,108
Net position - beginning					333,004,096	360,350,858	693,354,954	7,400,063	166,897
Net position - ending					<u>\$ 361,810,412</u>	<u>\$ 378,479,592</u>	<u>\$740,290,004</u>	<u>\$ 8,110,849</u>	<u>\$ 229,005</u>

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

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.

Downtown Urban Renewal 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, 2025

	General Fund	Street Maintenance District	Downtown Urban Renewal District	SID Debt Service	Construction Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and investments	\$ 23,870,639	\$ 4,879,261	\$ 12,725,682	\$ 2,561,302	\$ 1,519,579	\$ 28,690,682	\$ 74,247,145
Receivables (net of allowance for uncollectibles, as applicable)							
Property taxes	3,747,027	—	541,773	—	—	2,216,253	6,505,053
Accrued interest	100,664	16,581	46,054	9,159	11,226	191,810	375,494
Accounts	1,056,858	16,249	—	—	—	3,500,683	4,573,790
Special assessments	—	162,804	—	3,481,837	—	28,175	3,672,816
Intergovernmental	684,878	20,903	—	—	—	153,517	859,298
Due from other funds	1,411,307	—	—	—	—	—	1,411,307
Advances to other funds	—	—	—	—	—	1,392,460	1,392,460
Prepaid items	102,444	—	—	—	—	—	102,444
Notes receivable	—	—	—	—	—	632,956	632,956
Restricted cash and investments	1,969,240	—	—	—	1,860,083	31,249,383	35,078,706
Total assets	<u>\$ 32,943,057</u>	<u>\$ 5,095,798</u>	<u>\$ 13,313,509</u>	<u>\$ 6,052,298</u>	<u>\$ 3,390,888</u>	<u>\$ 68,055,919</u>	<u>\$ 128,851,469</u>

City of Bozeman, Montana
Balance Sheet - Government Funds
June 30, 2025

	General Fund	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	\$ 4,092,966	\$ 575,182	\$ 3,619,035	\$ 15,207	\$ 34,653	\$ 2,294,389	\$ 10,631,432
Escheat property payable	170,514	678	—	—	—	94,445	265,637
Accrued payroll	—	—	—	—	—	1,429	1,429
Interest payable	11,693	—	—	—	—	—	11,693
Retainage payable	64,975	—	—	—	10,696	42,720	118,391
Advances from other funds	—	—	—	1,392,460	—	—	1,392,460
Due to other funds	—	—	—	—	—	1,411,307	1,411,307
Unearned revenue	31,500	77,224	—	—	—	3,118,525	3,227,249
Total liabilities	<u>4,371,648</u>	<u>653,084</u>	<u>3,619,035</u>	<u>1,407,667</u>	<u>45,349</u>	<u>6,962,815</u>	<u>17,059,598</u>
Deferred inflows of resources							
Unavailable revenue - property taxes	121,378	—	—	—	—	162,090	283,468
Unavailable revenue - special assessments	—	—	—	3,471,670	—	—	3,471,670
Unavailable revenue - court fines	926,341	—	—	—	—	—	926,341
Total deferred inflows of resources	<u>1,047,719</u>	<u>—</u>	<u>—</u>	<u>3,471,670</u>	<u>—</u>	<u>162,090</u>	<u>4,681,479</u>
Fund balance							
Nonspendable	102,444	—	—	—	—	2,200,303	2,302,747
Restricted	1,969,240	4,442,714	9,694,474	1,172,961	3,345,539	53,808,867	74,433,795
Committed	4,334,720	—	—	—	—	3,984,969	8,319,689
Assigned	7,809,989	—	—	—	—	1,641,686	9,451,675
Unassigned	13,307,297	—	—	—	—	(704,811)	12,602,486
Total fund balance	<u>27,523,690</u>	<u>4,442,714</u>	<u>9,694,474</u>	<u>1,172,961</u>	<u>3,345,539</u>	<u>60,931,014</u>	<u>107,110,392</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 32,943,057</u>	<u>\$ 5,095,798</u>	<u>\$ 13,313,509</u>	<u>\$ 6,052,298</u>	<u>\$ 3,390,888</u>	<u>\$ 68,055,919</u>	<u>\$ 128,851,469</u>

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, 2025

Total Fund Balances - Governmental Funds	\$ 107,110,392
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.	350,092,757
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.	6,331,842
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.	4,681,479
Impact fee credits do not affect current financial resources and, therefore, are not reported in the governmental funds.	(56,347)
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.	6,420,081
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(112,769,792)</u>
Net Position of Governmental Activities	<u><u>\$ 361,810,412</u></u>

City of Bozeman, Montana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2025

	General Fund	Street Maintenance District	Downtown Urban Renewal District	SID Debt Service	Construction Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 33,520,111	\$ —	\$ 2,967,130	\$ —	\$ —	\$ 12,402,368	\$ 48,889,609
Special assessments	—	26,397	—	463,120	—	283,770	773,287
Licenses and permits	481,478	82,326	—	—	—	4,376,649	4,940,453
Intergovernmental	11,616,862	2,287,297	103,225	—	—	1,273,354	15,280,738
Charges for services	7,084,522	9,351,164	—	—	—	16,710,718	33,146,404
Fines and forfeitures	991,314	—	—	—	—	41,249	1,032,563
Interest on investments	695,312	151,394	318,761	90,867	165,694	1,843,314	3,265,342
Change in fair value of investments	314,752	64,097	125,190	28,400	60,600	627,741	1,220,780
Interest on loans receivable	—	—	—	—	—	50,155	50,155
Miscellaneous	355,802	22,129	1,200	—	383,661	705,351	1,468,143
Total revenues	55,060,153	11,984,804	3,515,506	582,387	609,955	38,314,669	110,067,474
Expenditures							
Current							
General government	14,201,262	—	—	—	—	2,980,206	17,181,468
Public safety	26,250,695	—	—	—	27,203	4,235,525	30,513,423
Public works	—	8,720,524	—	—	129,823	1,219,417	10,069,764
Public welfare	8,161,817	—	909,850	—	5,537	10,170,727	19,247,931
Other	1,886,721	—	—	—	—	200,001	2,086,722
Capital outlay	5,868,039	3,392,322	—	—	4,420,029	6,173,605	19,853,995
Debt service							
Principal	443,971	244,382	—	171,541	—	3,159,745	4,019,639
Interest and fiscal charges	284,978	78,083	—	122,958	—	2,063,606	2,549,625
Total expenditures	57,097,483	12,435,311	909,850	294,499	4,582,592	30,202,832	105,522,567

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, 2025

	General Fund	Street Maintenance District	Downtown Improvement District	SID Debt Service	Construction Capital Projects	Other Governmental Funds	Total Governmental Funds
Excess (deficiency) of revenues over (under) expenditures	(2,037,330)	(450,507)	2,605,656	287,888	(3,972,637)	8,111,837	4,544,907
Other financing sources (uses)							
Transfers in	4,049,268	—	—	13,782	653,427	5,516,954	10,233,431
Transfers out	(3,148,472)	(37,649)	(335,407)	(167,064)	(2,636,869)	(4,935,386)	(11,260,847)
Issuance of long-term debt	2,391,049	—	—	—	2,964,707	—	5,355,756
Debt issuance cost	(6,783)	—	—	—	(26,015)	—	(32,798)
Sale of capital assets	—	1,380	—	—	—	16,107	17,487
Total other financing sources (uses)	3,285,062	(36,269)	(335,407)	(153,282)	955,250	597,675	4,313,029
Net change in fund balance	1,247,732	(486,776)	2,270,249	134,606	(3,017,387)	8,709,512	8,857,936
Fund balance, beginning of year	26,275,958	4,929,490	7,424,225	1,038,355	6,362,926	52,221,502	98,252,456
Fund balance, end of year	\$ 27,523,690	\$ 4,442,714	\$ 9,694,474	\$ 1,172,961	\$ 3,345,539	\$ 60,931,014	\$ 107,110,392

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, 2025

Net Change in Fund Balances - Total Governmental Funds \$ 8,857,936

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. 21,186,429

Revenues in the statement of activities that do not provide current financial resources are not reported in the funds. 189,824

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 governmental activities. 3,042,117

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. (1,131,247)

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. (266,438)

In the statement of activities the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, the contributions are reported as expense. (2,009,744)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any current 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. (1,062,561)

Change in Net Position of Governmental Activities \$ 28,806,316

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, 2025

	Business-type Activities					Governmental Activities
	Water	Wastewater	Solid Waste	Nonmajor Funds	Total	Internal Service Funds
Assets						
Current assets						
Cash and investments	\$ 16,138,464	\$ 9,215,367	\$ 239,035	\$ 3,282,404	\$ 28,875,270	\$ 5,864,221
Receivables (net of allowance for uncollectibles, as applicable):						
Interest	160,739	59,726	—	14,168	234,633	20,292
Accounts	993,199	1,273,477	635,018	196,092	3,097,786	21,227
Special assessments	321	85	627	486	1,519	—
Intergovernmental	698,652	—	307,775	—	1,006,427	—
Leases	280,606	—	—	—	280,606	—
Prepaid items	—	—	—	—	—	611,802
Other current assets	—	—	—	—	—	8,657
Total current assets	18,271,981	10,548,655	1,182,455	3,493,150	33,496,241	6,526,199
Noncurrent assets						
Restricted assets						
Cash and investments	30,560,155	8,032,165	—	869,386	39,461,706	—
Capital assets						
Land	573,847	1,112,597	228,673	303,436	2,218,553	—
Intangible water rights	2,762,142	—	—	—	2,762,142	—
Construction in progress	2,346,138	2,914,909	—	677,336	5,938,383	—
Buildings	40,717,384	63,333,192	1,676,074	11,995,292	117,721,942	1,546,120
Improvements other than buildings	13,646,910	14,745,401	2,155,300	—	30,547,611	—
Machinery and equipment	2,606,184	4,954,146	10,224,824	1,951,191	19,736,345	724,718
Vehicles	989,829	723,533	548,499	466,429	2,728,290	239,125
Infrastructure	237,731,878	175,774,255	118,081	10,895,730	424,519,944	32,769
Subscription-based IT assets	—	—	—	—	—	70,767
Right-of-use lease assets - buildings	—	—	—	—	—	126,936
Less accumulated depreciation/amortization	(129,331,732)	(101,432,126)	(9,752,020)	(8,579,131)	(249,095,009)	(1,616,250)
Total capital assets, net of accumulated depreciation/amortization	172,042,580	162,125,907	5,199,431	17,710,283	357,078,201	1,124,185
Total noncurrent assets	202,602,735	170,158,072	5,199,431	18,579,669	396,539,907	1,124,185
Total assets	220,874,716	180,706,727	6,381,886	22,072,819	430,036,148	7,650,384

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

City of Bozeman, Montana
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-type Activities					Governmental Activities
	Water	Wastewater	Solid Waste	Nonmajor Funds	Total	Internal Service Funds
Deferred outflows of resources						
Other postemployment benefits	35,141	36,441	33,707	19,328	124,617	37,123
Pension plans	519,895	392,622	318,171	175,297	1,405,985	669,771
Total deferred outflows of resources	555,036	429,063	351,878	194,625	1,530,602	706,894
Liabilities						
Current liabilities						
Accounts payable	1,951,929	613,274	493,252	178,285	3,236,740	194,357
Retainage payable	178,782	30,158	41,017	—	249,957	—
Current portion of long-term debt	1,821,934	2,343,569	493,913	258,655	4,918,071	323,950
Unearned revenue	—	267,481	—	—	267,481	—
Total current liabilities	3,952,645	3,254,482	1,028,182	436,940	8,672,249	518,307
Noncurrent liabilities						
Landfill closure costs	—	—	1,605,546	—	1,605,546	—
Solvent site remediation liability	—	770,252	—	—	770,252	—
Long-term debt, net of current portion						
Bonds payable	11,763,000	19,306,000	—	930,000	31,999,000	—
Finance purchases payable	—	—	1,703,435	308,781	2,012,216	76,316
Compensated absences	3,715	1,656	2,498	1,353	9,222	179,287
Total OPEB liability	240,692	257,734	209,026	99,102	806,554	281,374
Net pension liability	2,427,196	1,833,007	1,485,424	818,397	6,564,024	3,126,911
Total noncurrent liabilities	14,434,603	22,168,649	5,005,929	2,157,633	43,766,814	3,663,888
Total liabilities	18,387,248	25,423,131	6,034,111	2,594,573	52,439,063	4,182,195

City of Bozeman, Montana
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-type Activities					Governmental Activities
	Water	Wastewater	Solid Waste	Nonmajor Funds	Total	Internal Service Funds
Deferred inflows of resources						
Other postemployment benefits	73,397	72,193	59,112	30,409	235,111	87,284
Pension plans	53,974	40,761	33,032	18,199	145,966	69,534
Lease related	267,018	—	—	—	267,018	—
Total deferred inflows resources	394,389	112,954	92,144	48,608	648,095	156,818
Net position						
Net investment in capital assets	158,276,596	142,891,006	3,121,799	16,408,755	320,698,156	949,937
Restricted for:						
Drought reserve	1,319,938	—	—	—	1,319,938	—
Water rights	10,004,016	—	—	—	10,004,016	—
Impact capital projects	26,333,602	9,905,889	—	—	36,239,491	—
Infrastructure capital projects	634,833	—	—	—	634,833	—
Parking capital projects	—	—	—	811,098	811,098	—
Unrestricted	6,079,130	2,802,810	(2,514,290)	2,404,410	8,772,060	3,068,328
Total net position	<u>\$ 202,648,115</u>	<u>\$ 155,599,705</u>	<u>\$ 607,509</u>	<u>\$ 19,624,263</u>	<u>\$ 378,479,592</u>	<u>\$ 4,018,265</u>

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

City of Bozeman, Montana
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2025

	Business-type Activities				Governmental Activities	
	Water	Wastewater	Solid Waste	Nonmajor Funds	Total	Internal Service Funds
Operating revenues						
Charges for services	\$ 14,379,055	\$ 12,905,621	\$ 7,459,945	\$ 3,818,227	\$ 38,562,848	\$ 16,564,540
Operating expenses						
Salaries and benefits	3,950,823	2,801,298	2,503,110	1,278,437	10,533,668	4,762,501
Materials and supplies	1,502,994	588,154	706,717	67,547	2,865,412	688,455
Repairs and maintenance	573,561	406,123	252,884	19,525	1,252,093	12,845
Utilities	289,991	752,782	782,183	49,287	1,874,243	35,618
Administrative charges	3,755,962	2,671,541	1,826,084	729,527	8,983,114	1,069,729
Other services	1,942,027	1,848,852	769,138	930,855	5,490,872	8,039,325
Depreciation/amortization	3,478,585	3,432,703	645,843	633,188	8,190,319	238,120
Change in estimated closure and post-closure care costs	—	—	222,337	—	222,337	—
Total operating expenses	15,493,943	12,501,453	7,708,296	3,708,366	39,412,058	14,846,593
Operating income (loss)	(1,114,888)	404,168	(248,351)	109,861	(849,210)	1,717,947

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

City of Bozeman, Montana
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2025

	Business-type Activities				Governmental Activities	
	Water	Wastewater	Solid Waste	Nonmajor Funds	Total	Internal Service Funds
Nonoperating revenues (expenses)						
Gain (loss) on disposal of assets	21,127	—	—	—	21,127	6,079
Interest income	1,630,228	605,521	—	137,401	2,373,150	156,728
Change in fair value of investments	498,936	180,054	—	50,294	729,284	28,180
Interest expense	(401,138)	(618,515)	—	(27,175)	(1,046,828)	(11,010)
Intergovernmental revenues	1,272,202	81,263	1,192,168	16,460	2,562,093	62,891
Impact fees	1,962,446	1,279,337	—	—	3,241,783	—
Lease income	45,079	—	—	—	45,079	—
Gain on debt forgiveness	—	300,000	—	—	300,000	—
Debt issuance costs	—	—	(16,999)	(2,953)	(19,952)	—
Miscellaneous revenue	120,514	13,910	40,254	11,117	185,795	523,391
Total nonoperating revenues (expenses)	5,149,394	1,841,570	1,215,423	185,144	8,391,531	766,259
Income (loss) before contributions and transfers	4,034,506	2,245,738	967,072	295,005	7,542,321	2,484,206
Transfers in	180,730	—	493,443	—	674,173	587,512
Transfers out	(83,871)	(30,056)	(29,652)	(61,089)	(204,668)	(29,601)
Capital contributions	5,181,024	3,803,267	—	1,132,617	10,116,908	—
Change in net position	9,312,389	6,018,949	1,430,863	1,366,533	18,128,734	3,042,117
Total net position (deficit), beginning of year	193,335,726	149,580,756	(823,354)	18,257,730	360,350,858	976,148
Total net position, end of year	<u>\$ 202,648,115</u>	<u>\$ 155,599,705</u>	<u>\$ 607,509</u>	<u>\$ 19,624,263</u>	<u>\$ 378,479,592</u>	<u>\$ 4,018,265</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, 2025

	Business-type Activities					Governmental Activities
	Water	Wastewater	Solid Waste	Funds	Total	Internal Service Funds
Operating activities						
Receipts from customers and users	\$ 14,276,314	\$ 12,867,567	\$ 7,451,555	\$ 3,810,206	\$ 38,405,642	\$ 16,570,056
Other operating cash receipts	120,514	13,910	40,254	11,117	185,795	523,391
Payments to suppliers	(3,149,459)	(3,294,523)	(2,896,301)	(999,304)	(10,339,587)	(9,004,926)
Payments to and on behalf of employees	(3,789,555)	(2,787,754)	(2,391,274)	(1,254,743)	(10,223,326)	(4,873,349)
Payments to internal service funds and administration	(3,755,962)	(2,671,541)	(1,826,084)	(729,527)	(8,983,114)	(1,069,729)
Net cash from operating activities	3,701,852	4,127,659	378,150	837,749	9,045,410	2,145,443
Noncapital financing activities						
Transfers to other funds	(83,871)	(30,056)	(29,652)	(61,089)	(204,668)	(29,601)
Transfers from other funds	180,730	—	493,443	—	674,173	587,512
Intergovernmental operating grants	781,217	106,985	884,393	16,460	1,789,055	62,891
Impact fees	1,962,446	1,279,337	—	—	3,241,783	—
Net cash from (used for) noncapital financing activities	2,840,522	1,356,266	1,348,184	(44,629)	5,500,343	620,802
Capital and related financing activities						
Proceeds from sale of assets	21,127	—	—	—	21,127	—
Payments on advances to other funds	—	—	(546,450)	—	(546,450)	(4,044)
Lease payments received	43,006	—	—	—	43,006	—
Acquisition of capital assets	(3,494,322)	(1,832,770)	(2,861,079)	(1,098,663)	(9,286,834)	(14,750)
Issuance of debt	—	—	1,937,229	336,491	2,273,720	—
Debt issuance costs	—	—	(16,999)	(2,953)	(19,952)	—
Debt service						
Principal	(1,395,000)	(2,111,000)	—	(89,000)	(3,595,000)	(109,678)
Interest	(401,138)	(618,515)	—	(27,175)	(1,046,828)	(12,113)
Net cash used for capital and related financing activities	(5,226,327)	(4,562,285)	(1,487,299)	(881,300)	(12,157,211)	(140,585)
Investing activity						
Interest and dividends from investments	2,131,729	785,129	—	189,578	3,106,436	176,102
Change in cash and investments	3,447,776	1,706,769	239,035	101,398	5,494,978	2,801,762
Cash and investments, beginning of year	43,250,843	15,540,763	—	4,050,392	62,841,998	3,062,459
Cash and investments, end of year	\$ 46,698,619	\$ 17,247,532	\$ 239,035	\$ 4,151,790	\$ 68,336,976	\$ 5,864,221
Cash and investments consists of:						
Cash and investments	\$ 16,138,464	\$ 9,215,367	\$ 239,035	\$ 3,282,404	\$ 28,875,270	\$ 5,864,221
Restricted cash and investments	30,560,155	8,032,165	—	869,386	39,461,706	—
Totals	\$ 46,698,619	\$ 17,247,532	\$ 239,035	\$ 4,151,790	\$ 68,336,976	\$ 5,864,221

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, 2025

	Business-type Activities					Governmental Activities
	Water	Wastewater	Solid Waste	Nonmajor Funds	Total	Internal Service Funds
Reconciliation of operating gain (loss) to						
Net cash from operating activities						
Operating gain (loss)	\$ (1,114,888)	\$ 404,168	\$ (248,351)	\$ 109,861	(849,210)	\$ 1,717,947
Adjustments to reconcile operating gain						
(loss) to net cash from operating activities						
Depreciation/amortization	3,478,585	3,432,703	645,843	633,188	8,190,319	238,120
Landfill closure/postclosure costs	—	—	222,337	—	222,337	—
Other operating cash receipts	120,514	13,910	40,254	11,117	185,795	523,391
Changes in assets and liabilities						
Accounts receivable	(104,160)	(38,127)	(8,409)	(8,234)	(158,930)	5,516
Special assessments receivable	1,419	73	19	213	1,724	—
Prepaid expenses	—	—	—	—	—	(45,584)
Pension related deferred outflows	145,036	130,164	84,087	68,551	427,838	266,090
OPEB related deferred outflows	2,770	2,112	2,063	1,150	8,095	3,107
Vouchers payable	1,043,009	67,806	209,880	67,910	1,388,605	(183,099)
Retainage payable	116,105	—	3,935	—	120,040	—
Payroll payable	(1,879)	1,792	(218)	—	(305)	—
Compensated absences	113,337	33,933	65,279	62,396	274,945	58,611
Landfill closure accruals	—	—	(599,194)	—	(599,194)	—
Solvent site remediation liability	—	233,583	—	—	233,583	—
Net pension liability	(80,180)	(138,356)	(31,445)	(101,125)	(351,106)	(402,109)
Total OPEB liability	(5,647)	(4,305)	(4,206)	(2,344)	(16,502)	(6,333)
Pension related deferred inflows	(35,458)	(29,553)	(21,071)	(14,598)	(100,680)	(56,337)
OPEB related deferred inflows	23,289	17,757	17,347	9,664	68,057	26,123
Net cash from						
operating activities	<u>\$ 3,701,852</u>	<u>\$ 4,127,659</u>	<u>\$ 378,150</u>	<u>\$ 837,749</u>	<u>\$ 9,045,410</u>	<u>\$ 2,145,443</u>
Supplemental schedule of noncash						
Investing and financing activities						
Acquisition of capital assets through						
capital contributions	\$ 5,181,024	\$ 3,803,267	\$ —	\$ 1,132,617	\$ 10,116,908	\$ —
Acquisition of capital assets on account	1,466,583	122,812	140,403	3,325	1,733,123	3,455
Gain on debt forgiveness	—	300,000	—	—	300,000	—
Increase (decrease) in fair value of investments	498,936	180,054	—	50,294	729,284	28,180
On-behalf pension contribution and expense	48,818	36,867	29,876	16,460	132,021	62,891
Total noncash transactions	<u>\$ 7,195,361</u>	<u>\$ 4,443,000</u>	<u>\$ 170,279</u>	<u>\$ 1,202,696</u>	<u>\$ 13,011,336</u>	<u>\$ 94,526</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, 2025

	Custodial Funds
Assets	
Cash and investments	\$ 536,670
Receivables:	
Accounts	2,892
Total assets	539,562
Liabilities	
Accounts payable	491,833
Net Position	
Restricted for	
Other organization or individuals	47,729
Total liabilities and net position	\$ 539,562

City of Bozeman, Montana
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2025

	Custodial Funds
Additions	
Miscellaneous	\$ —
Deductions	
Miscellaneous	20
Change in net position	(20)
Net position, beginning	47,749
Net position, ending	\$ 47,729

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, 2025, 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 61. 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.

Downtown Urban Renewal 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, recycling and organics 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 Investments

Cash and investments 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 49 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 assets 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 assets 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 Unrestricted 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. 101

As of July 1, 2024, the City adopted GASB Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. As a result of these adjustments there were no material effects on beginning net position. Additional information can be found in Note 7.

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	\$ 58,908,583
Notes payable	1,597,551
Unamortized premium	4,063,634
Financed purchases payable	4,887,176
Leases payable	1,216,084
SBITAs	843,582
Compensated absences	5,284,746
Total OPEB liability	3,891,914
Net pension liability	<u>32,076,522</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 112,769,792</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	\$ 19,853,995	
Plus: donated/contributed assets	13,706,374	
Plus: assets purchased by internal service funds	14,750	
Plus: prior year construction in progress added as asset in current year	<u>25,215,415</u>	
Capital asset increases per Note 6		58,790,534
Less: assets disposed	(1,562,085)	
Less: assets disposed by internal service funds	(18,667)	
Less: prior year construction in progress added as asset in current year	<u>(25,215,415)</u>	
Capital asset decreases per Note 6		(26,796,167)
Depreciation/amortization expense	<u>(12,299,926)</u>	
Accumulated depreciation/amortization increases per Note 6		(12,299,926)
Less: accumulated depreciation/amortization on assets disposed	1,264,430	
Less: accumulated depreciation/amortization on assets disposed by internal service funds	<u>10,267</u>	
Accumulated depreciation/amortization decreases per Note 6		1,274,697
Capital assets purchased by internal service funds		(14,750)
Capital assets disposed by internal service funds		18,667
Accumulated depreciation/amortization on assets disposed by internal service funds		(10,267)
Gain on assets transferred to internal service funds		(14,479)
Depreciation/amortization expense included in net expense of internal service funds		<u>238,120</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities		<u><u>\$ 21,186,429</u></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:

Principal payments on bonded debt	\$ 3,235,350
Amortization of premium on bonded debt	273,553
Principal payments on notes payable	118,479
Issuance of finance purchases payable	(3,652,182)
Principal payments on finance purchases payable	246,537
Issuance of leases payable	(1,051,800)
Principal payments on leases payable	94,386
Issuance of SBITAs	(651,774)
Principal payments on SBITA	434,567
Principal payments recorded in internal service funds	<u>(109,677)</u>
Net adjustment to net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (1,062,561)</u></u>

Note 3 - Stewardship, Compliance, and Accountability

Budgets

Each year, the City Manager must submit to the City Commission a recommended 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 recommended 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 budget unit level, which is implemented through the City's fund structure. For example, departments supported by the General Fund (such as Police, Fire and Emergency Medical Services, and Recreation) are appropriated together as a budget unit. Likewise, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Enterprise Funds (such as Water and Sewer Utilities), and Permanent Funds are each adopted as separate budget units at the fund-type level. The budgetary comparison schedules presented in this ACFR provide budget-to-actual information at a level of detail equal to or more detailed than the legally adopted budget-unit level, thereby demonstrating compliance with adopted appropriations and state budget law.

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 appropriated for each budget unit, but management may exercise control at budgetary line items.

For the fiscal year ended June 30, 2025, expenditures exceeded appropriations in individual funds for the following reasons:

Departmental Fund \$(17,339): The excess was primarily due to unexpected revenue from the state and the costs to replace library books and reference materials. This revenue and expenditure will be budgeted in future fiscal years.

June 30, 2025

Economic Development Revolving Loans Fund \$(61.00): The excess was primarily due additional transaction fees implemented by the bank. The additional expenditure will be budgeted for in future fiscal years.

Deficit Fund Balance

The following funds had a deficit fund balance at June 30, 2025:

Governmental Funds		
Nonmajor Funds		
Health-Medical Insurance	\$	(528,042)
Metropolitan Planning Organization		(2,012)
General Obligation Bonds		(174,757)

The deficit fund balance in the Health-Medical Insurance fund is due to unanticipated changes in health insurance costs. Transfers to cover health care costs in other funds will be adjusted in fiscal year 2026 to remove the deficit.

The deficit fund balance in the Metropolitan Planning Organization is related to start up costs that were not reimbursable by the federal grant. Revenues anticipated to be received to recover the deficit fund balance.

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 2026.

Note 4 - Cash and Investments

At June 30, 2025, the carrying amount of the City's deposits in local banks and investments was \$7,548,898. 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 \$7,304,591. 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	\$	108,986,636
Statement of fiduciary net position		536,670
Restricted cash and investments		
Statement of net position		74,540,412
		<u>—</u>
	\$	<u>184,063,718</u>
Deposits	\$	3,271,339
Investments		180,792,379
	\$	<u><u>184,063,718</u></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 fair 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, 2025, 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	Maturities (in Years)		
			Not Applicable	< 1	1 - 5
Primary Government					
U.S. Government bonds	S&P AA+	\$ 78,514,820	\$ —	\$ 23,647,980	\$ 54,866,840
Corporate Bonds	N/A	—	—	—	—
Certificates of Deposit	N/A	1,200,000	1,200,000	—	—
MMIA Account	N/A	3,077,559	3,077,559	—	—
State of Montana Short Term Investment Pool	N/A	98,000,000	98,000,000	—	—
		<u>\$ 180,792,379</u>	<u>\$ 102,277,559</u>	<u>\$ 23,647,980</u>	<u>\$ 54,866,840</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% 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, 2025.

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, 2025:

	Total	Level 1	Level 2	Level 3
Primary Government				
US Government Bonds	\$ 78,514,820	\$ —	\$ 78,514,820	\$ —
	<u>\$ 78,514,820</u>	<u>\$ —</u>	<u>\$ 78,514,820</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 \$98,000,000 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, 2024 and June 30, 2025, respectively, are as follows. Investments are considered to be Level 1.

	Bozeman Public Library Foundation	Business Improvement District
Cash and investments		
Cash and cash equivalents	\$ 2,267,221	\$ 208,435
Restricted investments	5,391,326	—
Total cash and investments	<u>\$ 7,658,547</u>	<u>\$ 208,435</u>

Note 5 - Receivables

Loans receivable as of June 30, 2025, were as follows:

Loan Program	Interest Rate	Maturity Date	Amount
Economic Development Loan Fund	3.0-8.0%	2025-2030	\$ 632,956

As of 7/1/2023 the city terminated participation in the workers' compensation program with the Montana Municipal Authority (MMIA). As part of the program agreement departing members receive a payment of a portion of the unrestricted undesignated net position allocated to each individual member over a four-year period (Year 1 - 10%, Year 2 - 25%, Year 3 - 50%, Year 4 - 15%). The city received \$484,741 in year 1 (FY24), and \$525,994.50 in year 2 (FY25) following departure from the program. The payment amounts to be received for Year 3 and Year 4 are uncertain and are not estimable by the city at this time. Each fiscal year MMIA calculates the projected unrestricted undesignated net position for each member to determine the installment payment amounts due to departing members. The projection relies on various assumptions including but not limited to; investment returns of the program, loss valuations of submitted claims each fiscal year, expected claim payments and on-going administration costs of claims. The city does not have access to the information necessary to estimate the payment amounts due in FY25 and FY26, and MMIA has not provided any projections to the city as of the reporting date. Therefore, the city has not recorded a receivable for FY25. Beginning 7/1/2023 the city's workers' compensation coverage is provided by the Montana State Fund.

June 30, 2025

Note 6 - Capital Assets

Governmental activities capital asset activity for the year ended June 30, 2025, consisted of the following:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated/amortized					
Land	\$ 41,727,885	\$ 788,828	\$ —	\$ —	\$ 42,516,713
Artwork	42,698	94,635	—	—	137,333
Construction in progress	26,756,204	5,090,202	25,215,415	—	6,630,991
Total capital assets, not being depreciated/amortized	68,526,787	5,973,665	25,215,415	—	49,285,037
Capital assets, being depreciated/amortized					
Buildings	81,533,211	18,971,063	766,347	—	99,737,927
Improvements other than buildings	—	766,776	—	—	766,776
Machinery and equipment	26,879,506	2,516,537	299,911	—	29,096,133
Infrastructure	297,918,727	26,882,087	—	—	324,800,814
Vehicles	6,568,523	1,926,832	494,661	—	8,000,694
Right-of-use lease building	423,122	1,051,800	—	—	1,474,922
Right-of-use lease vehicles	19,833	—	19,833	—	—
Subscription-based IT assets	1,261,279	701,774	—	—	1,963,053
Total capital assets, being depreciated/ amortized	414,604,201	52,816,869	1,580,752	—	465,840,318
Less accumulated depreciation/amortization for					
Buildings	23,536,194	2,439,164	565,930	—	25,409,428
Improvements other than buildings	—	23,823	—	—	23,823
Machinery and equipment	16,025,802	1,980,725	219,254	—	17,787,273
Infrastructure	109,825,383	6,715,744	—	—	116,541,127
Vehicles	3,968,159	655,829	472,985	—	4,151,003
Right-of-use lease assets - building	211,561	95,581	—	—	307,142
Right-of-use lease assets - vehicles	16,528	—	16,528	—	—
Subscription-based IT assets	423,743	389,060	—	—	812,803
Total accumulated depreciation/ amortization	154,007,369	12,299,926	1,274,697	—	165,032,598
Total capital assets, being depreciated/amortized, net	260,596,832	40,516,943	306,055	—	300,807,720
Governmental Activities Capital Assets, Net	<u>\$ 329,123,619</u>	<u>\$ 46,490,608</u>	<u>\$ 25,521,470</u>	<u>\$ —</u>	<u>\$ 350,092,757</u>

June 30, 2025

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

Governmental activities	
General government	\$ 578,424
Public safety	2,561,402
Public service	6,973,299
Public health and welfare	2,186,801
governmental activities	<u>\$ 12,299,926</u>

Business-type activities capital asset activity for the year ended June 30, 2025, consisted of the following:

	Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities					
Capital assets, not being depreciated					
Land	\$ 2,218,553	\$ —	\$ —	\$ —	\$ 2,218,553
Intangible water rights	2,762,142	—	—	—	2,762,142
Construction in progress	7,641,067	2,965,066	4,667,750	—	5,938,383
Total capital assets, not being depreciated	<u>12,621,762</u>	<u>2,965,066</u>	<u>4,667,750</u>	<u>—</u>	<u>10,919,078</u>
Capital assets, being depreciated					
Buildings	116,596,119	1,125,823	—	—	117,721,942
Improvements other than buildings	30,547,611	—	—	—	30,547,611
Machinery and equipment	15,694,572	4,103,943	62,170	—	19,736,345
Infrastructure	408,832,785	15,687,159	—	—	424,519,944
Vehicles	2,592,571	189,503	53,784	—	2,728,290
Total capital assets, being depreciated	<u>574,263,658</u>	<u>21,106,428</u>	<u>115,954</u>	<u>—</u>	<u>595,254,132</u>
Less accumulated depreciation for					
Buildings	34,993,517	2,581,896	—	—	37,575,413
Improvements other than buildings	30,491,700	51,902	—	—	30,543,602
Machinery and equipment	11,707,919	952,708	62,170	—	12,598,457
Infrastructure	161,886,325	4,477,630	—	—	166,363,955
Vehicles	1,941,183	126,183	53,784	—	2,013,582
Total accumulated depreciation	<u>241,020,644</u>	<u>8,190,319</u>	<u>115,954</u>	<u>—</u>	<u>249,095,009</u>
Total capital assets, being depreciated, net	<u>333,243,014</u>	<u>12,916,109</u>	<u>—</u>	<u>—</u>	<u>346,159,123</u>
Business-Type Activities Capital Assets, Net	<u>\$ 345,864,776</u>	<u>\$ 15,881,175</u>	<u>\$ 4,667,750</u>	<u>\$ —</u>	<u>\$ 357,078,201</u>

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

Business-type activities	
Water	\$ 3,478,585
Wastewater	3,432,703
Solid Waste	645,843
Parking	359,252
Stormwater	273,936
Total depreciation expense - business-type activities	<u>\$ 8,190,319</u>

June 30, 2025

Note 7 - Long-Term Debt

The following is a summary of changes in long-term debt of the City for the year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable					
General obligation bonds	\$ 49,675,000	\$ —	\$ 2,545,000	\$ 47,130,000	\$ 2,670,000
Tax increment financing bonds	9,301,366	—	518,809	8,782,557	531,215
Special assessment bonds	3,167,567	—	171,541	2,996,026	177,031
Total bonds payable	<u>62,143,933</u>	<u>—</u>	<u>3,235,350</u>	<u>58,908,583</u>	<u>3,378,246</u>
Notes payable					
Notes payable	1,434,219	—	72,903	1,361,316	75,578
Intercap notes payable	281,811	—	45,576	236,235	46,820
Total notes payable	<u>1,716,030</u>	<u>—</u>	<u>118,479</u>	<u>1,597,551</u>	<u>122,398</u>
Unamortized premium	4,337,187	—	273,553	4,063,634	273,554
Finance purchases payable	1,481,531	3,652,182	246,537	4,887,176	616,282
Leases payable	258,670	1,051,800	94,386	1,216,084	101,279
Subscription IT agreements	626,375	651,774	434,567	843,582	301,839
Compensated absences	4,094,887	4,156,649	2,966,790	5,284,746	2,966,792
	<u>\$ 74,658,613</u>	<u>\$ 9,512,405</u>	<u>\$ 7,369,662</u>	<u>\$ 76,801,356</u>	<u>\$ 7,760,390</u>
Business-Type Activities					
Bonds payable					
Water revenue bonds	\$ 14,593,000	\$ —	\$ 1,395,000	\$ 13,198,000	\$ 1,435,000
Wastewater revenue bonds	23,888,000	—	2,411,000	21,477,000	2,171,000
Stormwater revenue bonds	1,109,000	—	89,000	1,020,000	90,000
Total bonds payable	<u>39,590,000</u>	<u>—</u>	<u>3,895,000</u>	<u>35,695,000</u>	<u>3,696,000</u>
Finance purchases payable					
Solid Waste finance purchase	—	1,937,229	—	1,937,229	233,794
Stormwater finance purchase	—	336,491	—	336,491	27,710
Total finance purchases payable	<u>—</u>	<u>2,273,720</u>	<u>—</u>	<u>2,273,720</u>	<u>261,504</u>
Landfill closure/postclosure	1,982,403	—	376,857	1,605,546	—
Pollution remediation obligation	536,669	233,583	—	770,252	—
Compensated absences	694,843	1,235,513	960,567	969,789	960,567
	<u>\$ 42,803,915</u>	<u>\$ 3,742,816</u>	<u>\$ 5,232,424</u>	<u>\$ 41,314,307</u>	<u>\$ 4,918,071</u>

June 30, 2025

Bonds Payable

At June 30, 2025, 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	7/26/1905	2.00 - 4.00%	\$ 9,900,000	\$ 5,305,000
TOP Bonds, Series 2014	7/27/1905	2.00 - 4.00%	5,100,000	2,990,000
BPSC Bonds, Series 2019	7/31/1905	2.00 - 4.00%	34,405,000	26,705,000
Refunding Bonds, Series 2022	8/3/1905	4.00 - 5.00%	25,640,000	6,075,000
Limited Tax GO Bonds, Series 2024B	2043	4.00 - 5.00%	3,930,000	2,220,000
GO Rec Improvement Bonds, Series 2024A	2044	4.00 - 5.00%	2,280,000	3,835,000
Total general obligation bonds			<u>\$ 81,255,000</u>	<u>\$ 47,130,000</u>
Tax increment financing bonds				
Direct placement, Series 2020 Downtown District refunding bonds	7/24/1905	2.44%	\$ 3,689,000	\$ 2,112,000
Direct placement, Series 2017 Northeast District bonds	8/3/1905	4.10%	1,446,000	1,095,557
Series 2020 Midtown District bonds	8/5/1905	2.00 - 4.00%	6,325,000	5,575,000
Total tax increment financing bonds			<u>\$ 11,460,000</u>	<u>\$ 8,782,557</u>
Special assessment bonds				
Special Improvement District No. 747, Series 2020	8/1/1905	3.175%	\$ 4,001,000	\$ 2,996,026
Total governmental activities			<u>\$ 96,716,000</u>	<u>\$ 58,908,583</u>
Business-Type Activities				
Direct Placement Water revenue bonds				
Series 2011A	7/24/1905	3.00%	\$ 9,491,000	\$ 3,941,000
Series 2011B	7/25/1905	3.00%	9,552,000	4,270,000
Series 2017	7/29/1905	2.50%	7,573,000	4,987,000
Total water revenue bonds			<u>\$ 26,616,000</u>	<u>\$ 13,198,000</u>
Direct Placement Wastewater revenue bonds				
Series 2010B	7/22/1905	1.75%	\$ 359,300	\$ 91,000
Series 2010D	7/22/1905	3.00%	8,308,000	2,683,000
Series 2010F	7/22/1905	3.00%	729,000	254,000
Series 2010C	7/23/1905	3.00%	885,081	329,000
Series 2010G	7/23/1905	3.00%	3,605,565	1,029,000
Series 2010H	7/23/1905	3.00%	8,692,000	3,232,000
Series 2020D	8/1/1905	2.50%	2,807,000	2,230,000
Series 2020B	8/1/1905	2.50%	7,786,000	6,186,000
Series 2020C	8/2/1905	2.50%	6,693,321	5,443,000
Total waste water revenue bonds			<u>\$ 39,865,267</u>	<u>\$ 21,477,000</u>
Direct Placement Stormwater revenue bonds				
Series 2015	7/27/1905	2.50%	\$ 1,815,000	\$ 1,020,000
Total business-type activities			<u>\$ 134,777,534</u>	<u>\$ 35,695,000</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 Urban Renewal 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, 2025.

City of Bozeman, Montana
Notes to the Financial Statements

June 30, 2025

The annual requirements to amortize the bonded debt outstanding for the governmental activities as of June 30, 2025, are as follows:

Years Ending June 30,	General Obligation Bonds		Tax Increment Financing Bonds	
	Principal	Interest	Principal	Interest
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	1,522,838	564,152	269,745
2029	3,015,000	1,402,438	586,381	251,566
2030	3,135,000	1,288,088	598,537	232,817
2031 - 2035	17,070,000	4,306,638	2,287,155	888,519
2036 - 2040	12,845,000	1,622,069	2,004,824	503,326
2041 - 2045	2,725,000	242,100	1,665,121	122,917
	<u>\$ 47,130,000</u>	<u>\$ 13,767,469</u>	<u>\$ 8,782,557</u>	<u>\$ 2,860,062</u>

Years Ending June 30,	Special Assessment Bonds		Total Governmental Activities	
	Principal	Interest	Principal	Interest
2026	\$ 177,031	\$ 93,730	\$ 3,378,246	\$ 2,143,760
2027	182,696	88,064	3,507,867	2,012,506
2028	188,543	82,218	3,642,695	1,874,800
2029	194,577	76,184	3,795,958	1,730,188
2030	200,803	69,957	3,934,341	1,590,862
2031 - 2035	1,104,622	249,178	20,461,777	5,444,334
2036 - 2040	947,754	65,144	15,797,578	2,190,538
2041 - 2045	—	—	4,390,120	365,017
	<u>\$ 2,996,026</u>	<u>\$ 724,474</u>	<u>\$ 58,908,583</u>	<u>\$ 17,352,005</u>

The annual requirements to amortize the bonded debt outstanding for the business-type activities as of June 30, 2025, are as follows:

Years Ending June 30,	Water Revenue Bonds		Waste Water Revenue Bonds	
	Principal	Interest	Principal	Interest
2026	\$ 1,435,000	\$ 360,773	\$ 2,171,000	\$ 558,700
2027	1,477,000	319,225	2,234,000	497,203
2028	1,520,000	276,448	2,298,000	433,865
2029	1,563,000	232,443	2,365,000	368,705
2030	1,609,000	187,180	2,100,000	301,644
2031 - 2035	4,656,000	366,665	4,975,000	990,408
2036 - 2040	938,000	29,500	5,124,000	385,275
2041 - 2045	—	—	210,000	2,625
	<u>\$ 13,198,000</u>	<u>\$ 1,772,233</u>	<u>\$ 21,477,000</u>	<u>\$ 3,538,424</u>

Years Ending June 30,	Stormwater Revenue Bonds		Total Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 90,000	\$ 24,938	\$ 3,696,000	\$ 944,410
2027	94,000	22,663	3,805,000	839,090
2028	96,000	20,300	3,914,000	730,613
2029	97,000	17,900	4,025,000	619,048
2030	100,000	15,463	3,809,000	504,286
2031 - 2035	543,000	38,000	10,174,000	1,395,073
2036 - 2040	—	—	6,062,000	414,775
2041 - 2045	—	—	210,000	2,625
	<u>\$ 1,020,000</u>	<u>\$ 139,263</u>	<u>\$ 35,695,000</u>	<u>\$ 5,449,919</u>

June 30, 2025

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, 2025, the Revenue Bond outstanding had an aggregate principal amount payable of \$60,025.

Notes Payable

At June 30, 2025, 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	\$ 1,361,316
Intercap notes payable				
Upgrade Street Lighting	2030	1.55 - 5.75%	199,231	81,689
Sports Park-Bronken Park Improvements	2029	1.00 - 5.75%	314,559	154,545
Total intercap notes payable			\$ 513,790	\$ 236,235
Total governmental activities			\$ 2,213,790	\$ 1,597,551

Future payments on notes payable are as follows:

June 30,	Governmental Activities	
	Principal	Interest
2026	\$ 122,398	\$ 61,441
2027	126,533	47,363
2028	130,755	44,463
2029	135,306	41,273
2030	121,104	38,142
2031 - 2035	498,124	138,508
2036 - 2040	463,333	39,848
	<u>\$ 1,597,551</u>	<u>\$ 411,038</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, Street Maintenance Fund, Fire Department Equipment Fund, and the Fire Impact Fee Fund.

Future payments on financed purchases payable are as follows:

Years Ending June 30,	Governmental Activities	
	Principal	Interest
2026	\$ 616,282	\$ 201,656
2027	650,556	167,282
2028	905,976	140,272
2029	669,492	92,434
2030	442,492	72,553
2031 - 2035	956,284	197,822
2036 - 2040	646,093	68,465
	<u>\$ 4,887,176</u>	<u>\$ 940,484</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 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, Building Inspection Fund, Fire Department Equipment 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

Accumulated vacation leave that is due and payable to separated employees, and expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of accumulated vacation leave that are more likely than not to be used or paid upon separation and are not expected to be liquidated with expendable available resources are reported as liabilities in the Statement of Net Position. The City's policies allow employees to accumulate vacation leave, which is paid out upon termination at the employee's current pay rate. A liability is also recorded for accumulating rights to receive sick pay benefits for the portion more likely than not to be used by employees, based on historical usage patterns and government policy.

Additionally, a liability is recognized for that portion of accumulating sick leave benefits that is more likely than not to be paid upon termination. The City accrues salary-related payment associated with the payment of compensated absences.

Note 8 - Leases**Lessor Activities**

The City has accrued a receivable for a land lease. The remaining receivable for this lease was \$280,606 for the year ended June 30, 2025. Deferred inflows related to these leases were \$267,018 as of June 30, 2025. Interest revenue recognized on this lease was \$15,410 for the year ended June 30, 2025. Principal payments of \$27,595 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 lease agreements for office space and for a fire station. The City is required to make principal and interest payments through March 2028 for the office space and through October 2071 for the fire station. 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, 2025, are as follows:

Years Ending June 30,	Governmental Activities	
	Principal	Interest
2026	\$ 101,279	\$ 53,451
2027	83,424	48,331
2028	7,428	46,412
2029	7,762	46,078
2030	8,112	45,729
2031 - 2035	46,373	222,828
2036 - 2040	57,789	211,412
2041 - 2045	72,016	197,185
2046 - 2050	89,745	179,456
2051 - 2055	111,839	157,362
2056 - 2060	139,371	129,830
2061 - 2065	173,682	95,519
2066 - 2070	216,439	52,762
2071 - 2075	100,825	6,856
	<u>\$ 1,216,084</u>	<u>\$ 1,493,208</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 September 2029. The SBITA contracts have interest rates of 5% which were 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, 2025, are as follows:

Years Ending June 30,	Governmental Activities	
	Principal	Interest
2026	\$ 301,839	\$ 37,470
2027	291,480	21,713
2028	183,048	12,804
2029	67,214	3,439
	<u>\$ 843,582</u>	<u>\$ 75,426</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 \$8 and \$2,942 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 \$3,300 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, 2024, the census valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	22
Inactive employees entitled to but not yet receiving benefit payments	—
Active employees	458
	<u>480</u>

Contributions

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

Total OPEB Liability (TOL)

The City's total OPEB liability of \$4,698,468 for the June 30, 2025, reporting date was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2024.

Changes in the TOL for the year ended June 30, 2025, are as follows:

Balance as of July 1, 2024	\$	4,794,995
Changes from the Prior Year:		
Service cost		317,122
Interest cost		195,072
Assumption changes		336,520
Differences between expected and actual experience		(828,352)
Benefit payments		(116,889)
Net Change		(96,527)
Balance at June 30, 2025	\$	4,698,468

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 (2.97%) or one percentage point higher (4.97%) follows:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Discount rate	2.97%	3.97%	4.97%
Total OPEB Liability	\$ 5,325,275	\$ 4,698,468	\$ 4,159,828

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	7.00%	8.00%	9.00%
Total OPEB Liability	\$ 4,080,362	\$ 4,698,468	\$ 5,587,577

June 30, 2025

For the year ended June 30, 2025, the City recognized OPEB expense of \$465,875. At June 30, 2025, 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 expected and actual experience	\$ —	\$ 746,786
Assumption changes	647,424	648,167
	<u>\$ 647,424</u>	<u>\$ 1,394,953</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
2026	\$ (6,782)
2027	(229,532)
2028	(300,935)
2029	(128,308)
2030	(81,972)

The June 30, 2025, year-end OPEB cost is reported in the City's funds as follows:

Governmental Activities	
General government	\$ 76,314
Public safety	137,445
Public works	53,141
Public health and welfare	119,345
Total governmental activities	<u>386,245</u>
Business-type Activities	
Water	27,249
Wastewater	20,777
Solid waste	20,297
Parking	4,914
Stormwater	6,393
Total business-type activities	<u>79,630</u>
Total Primary Government	<u>\$ 465,875</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 2025. As of July 1, 2024, 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: 3.97% for determining fiscal 2025 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: 8.00% initial in fiscal 2025 and 5.0% ultimate in fiscal 2045.
- Average Salary Increase: Not applicable.
- Retirement Rates: Based on actuarial valuation for statewide retirement systems as of June 30, 2024
- 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 Fidelity 20-year GO AA Bond index as of the measurement dates.

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 2025.

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 2025 and 2024 total payroll and covered payroll for all retirement plans were \$37,564,949 and \$34,780,786, 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, 2025 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	\$ 6,158,520	\$ 28,751,835	\$ 639,363	\$ 4,165,726
FURS	1,749,077	3,048,787	73,469	737,074
MPORS	1,262,279	6,839,924	139,909	1,011,408
Total all plans	<u>\$ 9,169,876</u>	<u>\$ 38,640,546</u>	<u>\$ 852,741</u>	<u>\$ 5,914,208</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, 2024, measurement date for the 2025 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.

June 30, 2025

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

Fiscal Year	Member		State & University	Local Government		Local Government	
	Hired <07/01/2011	Hired >07/01/2011	Employer	Employer	State	Employer	State
2025	7.900%	7.900%	9.170%	9.070%	0.100%	8.800%	0.370%
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 \$35,239,705.

June 30, 2025

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, 2024, is on an actuarial valuation performed by the Plan's actuary as of June 30, 2024.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the State of Montana's NPL for June 30, 2025 and 2024 reporting 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 \$28,751,835 and the employer's proportionate share was 1.132764%.

	Net Pension Liability as of		Percent of Collective NPL as of		Change in
	6/30/2025	6/30/2024	6/30/2025	6/30/2024	Percent of
	Date	Date	Date	Date	Collective NPL
City Proportionate Share	\$ 28,751,835	\$ 27,643,462	1.175578%	1.132764%	0.042814%
State of Montana Proportionate Share associated with the City	7,518,644	7,678,503	0.307415%	0.314647%	-0.007232%
Total	<u>\$ 36,270,479</u>	<u>\$ 35,321,965</u>	<u>1.482993%</u>	<u>1.447411%</u>	<u>0.035582%</u>

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

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

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

Pension Expense: At June 30, 2025, the reporting date, the employer recognized a Pension Expense of \$4,165,726 for its proportionate share of the Plan's pension expense. The employer also recognized grant revenue of \$402,933 for the support provided by the State of Montana for its proportionate share of the pension expense associated with the employer.

At June 30, 2025, 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:

	Outflows of Resources	Inflows of Resources
Expected vs actual experience	\$ 1,452,962	\$ —
Project investment earnings vs. actual investment earnings	—	639,363
Changes in assumptions	—	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,483,643	—
City contributions subsequent to the measurement date	2,221,915	—
	<u>\$ 6,158,520</u>	<u>\$ 639,363</u>

The \$2,221,915 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, 2026.

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
2026	\$ 1,783,944
2027	2,238,126
2028	(449,476)
2029	(275,352)

Actuarial Assumptions: The total pension liability measured as of June 30, 2024, for the June 30, 2025 reporting date, was determined on the results of an actuarial valuation date of June 30, 2024, 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	—%

The actuarial assumptions and methods utilized in the June 30, 2024 valuation were developed in the five-year experience study for the period ending 2021. However, the current long-term rate of return is based on analysis in the experience study, without consideration for the administrative expenses analysis shown in the experience study.

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, 2024, 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	\$ 41,913,943	\$ 28,751,835	\$ 17,714,764

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, 2024, the PERS-DCRP employer did not recognize any net pension liability or pension expense for the defined contribution plan. Plan level non-vested forfeitures for the 351 employers that have participants in the PERS-DCRP totaled \$1,345,278.

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, 2024 measurement date for the 2025 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)

June 30, 2025

- 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 – 2025	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, 2024, is on an actuarial valuation performed by the Plan's actuary as of June 30, 2024.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the State of Montana's NPL for June 30, 2025 and 2024 reporting 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 \$3,048,787 and the employer's proportionate share was 2.2506%.

	Net Pension Liability as of		Percent of Collective NPL as of		Change in Percent of Collective TPL
	June 30, 2025 Date	June 30, 2024 Date	June 30, 2025 Date	June 30, 2024 Date	
City Proportionate Share	\$ 3,048,787	\$ 3,335,681	2.2506%	2.2094%	0.0412%
State of Montana Proportionate Share associated with the City	6,916,930	7,570,801	5.1060%	5.0144%	0.0916%
Total	<u>\$ 9,965,717</u>	<u>\$ 10,906,482</u>	<u>7.3566%</u>	<u>7.2238%</u>	<u>0.1328%</u>

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

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

June 30, 2025

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

Pension Expense: At June 30, 2025, the reporting date, the employer recognized its proportionate share of the Plan's pension expense of 737,074. The employer also recognized grant revenue of \$1,713,909 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, 2025, 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	\$ 335,994	\$ —
Project investment earnings vs. actual investment earnings	—	73,469
Changes in assumptions	524,205	—
contributions and proportionate share of contributions	23,269	—
City contributions subsequent to the measurement date	865,609	—
	<u>\$ 1,749,077</u>	<u>\$ 73,469</u>

The \$864,920 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, 2026 .

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
2026	\$ 118,295
2027	543,302
2028	120,429
2029	1,560
2030	26,413

Actuarial Assumptions: The total pension liability measured as of June 30, 2024, for the June 30, 2025 reporting date, was determined on the results of an actuarial valuation date of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

June 30, 2025

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 will be made)	3.00%
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 firefighter.

The actuarial assumptions and methods utilized in the June 30, 2024 valuation, were developed in the five-year experience study for the period ending June 30, 2021. However, the current long-term rate of return is based on analysis in the experience study, without consideration for the administrative expense analysis shown in the experience study.

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, 2024, 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.

June 30, 2025

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	\$ 6,024,186	\$ 3,048,787	\$ 673,630

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, 2024 measurement date for the 2025 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 - 2025	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%

June 30, 2025

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, 2024, is on an actuarial valuation performed by the Plan's actuary as of June 30, 2024.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the State of Montana's NPL for June 30, 2025 and 2024 reporting 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 \$6,839,924 and the employer's proportionate share was 3.0591%.

	Net Pension Liability as of		Percent of Collective NPL as of		Change in Percent of Collective TPL
	June 30, 2025 Reporting Date	June 30, 2024 Reporting Date	June 30, 2025 Reporting Date	June 30, 2024 Reporting Date	
City Proportionate Share	\$ 6,839,924	\$ 7,049,339	3.0591%	3.0406%	0.0185%
State of Montana Proportionate Share associated with the City	13,910,325	14,227,120	6.2213%	6.1366%	0.0847%
Total	<u>\$ 20,750,249</u>	<u>\$ 21,276,459</u>	<u>9.2804%</u>	<u>9.1772%</u>	<u>0.1032%</u>

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

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

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

Pension Expense: At June 30, 2025, the reporting date, the employer recognized its proportionate share of the Plan's pension expense of \$1,011,408. The employer also recognized grant revenue of \$1,978,164.00 for the support provided by the State of Montana for its proportionate share of the pension expense associated with the employer.

Recognition of Deferred Inflows and Outflows: June 30, 2025, 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	\$ 147,578	\$ —
Project investment earnings vs. actual investment earnings	—	93,676
Changes in assumptions	—	46,233
Changes in proportion and differences between employer contributions and proportionate share of contributions	100,292	—
City contributions subsequent to the measurement date	1,014,409	
	<u>\$ 1,262,279</u>	<u>\$ 139,909</u>

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
2026	\$ (158,391)
2027	377,611
2028	(51,029)
2029	(60,230)

Actuarial Assumptions: The total pension liability measured as of June 30, 2024, for the June 30, 2025 reporting date, was determined on the results of an actuarial valuation date of June 30, 2024, 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 will be made)	3.00%
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

The actuarial assumptions and methods utilized in the June 30, 2024 valuation were developed in the five-year experience study for the period ending June 30, 2021. However, the current long-term rate of return is based on analysis in the experience study, without consideration for the administrative expenses analysis shown in the experience study.

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.

June 30, 2025

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, 2024 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	\$ 10,891,702	\$ 6,839,924	\$ 3,621,634

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.

	<u>Due from other city funds</u>	<u>Due to other city funds</u>
Major Funds:		
General Fund	\$ 1,411,307	\$ —
Non-major Governmental Funds:		
Health-Medical Insurance	—	776,923
Community Development Block Grant	—	1,620
Metropolitan Planning Organization	—	72,167
GO Bonds Debt Service Fund	—	560,597
	<u>\$ 1,411,307</u>	<u>\$ 1,411,307</u>

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

	<u>Advances to other City funds</u>	<u>Advances from other City Funds</u>
Major Funds:		
SID Debt Service Fund	\$ —	\$ 1,392,460
Non-major Governmental Funds		
SID Revolving Debt Service Fund	1,392,460	—
	<u>\$ 1,392,460</u>	<u>\$ 1,392,460</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, 2025:

City of Bozeman - Schedule of Transfers "IN" as of June 30, 2025

Transfer To:	Transfer From:	Amount	Explanation
General Fund	Medical Health Insurance	\$ 3,576,755	Health insurance premiums paid
General Fund	ARPA Grant Fund	280,573	Close out fund
General Fund	SID Revolving Loan Debt Service Fund	180,416	Return excess cash to General Fund
General Fund	Metropolitan Planning Organization Fund	5,756	Reimbursement for administrative services
General Fund	Departmental Fund	4,148	Return excess cash to General Fund
General Fund	Community Development Block Grant	1,620	Reimbursement for administrative services
Total transfers to General Fund		4,049,268	
Construction Capital Projects	SID Debt Service	167,064	Reimbursement for special improvement district capital project
Construction Capital Projects	General Fund	202,865	Per Resolution #4265 Library operating budget surplus
Construction Capital Projects	General Fund	283,498	Support for capital projects
Total transfers to Capital Project Fund		653,427	
SID Debt Service	General Fund	13,782	Close out SID 674
Total transfer to SID Debt Service Fund		13,782	
City Planning	Medical Health Insurance	203,794	Health insurance premiums paid
Fire Impact Fee	Construction Capital Projects	636,869	Reimbursement for debt funded capital expenditures
Community Housing	General Fund	1,250,000	All purpose mill levy support for operating expenses
Metropolitan Planning Organization	General Fund	19,546	Support for non-grant eligible operating costs
Departmental	General Fund	459,700	Support and grant match for operating costs
Departmental	Medical Health Insurance	34,139	Health insurance premiums paid
Fire Capital	Construction Capital Projects	2,000,000	Reimbursement for debt funded capital expenditures
SID Revolving	General Fund	167,064	Support for new SID 778
TIF Bonds	Downtown Urban Renewal District	335,292	Annual bond payment
TIF Bonds	North 7th Corridor TIF District	410,550	Annual bond payment
Total transfers to Non-Major Governmental Funds		5,516,954	

Water	ARPA Grant Fund	174,091	Support for capital projects
Water	Service Fund	6,639	Reimbursement for office equipment
Solid Waste	General Fund	493,443	Support for landfill monitoring
Total transfers to Major Proprietary Funds		674,173	
Public Works Administration	Water	43,820	Share of annual lease payment
Public Works Administration	Stormwater	43,820	Share of annual lease payment
			Share of annual lease payment and reimbursement for
Public Works Administration	Metropolitan Planning Organization	15,131	administrative services
Medical Health Insurance	General Fund	258,574	Reimbursement for health and medical expenses
Medical Health Insurance	City Planning	5,232	Reimbursement for health and medical expenses
Medical Health Insurance	Street Maintenance District	37,649	Reimbursement for health and medical expenses
Medical Health Insurance	Tree Maintenance District	5,305	Reimbursement for health and medical expenses
Medical Health Insurance	Building Inspection	19,009	Reimbursement for health and medical expenses
Medical Health Insurance	Downtown Urban Renewal District	115	Reimbursement for health and medical expenses
Medical Health Insurance	Community Housing	89	Reimbursement for health and medical expenses
Medical Health Insurance	Departmental	2,515	Reimbursement for health and medical expenses
Medical Health Insurance	North 7th Corridor TIF District	164	Reimbursement for health and medical expenses
Medical Health Insurance	Northeast Urban Renewal District	49	Reimbursement for health and medical expenses
Medical Health Insurance	Parks and Trails District	16,050	Reimbursement for health and medical expenses
Medical Health Insurance	Water	40,051	Reimbursement for health and medical expenses
Medical Health Insurance	Wastewater	30,056	Reimbursement for health and medical expenses
Medical Health Insurance	Solid Waste	29,652	Reimbursement for health and medical expenses
Medical Health Insurance	Parking	4,877	Reimbursement for health and medical expenses
Medical Health Insurance	Stormwater	12,392	Reimbursement for health and medical expenses
Medical Health Insurance	Vehicle Maintenance Shop	9,740	Reimbursement for health and medical expenses
Medical Health Insurance	Service Fund	13,222	Reimbursement for health and medical expenses
Total transfers to Internal Service Funds		587,512	
Total Transfers "IN"		<u>\$11,495,116</u>	

City of Bozeman - Schedule of Transfers "OUT" as of June 30, 2025

Transfer From:	Transfer To:	Amount	Explanation
General Fund	Capital Projects	\$ 202,865	Per Resolution #4265 Library operating budget surplus
General Fund	Capital Projects	283,498	Support for capital projects
General Fund	SID Debt Service	13,782	Close out SID 674
General Fund	Community Housing	1,250,000	All purpose mill levy support for operating expenses
General Fund	Metropolitan Planning Organization	19,546	Support for non-grant eligible operating costs
			Support and match for operating costs not covered by grant
General Fund	Departmental	459,700	funding
General Fund	SID Revolving	167,064	Support for SID and minimum outstanding debt requirement
General Fund	Solid Waste	493,443	Support for landfill monitoring
General Fund	Medical Health Insurance	258,574	Reimbursement for health and medical expenses
Total transfers from General Fund		3,148,472	
Street Maintenance District	Medical Health Insurance	37,649	Reimbursement for health and medical expenses
Total transfers from Street Maintenance District		37,649	
Downtown Urban Renewal District	TIF Bonds	335,292	Annual bond payment
Downtown Urban Renewal District	Medical Health Insurance	115	Reimbursement for health and medical expenses
Total transfers from Downtown Urban Renewal District		335,407	
SID Debt Service	Contruction Capital Projects	167,064	
Total transfers from SID Debt Service		167,064	
Construction Capital Projects	Fire Impact Fee	636,869	Reimbursement for estimated project cost overages upon project completion
Construction Capital Projects	Fire Capital	2,000,000	Reimbursement for estimated project cost overages upon project completion
Total transfers from Capital Projects Fund		2,636,869	
Health-Medical Insurance	General Fund	3,576,755	Health insurance premiums paid
Health-Medical Insurance	City Planning	203,794	Health insurance premiums paid
Health-Medical Insurance	Departmental	34,139	Health insurance premiums paid
ARPA Grant Fund	General Fund	280,573	Return excess cash to General Fund
ARPA Grant Fund	Water	174,091	Support for capital projects
SID Revolving Loan Debt Service Fund	General Fund	180,416	Return excess cash to General Fund

June 30, 2025

Metropolitan Planning Organization Fund	General Fund	5,756	Reimbursement for administrative services
	Public Works Administration Internal		Share of annual lease payment and reimbursement for
Metropolitan Planning Organization Fund	Service Fund	15,131	administrative services
Departmental Fund	General Fund	4,148	Return excess cash to General Fund
Departmental Fund	Medical Health Insurance	2,515	Reimbursement for health and medical expenses
Community Development Block Grant	General Fund	1,620	Reimbursement for administrative services
City Planning	Medical Health Insurance	5,232	Reimbursement for health and medical expenses
Tree Maintenance District	Medical Health Insurance	5,305	Reimbursement for health and medical expenses
Building Inspection	Medical Health Insurance	19,009	Reimbursement for health and medical expenses
Community Housing	Medical Health Insurance	89	Reimbursement for health and medical expenses
Northeast Urban Renewal District	Medical Health Insurance	49	Reimbursement for health and medical expenses
Parks and Trails District	Medical Health Insurance	16,050	Reimbursement for health and medical expenses
North 7th Corridor TIF District	Medical Health Insurance	164	Reimbursement for health and medical expenses
North 7th Corridor TIF District	TIF Bonds	410,550	Annual bond payment
Total transfers from Non-Major Governmental Funds		4,935,386	
Water	Public Works Administration	43,820	Share of annual lease payment
Water	Medical Health Insurance	40,051	Reimbursement for health and medical expenses
Wastewater	Medical Health Insurance	30,056	Reimbursement for health and medical expenses
Solid Waste	Medical Health Insurance	29,652	Reimbursement for health and medical expenses
Total transfers from Major Proprietary Funds		143,579	
Stormwater	Public Works Administration	43,820	Share of annual lease payment
Stormwater	Medical Health Insurance	12,392	Reimbursement for health and medical expenses
Parking	Medical Health Insurance	4,877	Reimbursement for health and medical expenses
Total transfers from Non-Major Proprietary Funds		61,089	
Vehicle Maintenance Shop	Medical Health Insurance	9,740	Reimbursement for health and medical expenses
Service Fund	Medical Health Insurance	13,222	Reimbursement for health and medical expenses
Service Fund	Water	6,639	Reimbursement for office equipment
Total transfers from Internal Service Funds		29,601	
Total Transfers "FROM"		<u>\$11,495,116</u>	

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	\$ 350,092,757	\$ 357,078,201
Capital Related Debt	(71,516,610)	(37,968,720)
Capital Debt Proceeds Not Yet Expended	1,838,274	—
Capital Debt Reserve Balances	604,091	3,321,798
Retainage Payable	(118,391)	(249,957)
Accounts Payable Related to Capital Asset Acquisition	(2,343,740)	(1,483,166)
Net Investment in Capital Assets	<u>\$ 278,556,381</u>	<u>\$ 320,698,156</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 Enterprise Funds
Capital Assets, Net of Accumulated Depreciation/Amortization	\$ 172,042,580	\$ 162,125,907	\$ 5,199,431	\$ 17,710,283
Capital Related Debt	(13,198,000)	(21,477,000)	(1,937,229)	(1,356,491)
Capital Debt Reserve Balances	898,599	2,364,911	—	58,288
Retainage Payable	(178,782)	(30,158)	(41,017)	—
Accounts Payable Related to Capital Asset Acquisition	(1,287,801)	(92,654)	(99,386)	(3,325)
Net Investment in Capital Assets	<u>\$ 158,276,596</u>	<u>\$ 142,891,006</u>	<u>\$ 3,121,799</u>	<u>\$ 16,408,755</u>

Fund Balances

The City classified fund balances within the governmental funds are as follows at June 30, 2025:

	General Fund	Street Maintenance District	Downtown Renewal District	SID Debt Service	Capital Projects	Other Governmental Funds	Total
Fund Balances							
Nonspendable							
Cemetery perpetual care	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,200,303	\$ 2,200,303
Prepaid items	102,444	—	—	—	—	—	102,444
Total nonspendable	102,444	—	—	—	—	2,200,303	2,302,747
Restricted							
General government							
Other	130,966	—	—	—	—	238,280	369,246
Public safety							
Building inspection	—	—	—	—	—	2,241,361	2,241,361
Fire impact	—	—	—	—	—	3,302,628	3,302,628
Victim witness	—	—	—	—	—	340,737	340,737
Other	—	—	—	—	—	664,202	664,202
Public service							
Street impact	—	—	—	—	—	22,855,519	22,855,519
Lighting districts	—	—	—	—	—	303,329	303,329
Arterial and collector	—	4,442,714	—	—	—	6,954,410	11,397,124
Other	—	—	—	—	—	28,525	28,525
Public welfare							
Tax increment districts	—	—	9,694,474	—	—	7,698,949	17,393,423
Economic development							
loans	—	—	—	—	—	971,796	971,796
Tree maintenance district	—	—	—	—	—	783,624	783,624
Parks and trails	—	—	—	—	—	3,208,370	3,208,370
Other	—	—	—	—	—	2,484,148	2,484,148
Capital projects	1,838,274	—	—	—	3,345,539	—	5,183,813
Debt service							
SID Sinking	—	—	—	1,172,961	—	—	1,172,961
SID Revolving Fund	—	—	—	—	—	1,732,989	1,732,989
Total restricted	1,969,240	4,442,714	9,694,474	1,172,961	3,345,539	53,808,867	74,433,795
Committed							
General Government	—	—	—	—	—	2,737,280	2,737,280
Public welfare	—	—	—	—	—	1,247,689	1,247,689
Capital projects	4,334,720	—	—	—	—	—	4,334,720
Total committed	4,334,720	—	—	—	—	3,984,969	8,319,689
Assigned							
General government	7,809,989	—	—	—	—	2,287	7,812,276
Public service	—	—	—	—	—	1,521,783	1,521,783
Public welfare	—	—	—	—	—	117,616	117,616
Total assigned	7,809,989	—	—	—	—	1,641,686	9,451,675
Unassigned	13,307,297	—	—	—	—	(704,811)	12,602,486
Total Fund Balances	\$ 27,523,690	\$ 4,442,714	\$ 9,694,474	\$ 1,172,961	\$ 3,345,539	\$ 60,931,014	\$107,110,392

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, 2025. The Fire Impact Fee Fund does not have any outstanding credits. The following impact fee revenues were collected and expensed/expended during fiscal year 2025:

	Beginning Balances	Impact Fees	Other Income	Expenses, Expenditures, and Transfers	Ending Balances
Fire	\$ 1,989,851	\$ 555,148	\$ 148,519	\$ 609,110	\$ 3,302,628
Water	24,659,618	1,962,446	609,554	(488,379)	26,743,239
Wastewater	10,082,360	1,279,337	216,341	(187,895)	11,390,143
Streets	18,202,220	5,060,073	959,870	(1,366,644)	22,855,519
Totals	<u>\$ 54,934,049</u>	<u>\$ 8,857,004</u>	<u>\$ 1,934,284</u>	<u>\$ (1,433,808)</u>	<u>\$ 64,291,529</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, 2025, 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, 2025, 2024, and 2023.

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, 2025.

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 \$1,605,546, which is its estimate of future landfill closure and post-closure care costs as of June 30, 2025.

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.

June 30, 2025

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	\$	—
Total assets		—
Current liabilities		12,620
Closure and post-closure care cost		1,605,546
Total liabilities		1,618,166
Restricted for debt service	\$	(1,618,166)

Condensed Statement of Revenues, Expenses and Changes in Net Position

Operating revenues and expenses:		
Operating revenues	\$	—
Operating expenses		
Change in post closure cost estimate	\$	222,337
Total operating expenses		222,337
Operating profit (loss)	\$	(222,337)
Non-operating revenues (expenses):		
Transfers	\$	493,443
Total non-operating revenues		493,443
Change in net position		271,106
Net position, beginning of year		(1,889,272)
Net position, end of year	\$	(1,618,166)

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 \$985,645 in remediation costs. Reduced by its insurer's reimbursement, the amount is \$770,251. 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 various contracts for road and streetscape projects. The contract commitments for the projects are \$9,906,055.40. For the year ended June 30, 2025, the City had incurred \$9,727,754.40 towards the projects, which are 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 \$212,164.80. For the year ended June 30, 2025, the City had incurred \$178,492.18 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 2024 Street & Utility improvements project. The contract commitment for the project is \$4,694,306.31. For the year ended June 30, 2025, the City had incurred \$1,842,894.56 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 Sourdough Creek Intake improvements project. The contract commitment for the project is \$4,477,000. For the year ended June 30, 2025, the City had incurred \$1,299,403.67 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 remodel project. The contract commitment for the project is \$1,667,508.99. For the year ended June 30, 2025, the City had incurred \$1,247,381.36 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 Storymill Parking Lot improvements project. The contract commitment for the project is \$754,290.45. For the year ended June 30, 2025, the City had incurred \$274,861.12 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 Storymill Splash Pad project. The contract commitment for the project is \$706,350. For the year ended June 30, 2025, the City had incurred \$536,826 towards the project, which is reported as construction in progress in the Statement of Net Position.

Required Supplementary Information
June 30, 2025

City of Bozeman, Montana

City of Bozeman, Montana
Schedule of Changes in Total OPEB Liability and Related Ratios
June 30, 2025

Schedule of Changes in Total OPEB Liability and Related Ratios

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 317,122	\$ 308,978	\$ 386,864	\$ 348,856	\$ 218,391	\$ 224,433	\$ 180,183	\$ 250,168
Interest cost	195,072	173,250	116,219	101,891	105,950	105,809	88,126	88,342
Differences between expected and actual experience	(828,352)	—	(110,114)	—	(8,615)	—	(502,125)	—
Change in assumptions	336,520	(8,982)	(862,570)	428,413	1,270,632	86,882	225,374	(653,711)
Benefit payments	(116,889)	(128,809)	(146,957)	(147,232)	(119,793)	(116,330)	(118,184)	—
Net change in total OPEB liability	(96,527)	344,437	(616,558)	731,928	1,466,565	300,794	(126,626)	(315,201)
Total OPEB liability, beginning of year	4,794,995	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>\$ 4,698,468</u>	<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 employee payroll	\$ 41,035,939	\$ 37,388,341	\$ 29,433,945	\$ 27,432,420	\$ 26,119,539	\$ 24,490,157	\$ 23,503,572	\$ 45,345,305
City's total OPEB liability as a percentage of covered employee payroll	11.45%	12.82%	15.12%	18.47%	16.60%	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:

6/30/2025	3.97%
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, 2025

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
6/30/2024	1.175578%	\$ 28,751,835	\$ 7,518,644	\$ 36,270,479	\$23,031,318	124.84%	74.77%
6/30/2023	1.132764%	\$ 27,643,462	\$ 7,678,503	\$ 35,321,965	\$21,060,215	131.26%	73.93%
6/30/2022	0.905336%	\$ 21,527,855	\$ 6,454,277	\$ 27,982,132	\$15,910,277	135.31%	73.66%
6/30/2021	0.841036%	\$ 15,249,847	\$ 4,507,680	\$ 19,757,527	\$14,855,905	102.65%	79.91%
6/30/2020	0.852225%	\$ 22,483,506	\$ 7,096,303	\$ 29,579,809	\$14,298,930	157.24%	68.90%
6/30/2019	0.861979%	\$ 18,018,037	\$ 5,867,557	\$ 23,885,594	\$14,222,530	126.69%	73.85%
6/30/2018	0.833641%	\$ 17,399,265	\$ 5,822,595	\$ 23,221,860	\$13,764,340	126.41%	73.47%
6/30/2017	1.041883%	\$ 20,291,988	\$ 266,967	\$ 20,558,955	\$12,924,792	157.00%	73.75%
6/30/2016	1.021762%	\$ 17,404,143	\$ 212,659	\$ 17,616,802	\$12,238,920	142.20%	74.71%
6/30/2015	0.958835%	\$ 13,403,285	\$ 164,637	\$ 13,567,922	\$11,189,797	119.78%	78.40%

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)
6/30/2025	\$ 2,221,915	\$ —	\$ 2,221,915	\$ —	\$ 24,497,408	9.07%
6/30/2024	\$ 2,098,743	\$ —	\$ 2,098,743	\$ —	\$ 23,031,318	9.11%
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%

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, 2025

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
6/30/2024	2.2506%	\$ 3,048,787	\$ 6,916,930	\$ 9,965,717	\$5,279,640	57.75%	83.97%
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%

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)
6/30/2025	\$ 865,609	\$ 865,609	\$ —	\$ 6,027,921	14.36%
6/30/2024	\$ 764,489	\$ 764,489	\$ —	\$ 5,279,640	14.48%
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%

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, 2025

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
6/30/2024	3.0591%	\$ 6,839,923	\$ 13,910,325	\$ 20,750,248	\$6,469,828	105.72%	73.96%
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	\$6,130,962	116.14%	69.67%
6/30/2021	2.9306%	\$ 5,327,439	\$ 10,828,332	\$ 16,155,771	\$5,623,538	94.73%	75.76%
6/30/2020	2.9892%	\$ 7,311,248	\$ 14,746,046	\$ 22,057,294	\$5,303,838	137.85%	64.84%
6/30/2019	2.8699%	\$ 5,712,381	\$ 11,632,402	\$ 17,344,783	\$5,120,608	111.56%	68.84%
6/30/2018	2.9325%	\$ 5,022,189	\$ 10,266,345	\$ 15,288,534	\$4,729,931	106.18%	70.95%
6/30/2017	3.0402%	\$ 5,408,979	\$ 11,024,418	\$ 16,433,397	\$4,628,804	116.85%	68.34%
6/30/2016	3.0842%	\$ 5,552,007	\$ 11,020,975	\$ 16,572,982	\$4,555,121	121.88%	65.62%
6/30/2015	2.9746%	\$ 4,920,638	\$ 9,969,680	\$ 14,890,318	\$4,353,897	113.02%	66.90%

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)
6/30/2025	\$ 1,014,409	\$ 1,014,409	\$ —	\$ 7,039,620	14.41%
6/30/2024	\$ 935,007	\$ 932,302	\$ —	\$ 6,469,828	14.45%
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%

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.

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.

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.

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

Lump-sum payouts

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

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

	PERS	FURS	MPORS
General Wage Growth*	3.50%	3.50%	3.50%
	7.30%, net of pension plan	7.30%, net of pension plan	7.30%, net of pension plan
Investment Rate of Return*	investment and administrative expenses	investments and administrative expenses	investments and administrative expenses
*Includes inflation at	2.75%	2.75%	2.75%
Merit salary increase	0% to 4.80%	0% to 6.40%	0% 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 payroll, 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 generationally using MP-2021.	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, 2023 valuation were developed in the five-year experience study for the period ending 2022.

City of Bozeman, Montana
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual – Budgetary Basis
General Fund
Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Budgetary fund balance, July 1	\$ 15,336,100	\$ 26,668,200	\$ 26,275,958	\$ (392,242)
Resources (inflows):				
Taxes	32,365,600	32,365,600	33,520,111	1,154,511
Special assessments	100	100	—	(100)
Licenses and permits	500,900	500,900	481,478	(19,422)
Intergovernmental	6,893,400	10,970,800	11,616,862	646,062
Charges for services	8,354,700	8,236,000	7,084,522	(1,151,478)
Fines and forfeitures	952,800	952,800	991,314	38,514
Interest on investments	100,000	100,000	695,312	595,312
Change in fair value of investments	—	—	314,752	314,752
Miscellaneous	208,900	208,900	355,802	146,902
Transfers in	4,124,400	3,876,000	4,049,268	173,268
Issuance of long-term debt	3,511,300	3,363,100	2,391,049	(972,051)
Sale of capital assets	12,600	12,600	—	(12,600)
Amounts available for appropriation	72,360,800	87,255,000	87,776,428	913,670
Charges to appropriations (outflows):				
Current				
General government	16,962,900	17,091,500	14,201,262	2,890,238
Public safety	22,827,800	27,066,500	26,250,695	815,805
Public welfare	9,816,400	9,599,100	8,161,817	1,437,283
Other	1,816,100	1,816,100	1,886,721	(70,621)
Capital outlay	3,608,800	12,168,900	5,868,039	6,300,861
Debt service				
Principal	49,700	151,200	443,971	(292,771)
Interest and fiscal charges	13,500	248,000	284,978	(36,978)
Debt issuance cost	38,900	38,900	6,783	32,117
Transfers out	3,243,300	3,501,900	3,148,472	353,428
Total charges to appropriations	58,377,400	71,682,100	60,252,738	11,429,362
Budgetary fund balance, June 30	\$ 13,983,400	\$ 15,572,900	\$ 27,523,690	\$ 12,343,032

City of Bozeman, Montana
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual – Budgetary Basis
Major Special Revenue Funds
Year Ended June 30, 2025

	Street Maintenance District Special Revenue Fund				Downtown Urban Renewal 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	\$ 3,616,500	\$ 4,853,100	\$ 4,929,490	\$ 76,390	\$ 6,149,000	\$ 6,236,100	\$ 7,424,225	\$ 1,188,125
Resources (inflows):								
Taxes	—	—	—	—	2,362,500	2,362,500	2,967,130	604,630
Special assessments	20,000	20,000	26,397	6,397	—	—	—	—
Licenses and permits	30,000	30,000	82,326	52,326	—	—	—	—
Intergovernmental	2,827,300	2,869,100	2,287,297	(581,803)	57,100	58,000	103,225	45,225
Charges for services	9,425,800	9,425,800	9,351,164	(74,636)	—	—	—	—
Interest on investments	20,000	20,000	151,394	131,394	2,100	2,100	318,761	316,661
Change in fair value of investments	—	—	64,097	64,097	—	—	125,190	125,190
Miscellaneous	1,000	1,000	22,129	21,129	—	—	1,200	1,200
Sale of capital assets	—	—	1,380	1,380	—	—	—	—
Amounts available for appropriation	15,940,600	17,219,000	16,915,674	(379,716)	8,570,700	8,658,700	10,939,731	1,092,906
Charges to appropriations (outflows):								
Current								
Public works	10,001,900	9,983,500	8,720,524	1,262,976	—	—	—	—
Public welfare	—	—	—	—	7,277,200	485,700	909,850	(424,150)
Capital outlay	3,427,300	4,724,100	3,392,322	1,331,778	780,000	408,200	—	408,200
Debt service								
Principal	244,500	244,500	244,382	118	—	—	—	—
Interest and fiscal charges	79,000	79,000	78,083	917	—	—	—	—
Transfers out	—	—	37,649	(37,649)	335,300	335,300	335,407	(107)
Total charges to appropriations	13,752,700	15,031,100	12,472,960	2,558,140	8,392,500	1,229,200	1,245,257	(16,057)
Budgetary fund balance, June 30	<u>\$ 2,187,900</u>	<u>\$ 2,187,900</u>	<u>\$ 4,442,714</u>	<u>\$ 2,178,424</u>	<u>\$ 178,200</u>	<u>\$ 7,429,500</u>	<u>\$ 9,694,474</u>	<u>\$ 1,076,849</u>

City of Bozeman, Montana
Notes to the Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget to Actual – Budgetary Basis
June 30, 2025

	General Fund	Street Maintenance District	Downtown Urban Renewal District
Sources/ inflows of resources			
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 87,776,428	\$ 16,915,674	\$ 10,939,731
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.	(26,275,958)	(4,929,490)	(7,424,225)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(4,049,268)	—	—
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.	(2,391,049)	—	—
The proceeds from the sale of assets are budgetary resources but are regarded as a special item, rather than revenue, for financial reporting purposes.	—	(1,380)	—
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 55,060,153</u>	<u>\$ 11,984,804</u>	<u>\$ 3,515,506</u>
Uses/ outflows of resources			
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 60,252,738	\$ 12,472,960	\$ 1,245,257
Differences - budget to GAAP:			
The costs of issuance are a budgetary resource but are an other financing use for financial reporting purposes.	(6,783)	—	—
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(3,148,472)	(37,649)	(335,407)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 57,097,483</u>	<u>\$ 12,435,311</u>	<u>\$ 909,850</u>

Other Supplementary Information
June 30, 2025

City of Bozeman, Montana

City of Bozeman, Montana

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Major Debt Service
Fund and Major Capital Projects Fund

Year Ended June 30, 2025

	SID Debt Service			Construction Capital Projects		
	Final Budget	Actual Amounts	Variance with Final Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues						
Special assessments	\$ 549,900	\$ 463,120	\$ (86,780)	\$ —	\$ —	\$ —
Interest on investments	28,300	90,867	62,567	41,600	165,694	124,094
Change in fair value of investments	—	28,400	28,400	—	60,600	60,600
Miscellaneous	—	—	—	67,000	383,661	316,661
Total revenues	578,200	582,387	4,187	108,600	609,955	501,355
Expenditures						
Current						
Public safety	—	—	—	—	27,203	(27,203)
Public works	—	—	—	114,400	129,823	(15,423)
Public welfare	—	—	—	—	5,537	(5,537)
Capital outlay	—	—	—	22,293,700	4,420,029	17,873,671
Debt service						
Principal	171,600	171,541	59	—	—	—
Interest and fiscal charges	123,100	122,958	142	—	—	—
Total expenditures	294,700	294,499	201	22,408,100	4,582,592	17,825,508
Excess (deficiency) of revenues over (under) expenditures	283,500	287,888	4,388	(22,299,500)	(3,972,637)	18,326,863
Other financing sources (uses)						
Transfers in	—	13,782	13,782	1,087,400	653,427	(433,973)
Transfers out	167,100	(167,064)	(334,164)	2,636,900	(2,636,869)	(5,273,769)
Issuance of long-term debt	—	—	—	18,000,000	2,964,707	(15,035,293)
Debt issuance cost	—	—	—	—	(26,015)	(26,015)
Total other financing sources (uses)	167,100	(153,282)	(320,382)	21,724,300	955,250	(20,769,050)
Net change in fund balance	\$ 450,600	134,606	\$ (315,994)	\$ (575,200)	(3,017,387)	\$ (2,442,187)
Fund balance, beginning of year		1,038,355			6,362,926	
Fund balance, end of year		\$ 1,172,961			\$ 3,345,539	

Nonmajor Governmental Funds

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.

Local Government Study Commission – This fund accounts for the voter supported study to potentially change the form of local government. The study is required to be on the ballot every ten years.

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.

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.

Community Development Block Grant – This fund accounts for the activity related to the Community Development Block Grant federal grant program. Grant funds must be used for the stated purpose of the grant and must meet grantor expenditure guidelines.

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.

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, 2025

	Special Revenue Funds			
	Departmental	City Planning	Study Commission	Health-Medical Insurance
Assets				
Cash and investments	\$ 2,664,844	\$ 2,534,459	\$ 217,116	\$ —
Receivables (net of allowance for uncollectibles)				
Property taxes	208	47,067	23,579	260,257
Accrued interest	9,041	8,936	—	—
Accounts	—	—	—	—
Special assessments	—	—	—	—
Intergovernmental	41,337	—	—	—
Advances to other funds	—	—	—	—
Notes receivable	—	—	—	—
Restricted cash and investments	59,861	—	—	—
Total assets	\$ 2,775,291	\$ 2,590,462	\$ 240,695	\$ 260,257
Liabilities, deferred inflows of resources, and fund balance				
Liabilities				
Accounts payable	\$ 91,724	\$ 69,859	\$ 1,701	\$ —
Escheat property payable	—	—	—	—
Accrued payroll	—	784	—	—
Interest payable	—	—	—	—
Retainage payable	—	—	—	—
Appearance bonds and other liabilities	—	—	—	—
Due to other funds	—	—	—	776,923
Unearned revenue	34,861	—	—	—
Total liabilities	126,585	70,643	1,701	776,923
Deferred inflows of resources				
Unavailable revenue - property taxes	147	1,921	819	11,376
Fund balance (deficit)				
Nonspendable	—	—	—	—
Restricted	656,688	—	238,175	—
Committed	361,773	2,517,898	—	—
Assigned	1,630,098	—	—	—
Unassigned	—	—	—	(528,042)
Total fund balance (deficit)	2,648,559	2,517,898	238,175	(528,042)
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,775,291	\$ 2,590,462	\$ 240,695	\$ 260,257

City of Bozeman, Montana
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Engineering	Tree Maintenance	Fire Impact Fee	Street Impact Fee
Assets				
Cash and investments	\$ 13,281	\$ 857,318	\$ —	\$ —
Receivables (net of allowance for uncollectibles)				
Property taxes	—	—	—	—
Accrued interest	—	2,930	9,377	80,284
Accounts	—	—	—	3,156,214
Special assessments	—	16,041	—	—
Intergovernmental	—	21,537	—	—
Advances to other funds	—	—	—	—
Notes receivable	—	—	—	—
Restricted cash and investments	—	—	3,293,251	22,859,834
Total assets	\$ 13,281	\$ 897,826	\$ 3,302,628	\$ 26,096,332
Liabilities, deferred inflows of resources, and fund balance				
Liabilities				
Accounts payable	\$ 1,693	\$ 105,102	\$ —	\$ 188,060
Escheat property payable	—	—	—	—
Accrued payroll	—	—	—	—
Interest payable	—	—	—	—
Retainage payable	—	—	—	—
Appearance bonds and other liabilities	—	—	—	—
Due to other funds	—	—	—	—
Unearned revenue	—	9,100	—	3,052,753
Total liabilities	1,693	114,202	—	3,240,813
Deferred inflows of resources				
Unavailable revenue - property taxes	—	—	—	—
Fund balance (deficit)				
Nonspendable	—	—	—	—
Restricted	—	783,624	3,302,628	22,855,519
Committed	—	—	—	—
Assigned	11,588	—	—	—
Unassigned	—	—	—	—
Total fund balance (deficit)	11,588	783,624	3,302,628	22,855,519
Total liabilities, deferred inflows of resources, and fund balances	\$ 13,281	\$ 897,826	\$ 3,302,628	\$ 26,096,332

City of Bozeman, Montana
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Building Inspection	Pole Yard TIF District	Community Development Block Grant	Economic Development Revolving Loans
Assets				
Cash and investments	\$ 2,336,412	\$ 1,371,590	\$ —	\$ —
Receivables (net of allowance for uncollectibles)				
Property taxes	—	51,776	—	—
Accrued interest	7,939	—	—	—
Accounts	—	—	—	338,840
Special assessments	—	—	—	—
Intergovernmental	—	—	1,770	—
Advances to other funds	—	—	—	—
Notes receivable	—	—	—	632,956
Restricted cash and investments	—	—	—	—
Total assets	<u>\$ 2,344,351</u>	<u>\$ 1,423,366</u>	<u>\$ 1,770</u>	<u>\$ 971,796</u>
Liabilities, deferred inflows of resources, and fund balance				
Liabilities				
Accounts payable	\$ 102,990	\$ 70	\$ 150	\$ —
Escheat property payable	—	—	—	—
Accrued payroll	—	—	—	—
Interest payable	—	—	—	—
Retainage payable	—	—	—	—
Appearance bonds and other liabilities	—	—	—	—
Due to other funds	—	—	1,620	—
Unearned revenue	—	—	—	—
Total liabilities	<u>102,990</u>	<u>70</u>	<u>1,770</u>	<u>—</u>
Deferred inflows of resources				
Unavailable revenue - property taxes	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance (deficit)				
Nonspendable	—	—	—	—
Restricted	2,241,361	1,423,296	—	971,796
Committed	—	—	—	—
Assigned	—	—	—	—
Unassigned	—	—	—	—
Total fund balance (deficit)	<u>2,241,361</u>	<u>1,423,296</u>	<u>—</u>	<u>971,796</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,344,351</u>	<u>\$ 1,423,366</u>	<u>\$ 1,770</u>	<u>\$ 971,796</u>

City of Bozeman, Montana
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Community Housing	Metropolitan Planning Organization	Street and Arterial Collector District	North 7th Corridor TIF District
Assets				
Cash and investments	\$ 1,137,126	\$ —	\$ 4,685,330	\$ 3,130,354
Receivables (net of allowance for uncollectibles)				
Property taxes	1,522	—	171,744	478,407
Accrued interest	4,019	—	16,558	12,133
Accounts	—	—	—	—
Special assessments	—	—	1,976	—
Intergovernmental	—	88,873	—	—
Advances to other funds	—	—	—	—
Notes receivable	—	—	—	—
Restricted cash and investments	—	—	2,124,753	512,091
Total assets	\$ 1,142,667	\$ 88,873	\$ 7,000,361	\$ 4,132,985
Liabilities, deferred inflows of resources, and fund balance				
Liabilities				
Accounts payable	\$ 36,319	\$ 18,073	\$ 45,951	\$ 43,994
Escheat property payable	—	—	—	—
Accrued payroll	—	645	—	—
Interest payable	—	—	—	—
Retainage payable	—	—	—	—
Appearance bonds and other liabilities	—	—	—	—
Due to other funds	—	72,167	—	—
Unearned revenue	—	—	—	—
Total liabilities	36,319	90,885	45,951	43,994
Deferred inflows of resources				
Unavailable revenue - property taxes	1,050	—	—	125,633
Fund balance (deficit)				
Nonspendable	—	—	—	—
Restricted	—	—	6,954,410	3,963,358
Committed	1,105,298	—	—	—
Assigned	—	—	—	—
Unassigned	—	(2,012)	—	—
Total fund balance (deficit)	1,105,298	(2,012)	6,954,410	3,963,358
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,142,667	\$ 88,873	\$ 7,000,361	\$ 4,132,985

City of Bozeman, Montana
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Northeast Urban Renewal District	Mandeville TIF District	Victim/Witness Advocate	Fire Department Equipment
Assets				
Cash and investments	\$ 1,723,345	\$ 263,652	\$ 336,749	\$ 302,331
Receivables (net of allowance for uncollectibles)				
Property taxes	65,831	21,173	—	95,299
Accrued interest	6,090	932	1,190	—
Accounts	—	—	4,379	—
Special assessments	—	—	—	—
Intergovernmental	—	—	—	—
Advances to other funds	—	—	—	—
Notes receivable	—	—	—	—
Restricted cash and investments	92,000	—	—	—
Total assets	\$ 1,887,266	\$ 285,757	\$ 342,318	\$ 397,630
Liabilities, deferred inflows of resources, and fund balance				
Liabilities				
Accounts payable	\$ 677	\$ 14	\$ 1,581	\$ 143,275
Escheat property payable	—	—	—	—
Accrued payroll	—	—	—	—
Interest payable	—	—	—	—
Retainage payable	—	—	—	—
Appearance bonds and other liabilities	—	—	—	—
Due to other funds	—	—	—	—
Unearned revenue	—	—	—	—
Total liabilities	677	14	1,581	143,275
Deferred inflows of resources				
Unavailable revenue - property taxes	—	—	—	3,966
Fund balance (deficit)				
Nonspendable	—	—	—	—
Restricted	1,886,589	285,743	340,737	250,389
Committed	—	—	—	—
Assigned	—	—	—	—
Unassigned	—	—	—	—
Total fund balance (deficit)	1,886,589	285,743	340,737	250,389
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,887,266	\$ 285,757	\$ 342,318	\$ 397,630

City of Bozeman, Montana
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	South Bozeman TIF District	Parks and Trails District	Street Lighting	Park Land
Assets				
Cash and investments	\$ 139,484	\$ 4,044,311	\$ 324,008	\$ 2,269,631
Receivables (net of allowance for uncollectibles)				
Property taxes	—	596,417	—	—
Accrued interest	493	13,815	998	8,021
Accounts	—	—	—	—
Special assessments	—	6,360	3,798	—
Intergovernmental	—	—	—	—
Advances to other funds	—	—	—	—
Notes receivable	—	—	—	—
Restricted cash and investments	—	—	—	—
Total assets	\$ 139,977	\$ 4,660,903	\$ 328,804	\$ 2,277,652
Liabilities, deferred inflows of resources, and fund balance				
Liabilities				
Accounts payable	\$ 14	\$ 1,409,813	\$ 25,475	\$ 7,854
Escheat property payable	—	—	—	—
Accrued payroll	—	—	—	—
Interest payable	—	—	—	—
Retainage payable	—	42,720	—	—
Appearance bonds and other liabilities	—	—	—	—
Due to other funds	—	—	—	—
Unearned revenue	—	—	—	—
Total liabilities	14	1,452,533	25,475	7,854
Deferred inflows of resources				
Unavailable revenue - property taxes	—	—	—	—
Fund balance (deficit)				
Nonspendable	—	—	—	—
Restricted	139,963	3,208,370	303,329	2,269,798
Committed	—	—	—	—
Assigned	—	—	—	—
Unassigned	—	—	—	—
Total fund balance (deficit)	139,963	3,208,370	303,329	2,269,798
Total liabilities, deferred inflows of resources, and fund balances	\$ 139,977	\$ 4,660,903	\$ 328,804	\$ 2,277,652

City of Bozeman, Montana
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds	
	Municipal Court Restitution	Total Nonmajor Special Revenue Funds
Assets		
Cash and investments	\$ —	\$ 28,351,341
Receivables (net of allowance for uncollectibles)		
Property taxes	—	1,813,280
Accrued interest	—	182,756
Accounts	—	3,499,433
Special assessments	—	28,175
Intergovernmental	—	153,517
Notes receivable	—	632,956
Restricted cash and investments	94,550	29,036,340
Total assets	<u>\$ 94,550</u>	<u>\$ 63,697,798</u>
Liabilities, deferred inflows of resources, and fund balance		
Liabilities		
Accounts payable	\$ —	\$ 2,294,389
Escheat property payable	94,445	94,445
Accrued payroll	—	1,429
Retainage payable	—	42,720
Due to other funds	—	850,710
Unearned revenue	—	3,096,714
Total liabilities	<u>94,445</u>	<u>6,380,407</u>
Deferred inflows of resources		
Unavailable revenue - property taxes	—	144,912
Fund balance (deficit)		
Restricted	105	52,075,878
Committed	—	3,984,969
Assigned	—	1,641,686
Unassigned	—	(530,054)
Total fund balance (deficit)	<u>105</u>	<u>57,172,479</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 94,550</u>	<u>\$ 63,697,798</u>

City of Bozeman, Montana
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Debt Service Funds			Total Nonmajor Debt Service Funds
	SID Revolving	General Obligation Bonds	TIF Bonds	
Assets				
Cash and investments	\$ 339,296	\$ 45	\$ —	\$ 339,341
Receivables (net of allowance for uncollectibles)				
Property taxes	—	402,973	—	402,973
Accrued interest	1,233	—	—	1,233
Advances to other funds	1,392,460	—	—	1,392,460
Total assets	<u>\$ 1,732,989</u>	<u>\$ 403,018</u>	<u>\$ —</u>	<u>\$ 2,136,007</u>
Liabilities, deferred inflows of resources, and fund balance				
Liabilities				
Due to other funds	—	560,597	—	560,597
Total liabilities	<u>—</u>	<u>560,597</u>	<u>—</u>	<u>560,597</u>
Deferred inflows of resources				
Unavailable revenue - property taxes	<u>—</u>	<u>17,178</u>	<u>—</u>	<u>17,178</u>
Fund balance (deficit)				
Restricted	1,732,989	—	—	1,732,989
Unassigned	<u>—</u>	<u>(174,757)</u>	<u>—</u>	<u>(174,757)</u>
Total fund balance (deficit)	<u>1,732,989</u>	<u>(174,757)</u>	<u>—</u>	<u>1,558,232</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,732,989</u>	<u>\$ 403,018</u>	<u>\$ —</u>	<u>\$ 2,136,007</u>

City of Bozeman, Montana
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Permanent Fund	
	Cemetery Perpetual Care	Total Nonmajor Governmental Funds
Assets		
Cash and investments	\$ —	\$ 28,690,682
Receivables (net of allowance for uncollectibles)		
Property taxes	—	2,216,253
Accrued interest	7,821	191,810
Accounts	1,250	3,500,683
Special assessments	—	28,175
Intergovernmental	—	153,517
Advances to other funds	—	1,392,460
Notes receivable	—	632,956
Restricted cash and investments	2,213,043	31,249,383
Total assets	\$ 2,222,114	\$ 68,055,919
Liabilities, deferred inflows of resources, and fund balance		
Liabilities		
Accounts payable	\$ —	\$ 2,294,389
Escheat property payable	—	94,445
Accrued payroll	—	1,429
Retainage payable	—	42,720
Due to other funds	—	1,411,307
Unearned revenue	21,811	3,118,525
Total liabilities	21,811	6,962,815
Deferred inflows of resources		
Unavailable revenue - property taxes	—	162,090
Fund balance (deficit)		
Nonspendable	2,200,303	2,200,303
Restricted	—	53,808,867
Committed	—	3,984,969
Assigned	—	1,641,686
Unassigned	—	(704,811)
Total fund balance (deficit)	2,200,303	60,931,014
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,222,114	\$ 68,055,919

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue Funds				
	Departmental	City Planning	ARPA	Local Government Study Commission	Health-Medical Insurance
Revenues					
Taxes	\$ 1,154	\$ 486,631	\$ —	\$ 243,567	\$ 2,671,640
Special assessments	—	—	—	—	—
Licenses and permits	—	93,512	—	—	—
Intergovernmental	340,556	192,025	174,091	—	—
Charges for services	49,525	1,167,594	—	—	—
Fines and forfeitures	—	—	—	—	—
Interest on investments	96,862	99,780	5,980	—	—
Change in fair value of investments	28,340	37,110	8,877	—	6,775
Interest on loans receivable	—	—	—	—	—
Miscellaneous	—	99,070	—	—	—
Total revenues	516,437	2,175,722	188,948	243,567	2,678,415
Expenditures					
Current					
General government	—	2,893,301	—	5,392	—
Public safety	347,568	—	—	—	—
Public works	—	—	—	—	—
Public welfare	234,670	—	—	—	—
Other	200,001	—	—	—	—
Capital outlay	—	6,560	—	—	—
Debt service	—	—	—	—	—
Principal	—	23,569	—	—	—
Interest and fiscal charges	—	103	—	—	—
Total expenditures	782,239	2,923,533	—	5,392	—
Excess (deficiency) of revenues over (under) expenditures	(265,802)	(747,811)	188,948	238,175	2,678,415
Other financing sources (uses)					
Transfers in	493,839	203,794	—	—	—
Transfers out	(6,663)	(5,232)	(454,664)	—	(3,814,689)
Sale of capital assets	—	—	—	—	—
Total other financing sources (uses)	487,176	198,562	(454,664)	—	(3,814,689)
Net change in fund balances	221,374	(549,249)	(265,716)	238,175	(1,136,274)
Fund balance (deficit), beginning of year	2,427,185	3,067,147	265,716	—	608,232
Fund balance (deficit), end of year	\$ 2,648,559	\$ 2,517,898	\$ —	\$ 238,175	\$ (528,042)

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue Funds				
	Engineering	Tree Maintenance	Fire Impact Fee	Street Impact Fee	Building Inspection
Revenues					
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —
Special assessments	—	2,989	—	—	—
Licenses and permits	—	—	—	—	4,283,137
Intergovernmental	—	32,584	—	—	192,697
Charges for services	11,588	975,806	555,148	5,060,073	87,075
Fines and forfeitures	—	—	—	—	—
Interest on investments	—	25,671	71,024	754,855	68,080
Change in fair value of investments	—	8,593	77,495	204,476	16,959
Interest on loans receivable	—	—	—	—	—
Miscellaneous	—	25,131	—	539	—
Total revenues	11,588	1,070,774	703,667	6,019,943	4,647,948
Expenditures					
Current					
General government	—	—	—	—	—
Public safety	—	—	27,759	—	3,629,023
Public works	—	—	—	266,652	—
Public welfare	—	943,462	—	—	—
Other	—	—	—	—	—
Capital outlay	—	38,889	—	1,099,992	102,755
Debt service	—	—	—	—	—
Principal	—	—	—	—	94,465
Interest and fiscal charges	—	—	—	—	2,802
Total expenditures	—	982,351	27,759	1,366,644	3,829,045
Excess (deficiency) of revenues over (under) expenditures	11,588	88,423	675,908	4,653,299	818,903
Other financing sources (uses)					
Transfers in	—	—	636,869	—	—
Transfers out	—	(5,305)	—	—	(19,009)
Sale of capital assets	—	—	—	—	2,520
Total other financing sources (uses)	—	(5,305)	636,869	—	(16,489)
Net change in fund balances	11,588	83,118	1,312,777	4,653,299	802,414
Fund balance (deficit), beginning of year	—	700,506	1,989,851	18,202,220	1,438,947
Fund balance (deficit), end of year	\$ 11,588	\$ 783,624	\$ 3,302,628	\$ 22,855,519	\$ 2,241,361

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue Funds				
	Pole Yard TIF District	Community Development Block Grant	Economic Development Revolving Loans	Community Housing	Metropolitan Planning Organization
Revenues					
Taxes	\$ 564,102	\$ —	\$ —	\$ 8,876	\$ —
Special assessments	—	—	—	—	—
Licenses and permits	—	—	—	—	—
Intergovernmental	17,132	1,770	—	1,638	178,980
Charges for services	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—
Interest on investments	—	—	508	102,891	—
Change in fair value of investments	—	—	—	25,523	—
Interest on loans receivable	—	—	26,668	—	—
Miscellaneous	—	—	—	55,220	19,546
Total revenues	581,234	1,770	27,176	194,148	198,526
Expenditures					
Current					
General government	—	—	—	—	—
Public safety	—	—	—	—	—
Public works	—	—	—	—	199,197
Public welfare	2,846	151	40,061	2,309,972	—
Other	—	—	—	—	—
Capital outlay	—	—	—	—	—
Debt service					
Principal	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—
Total expenditures	2,846	151	40,061	2,309,972	199,197
Excess (deficiency) of revenues over (under) expenditures	578,388	1,619	(12,885)	(2,115,824)	(671)
Other financing sources (uses)					
Transfers in	—	—	—	1,250,000	19,546
Transfers out	—	(1,619)	—	(89)	(20,887)
Sale of capital assets	—	—	—	—	—
Total other financing sources (uses)	—	(1,619)	—	1,249,911	(1,341)
Net change in fund balances	578,388	—	(12,885)	(865,913)	(2,012)
Fund balance (deficit), beginning of year	844,908	—	984,681	1,971,211	—
Fund balance (deficit), end of year	\$ 1,423,296	\$ —	\$ 971,796	\$ 1,105,298	\$ (2,012)

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue Funds				
	Street and Arterial Collector District	North 7th Corridor TIF District	Northeast Urban Renewal District	Mandeville TIF District	Victim/ Witness Advocate
Revenues					
Taxes	\$ —	\$ 2,474,992	\$ 717,476	\$ 65,518	\$ —
Special assessments	1,820	—	—	—	—
Licenses and permits	—	—	—	—	—
Intergovernmental	—	104,728	1,775	8	1,153
Charges for services	1,867,352	—	—	—	—
Fines and forfeitures	—	—	—	—	41,249
Interest on investments	140,627	82,738	54,676	8,675	12,724
Change in fair value of investments	38,512	21,219	16,849	2,223	4,369
Interest on loans receivable	—	—	—	—	—
Miscellaneous	—	—	—	—	—
Total revenues	2,048,311	2,683,677	790,776	76,424	59,495
Expenditures					
Current					
General government	—	—	—	—	81,513
Public safety	—	—	—	—	—
Public works	324,303	—	—	—	—
Public welfare	—	416,263	75,905	4,211	—
Other	—	—	—	—	—
Capital outlay	313,446	380,267	339,194	—	—
Debt service					
Principal	—	—	46,809	—	—
Interest and fiscal charges	—	—	45,191	—	—
Total expenditures	637,749	796,530	507,099	4,211	81,513
Excess (deficiency) of revenues over (under) expenditures	1,410,562	1,887,147	283,677	72,213	(22,018)
Other financing sources (uses)					
Transfers in	—	—	—	—	—
Transfers out	—	(410,714)	(49)	—	—
Issuance of long-term debt	—	—	—	—	—
Premium on long-term debt	—	—	—	—	—
Lease proceeds	—	—	—	—	—
Sale of capital assets	—	—	—	—	—
Total other financing sources (uses)	—	(410,714)	(49)	—	—
Net change in fund balances	1,410,562	1,476,433	283,628	72,213	(22,018)
Fund balance (deficit), beginning of year	5,543,848	2,486,925	1,602,961	213,530	362,755
Fund balance (deficit), end of year	\$ 6,954,410	\$ 3,963,358	\$ 1,886,589	\$ 285,743	\$ 340,737

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue Funds				
	Fire Department Equipment	South Bozeman TIF District	Parks and Trails District	Street Lighting	Park Land
Revenues					
Taxes	\$ 979,762	\$ 48,924	\$ —	\$ —	\$ —
Special assessments	—	—	6,029	272,932	—
Licenses and permits	—	—	—	—	—
Intergovernmental	—	8	34,209	—	—
Charges for services	—	—	6,840,368	—	—
Fines and forfeitures	—	—	—	—	—
Interest on investments	—	3,785	102,656	11,654	90,425
Change in fair value of investments	—	1,127	64,603	5,415	35,602
Interest on loans receivable	—	—	—	—	—
Miscellaneous	—	—	283,452	—	222,393
Total revenues	979,762	53,844	7,331,317	290,001	348,420
Expenditures					
Current					
General government	—	—	—	—	—
Public safety	231,175	—	—	—	—
Public works	—	—	—	429,265	—
Public welfare	—	570	6,046,047	—	96,569
Other	—	—	—	—	—
Capital outlay	222,933	—	2,853,023	—	816,546
Debt service	—	—	—	—	—
Principal	—	—	72,902	—	—
Interest and fiscal charges	—	—	52,893	—	—
Total expenditures	454,108	570	9,024,865	429,265	913,115
Excess (deficiency) of revenues over (under) expenditures	525,654	53,274	(1,693,548)	(139,264)	(564,695)
Other financing sources (uses)					
Transfers in	2,000,000	—	—	—	—
Transfers out	—	—	(16,050)	—	—
Issuance of long-term debt	—	—	—	—	—
Premium on long-term debt	—	—	—	—	—
Lease proceeds	—	—	—	—	—
Sale of capital assets	—	—	13,587	—	—
Total other financing sources (uses)	2,000,000	—	(2,463)	—	—
Net change in fund balances	2,525,654	53,274	(1,696,011)	(139,264)	(564,695)
Fund balance (deficit), beginning of year	(2,275,265)	86,689	4,904,381	442,593	2,834,493
Fund balance (deficit), end of year	\$ 250,389	\$ 139,963	\$ 3,208,370	\$ 303,329	\$ 2,269,798

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue Funds	
	Municipal Court Restitution	Total Nonmajor Special Revenue Funds
Revenues		
Taxes	\$ —	\$ 8,262,642
Special assessments	—	283,770
Licenses and permits	—	4,376,649
Intergovernmental	—	1,273,354
Charges for services	—	16,614,529
Fine and forfeits	—	41,249
Interest on investments	—	1,733,611
Change in FMV of investments	—	604,067
Interest on loans receivable	—	26,668
Miscellaneous	—	705,351
Total revenues	—	33,921,890
Expenditures		
Current		
General government	—	2,980,206
Public safety	—	4,235,525
Public works	—	1,219,417
Public welfare	—	10,170,727
Other	—	200,001
Capital outlay	—	6,173,605
Debt service		
Debt service: principal retirement	—	237,745
Debt services: interest and fiscal charges	—	100,989
Total expenditures	—	25,318,215
Excess (deficiency) of revenues over (under) expenditures	—	8,603,675
Other financing sources (uses)		
Transfers in	—	4,604,048
Transfers out	—	(4,754,970)
Proceeds from sale of capital asset	—	16,107
Total other financing sources (uses)	—	(134,815)
Net change in fund balances	—	8,468,860
Fund balance (deficit), beginning of year	105	48,703,619
Fund balance (deficit), end of year	\$ 105	\$ 57,172,479

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Debt Service Funds			Total Nonmajor Debt Service Funds
	SID Revolving	General Obligation Bonds	TIF Bonds	
Revenues				
Taxes	\$ —	\$ 4,139,726	\$ —	\$ 4,139,726
Special assessments	—	—	—	—
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for services	—	—	—	—
Fine and forfeits	—	—	—	—
Interest on investments	13,592	17,611	—	31,203
Change in FMV of investments	7	136	—	143
Interest on loans receivable	23,487	—	—	23,487
Miscellaneous	—	—	—	—
Total revenues	37,086	4,157,473	—	4,194,559
Expenditures				
Current				
General government	—	—	—	—
Public safety	—	—	—	—
Public works	—	—	—	—
Public welfare	—	—	—	—
Other	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Debt service: principal retirement	—	2,450,000	472,000	2,922,000
Debt services: interest and fiscal charges	—	1,688,775	273,842	1,962,617
Total expenditures	—	4,138,775	745,842	4,884,617
Excess (deficiency) of revenues over (under) expenditures	37,086	18,698	(745,842)	(690,058)
Other financing sources (uses)				
Transfers in	167,064	—	745,842	912,906
Transfers out	(180,416)	—	—	(180,416)
Total other financing sources (uses)	(13,352)	—	745,842	732,490
Net change in fund balances	23,734	18,698	—	42,432
Fund balance (deficit), beginning of year	1,709,255	(193,455)	—	1,515,800
Fund balance (deficit), end of year	\$ 1,732,989	\$ (174,757)	\$ —	\$ 1,558,232

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Permanent Fund	
	Cemetery Perpetual Care	Total Nonmajor Governmental Funds
Revenues		
Taxes	\$ —	\$ 12,402,368
Special assessments	—	283,770
Licenses and permits	—	4,376,649
Intergovernmental	—	1,273,354
Charges for services	96,189	16,710,718
Fine and forfeits	—	41,249
Interest on investments	78,500	1,843,314
Change in FMV of investments	23,531	627,741
Interest on loans receivable	—	50,155
Miscellaneous	—	705,351
Total revenues	198,220	38,314,669
Expenditures		
Current		
General government	—	2,980,206
Public safety	—	4,235,525
Public works	—	1,219,417
Public welfare	—	10,170,727
Other	—	200,001
Capital outlay	—	6,173,605
Debt service		
Debt service: principal retirement	—	3,159,745
Debt services: interest and fiscal charges	—	2,063,606
Total expenditures	—	30,202,832
Excess (deficiency) of revenues over (under) expenditures	198,220	8,111,837
Other financing sources (uses)		
Transfers in	—	5,516,954
Transfers out	—	(4,935,386)
Proceeds from sale of capital asset	—	16,107
Total other financing sources (uses)	—	597,675
Net change in fund balances	198,220	8,709,512
Fund balance (deficit), beginning of year	2,002,083	52,221,502
Fund balance (deficit), end of year	\$ 2,200,303	\$ 60,931,014

City of Bozeman, Montana
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Year Ended June 30, 2025

	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	\$ 2,100	\$ 1,154	\$ (946)	\$ 619,100	\$ 486,631	\$ (132,469)	\$ —	\$ —	\$ —
Licenses and permits	—	—	—	104,500	93,512	(10,988)	—	—	—
Intergovernmental	219,900	340,556	120,656	189,100	192,025	2,925	—	174,091	174,091
Charges for services	47,300	49,525	2,225	1,634,200	1,167,594	(466,606)	—	—	—
Interest on investments	4,700	96,862	92,162	14,400	99,780	85,380	—	5,980	5,980
Change in fair value of investments	—	28,340	28,340	—	37,110	37,110	—	8,877	8,877
Miscellaneous	—	—	—	83,500	99,070	15,570	—	—	—
Total revenues	<u>274,000</u>	<u>516,437</u>	<u>242,437</u>	<u>2,644,800</u>	<u>2,175,722</u>	<u>(469,078)</u>	<u>—</u>	<u>188,948</u>	<u>188,948</u>
Expenditures									
Current									
General government	—	—	—	3,964,800	2,893,301	1,071,499	—	—	—
Public safety	352,300	347,568	4,732	—	—	—	—	—	—
Public welfare	212,600	234,670	(22,070)	—	—	—	—	—	—
Other	200,000	200,001	(1)	—	—	—	—	—	—
Capital outlay	—	—	—	13,000	6,560	6,440	—	—	—
Debt service									
Principal	—	—	—	—	23,569	(23,569)	—	—	—
Interest and fiscal charges	—	—	—	—	103	(103)	—	—	—
Total expenditures	<u>764,900</u>	<u>782,239</u>	<u>(17,339)</u>	<u>3,977,800</u>	<u>2,923,533</u>	<u>1,054,267</u>	<u>—</u>	<u>—</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	(490,900)	(265,802)	225,098	(1,333,000)	(747,811)	585,189	—	188,948	188,948
Other financing sources (uses)									
Transfers in	477,000	493,839	16,839	188,500	203,794	15,294	—	—	—
Transfers out	—	(6,663)	(6,663)	—	(5,232)	(5,232)	454,700	(454,664)	(909,364)
Total other financing sources (uses)	<u>477,000</u>	<u>487,176</u>	<u>10,176</u>	<u>188,500</u>	<u>198,562</u>	<u>10,062</u>	<u>454,700</u>	<u>(454,664)</u>	<u>(909,364)</u>
Net change in fund balances	<u>\$ (13,900)</u>	<u>221,374</u>	<u>\$ 235,274</u>	<u>\$ (1,144,500)</u>	<u>(549,249)</u>	<u>\$ 595,251</u>	<u>\$ 454,700</u>	<u>(265,716)</u>	<u>\$ (720,416)</u>
Fund Balance, beginning of year		2,427,185			3,067,147			265,716	
Fund balance, end of year		<u>\$ 2,648,559</u>			<u>\$ 2,517,898</u>			<u>\$ —</u>	

City of Bozeman, Montana
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue Funds								
	Local Government Study Commission			Health-Medical Insurance			Engineering		
	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	\$ 245,300	\$ 243,567	\$ (1,733)	\$ 2,701,300	\$ 2,671,640	\$ (29,660)	\$ —	\$ —	\$ —
Charges for services	—	—	—	—	—	—	—	11,588	11,588
Change in fair value of investments	—	—	—	—	6,775	6,775	—	—	—
Total revenues	<u>245,300</u>	<u>243,567</u>	<u>(1,733)</u>	<u>2,701,300</u>	<u>2,678,415</u>	<u>(22,885)</u>	<u>—</u>	<u>11,588</u>	<u>11,588</u>
Expenditures									
Current									
General government	245,300	5,392	239,908	—	—	—	—	—	—
Total expenditures	<u>245,300</u>	<u>5,392</u>	<u>239,908</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	—	238,175	238,175	2,701,300	2,678,415	(22,885)	—	11,588	11,588
Other financing sources (uses)									
Transfers out	—	—	—	3,187,700	(3,814,689)	(7,002,389)	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,187,700</u>	<u>(3,814,689)</u>	<u>(7,002,389)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>\$ —</u>	<u>238,175</u>	<u>\$ 238,175</u>	<u>\$ 5,889,000</u>	<u>(1,136,274)</u>	<u>\$ (7,025,274)</u>	<u>\$ —</u>	<u>11,588</u>	<u>\$ 11,588</u>
Fund balance, beginning of year		—			608,232			—	
Fund balance, end of year		<u>\$ 238,175</u>			<u>\$ (528,042)</u>			<u>\$ 11,588</u>	

City of Bozeman, Montana
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue Funds								
	Tree Maintenance			Fire Impact Fee			Street Impact Fee		
	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									
Special assessments	\$ 2,000	\$ 2,989	\$ 989	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Intergovernmental	7,800	32,584	24,784	—	—	—	—	—	—
Charges for services	973,700	975,806	2,106	615,800	555,148	(60,652)	8,174,900	5,060,073	(3,114,827)
Interest on investments	10,000	25,671	15,671	47,400	71,024	23,624	132,000	754,855	622,855
Change in fair value of investments	—	8,593	8,593	—	77,495	77,495	—	204,476	204,476
Miscellaneous	15,000	25,131	10,131	—	—	—	—	539	539
Total revenues	<u>1,008,500</u>	<u>1,070,774</u>	<u>62,274</u>	<u>663,200</u>	<u>703,667</u>	<u>40,467</u>	<u>8,306,900</u>	<u>6,019,943</u>	<u>(2,286,957)</u>
Expenditures									
Current									
Public safety	—	—	—	84,800	27,759	57,041	—	—	—
Public works	—	—	—	—	—	—	458,700	266,652	192,048
Public welfare	1,068,700	943,462	125,238	—	—	—	—	—	—
Capital outlay	212,000	38,889	173,111	1,500,000	—	1,500,000	17,431,000	1,099,992	16,331,008
Total expenditures	<u>1,280,700</u>	<u>982,351</u>	<u>298,349</u>	<u>1,584,800</u>	<u>27,759</u>	<u>1,557,041</u>	<u>17,889,700</u>	<u>1,366,644</u>	<u>16,523,056</u>
Excess (deficiency) of revenues over (under) expenditures	(272,200)	88,423	360,623	(921,600)	675,908	1,597,508	(9,582,800)	4,653,299	14,236,099
Other financing sources (uses)									
Transfers in	—	—	—	—	636,869	636,869	—	—	—
Transfers out	—	(5,305)	(5,305)	—	—	—	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>(5,305)</u>	<u>(5,305)</u>	<u>—</u>	<u>636,869</u>	<u>636,869</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>\$ (272,200)</u>	<u>83,118</u>	<u>\$ 355,318</u>	<u>\$ (921,600)</u>	<u>1,312,777</u>	<u>\$ 2,234,377</u>	<u>\$ (9,582,800)</u>	<u>4,653,299</u>	<u>\$ 14,236,099</u>
Fund balance, beginning of year		700,506			1,989,851			18,202,220	
Fund balance, end of year		<u>\$ 783,624</u>			<u>\$ 3,302,628</u>			<u>\$22,855,519</u>	

City of Bozeman, Montana
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue Funds								
	Building Inspection			Pole Yard TIF District			Community Development Block Grant		
	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	\$ —	\$ —	\$ —	\$ 458,600	\$ 564,102	\$ 105,502	\$ —	\$ —	\$ —
Licenses and permits	4,870,000	4,283,137	(586,863)	—	—	—	—	—	—
Intergovernmental	192,700	192,697	(3)	100	17,132	17,032	1,800	1,770	(30)
Charges for services	49,300	87,075	37,775	—	—	—	—	—	—
Interest on investments	10,000	68,080	58,080	—	—	—	—	—	—
Change in fair value of investments	—	16,959	16,959	—	—	—	—	—	—
Miscellaneous	19,700	—	(19,700)	—	—	—	—	—	—
Total revenues	<u>5,141,700</u>	<u>4,647,948</u>	<u>(493,752)</u>	<u>458,700</u>	<u>581,234</u>	<u>122,534</u>	<u>1,800</u>	<u>1,770</u>	<u>(30)</u>
Expenditures									
Current									
Public safety	4,964,600	3,629,023	1,335,577	—	—	—	—	—	—
Public welfare	—	—	—	833,100	2,846	830,254	1,800	151	1,649
Capital outlay	120,000	102,755	17,245	—	—	—	—	—	—
Debt service									
Principal	—	94,465	(94,465)	—	—	—	—	—	—
Interest and fiscal charges	—	2,802	(2,802)	—	—	—	—	—	—
Total expenditures	<u>5,084,600</u>	<u>3,829,045</u>	<u>1,255,555</u>	<u>833,100</u>	<u>2,846</u>	<u>830,254</u>	<u>1,800</u>	<u>151</u>	<u>1,649</u>
Excess (deficiency) of revenues over (under) expenditures	57,100	818,903	761,803	(374,400)	578,388	952,788	—	1,619	1,619
Other financing sources (uses)									
Transfers out	—	(19,009)	(19,009)	—	—	—	—	(1,619)	(1,619)
Sale of capital assets	—	2,520	2,520	—	—	—	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>(16,489)</u>	<u>(16,489)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,619)</u>	<u>(1,619)</u>
Net change in fund balances	<u>\$ 57,100</u>	<u>802,414</u>	<u>\$ 745,314</u>	<u>\$ (374,400)</u>	<u>578,388</u>	<u>\$ 952,788</u>	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>
Fund balance, beginning of year		1,438,947			844,908			—	
Fund balance, end of year		<u>\$ 2,241,361</u>			<u>\$ 1,423,296</u>			<u>\$ —</u>	

City of Bozeman, Montana
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue Funds								
	Economic Development Revolving Loans			Community Housing			Metropolitan Planning Organization		
	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	\$ —	\$ —	\$ —	\$ —	\$ 8,876	\$ 8,876	\$ —	\$ —	\$ —
Intergovernmental	—	—	—	1,700	1,638	(62)	504,900	178,980	(325,920)
Interest on investments	—	508	508	13,600	102,891	89,291	—	—	—
Change in fair value of investments	—	—	—	—	25,523	25,523	—	—	—
Interest on loans receivable	—	26,668	26,668	100	—	(100)	—	—	—
Miscellaneous	—	—	—	—	55,220	55,220	—	19,546	19,546
Total revenues	—	27,176	27,176	15,400	194,148	178,748	504,900	198,526	(306,374)
Expenditures									
Current									
Public works	—	—	—	—	—	—	598,800	199,197	399,603
Public welfare	40,000	40,061	(61)	3,541,700	2,309,972	1,231,728	—	—	—
Total expenditures	40,000	40,061	(61)	3,541,700	2,309,972	1,231,728	598,800	199,197	399,603
Excess (deficiency) of revenues over (under) expenditures	(40,000)	(12,885)	27,115	(3,526,300)	(2,115,824)	1,410,476	(93,900)	(671)	93,229
Other financing sources (uses)									
Transfers in	—	—	—	1,250,000	1,250,000	—	74,600	19,546	(55,054)
Transfers out	—	—	—	—	(89)	(89)	—	(20,887)	(20,887)
Total other financing sources (uses)	—	—	—	1,250,000	1,249,911	(89)	74,600	(1,341)	(75,941)
Net change in fund balances	<u>\$ (40,000)</u>	<u>(12,885)</u>	<u>\$ 27,115</u>	<u>\$(2,276,300)</u>	<u>(865,913)</u>	<u>\$ 1,410,387</u>	<u>\$ (19,300)</u>	<u>(2,012)</u>	<u>\$ 17,288</u>
Fund balance, beginning of year		984,681			1,971,211			—	
Fund balance, end of year		<u>\$ 971,796</u>			<u>\$ 1,105,298</u>			<u>\$ (2,012)</u>	

City of Bozeman, Montana
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue Funds								
	Street Arterial and Collector District			North 7th Corridor TIF District			Northeast Urban Renewal 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	\$ —	\$ —	\$ —	\$ 2,172,500	\$ 2,474,992	\$ 302,492	\$ 595,800	\$ 717,476	\$ 121,676
Special assessments	4,000	1,820	(2,180)	—	—	—	—	—	—
Intergovernmental	573,900	—	(573,900)	1,600	104,728	103,128	500	1,775	1,275
Charges for services	1,883,000	1,867,352	(15,648)	—	—	—	—	—	—
Interest on investments	20,000	140,627	120,627	—	82,738	82,738	—	54,676	54,676
Change in fair value of investments	—	38,512	38,512	—	21,219	21,219	—	16,849	16,849
Miscellaneous	100,000	—	(100,000)	—	—	—	—	—	—
Total revenues	<u>2,580,900</u>	<u>2,048,311</u>	<u>(532,589)</u>	<u>2,174,100</u>	<u>2,683,677</u>	<u>509,577</u>	<u>596,300</u>	<u>790,776</u>	<u>194,476</u>
Expenditures									
Current									
Public works	302,000	324,303	(22,303)	—	—	—	—	—	—
Public welfare	—	—	—	883,000	416,263	466,737	1,211,300	75,905	1,135,395
Capital outlay	6,139,000	313,446	5,825,554	—	380,267	(380,267)	—	339,194	(339,194)
Debt service									
Principal	—	—	—	—	—	—	45,500	46,809	(1,309)
Interest and fiscal charges	—	—	—	—	—	—	46,600	45,191	1,409
Total expenditures	<u>6,441,000</u>	<u>637,749</u>	<u>5,803,251</u>	<u>883,000</u>	<u>796,530</u>	<u>86,470</u>	<u>1,303,400</u>	<u>507,099</u>	<u>796,301</u>
Excess (deficiency) of revenues over (under) expenditures	(3,860,100)	1,410,562	5,270,662	1,291,100	1,887,147	596,047	(707,100)	283,677	990,777
Other financing sources (uses)									
Transfers out	—	—	—	410,600	(410,714)	(821,314)	—	(49)	(49)
Issuance of long-term debt	2,885,400	—	(2,885,400)	—	—	—	—	—	—
Total other financing sources (uses)	<u>2,885,400</u>	<u>—</u>	<u>(2,885,400)</u>	<u>410,600</u>	<u>(410,714)</u>	<u>(821,314)</u>	<u>—</u>	<u>(49)</u>	<u>(49)</u>
Net change in fund balances	<u>\$ (974,700)</u>	<u>1,410,562</u>	<u>\$ 2,385,262</u>	<u>\$ 1,701,700</u>	<u>1,476,433</u>	<u>\$ (225,267)</u>	<u>\$ (707,100)</u>	<u>283,628</u>	<u>\$ 990,728</u>
Fund balance, beginning of year		5,543,848			2,486,925			1,602,961	
Fund balance, end of year		<u>\$ 6,954,410</u>			<u>\$ 3,963,358</u>			<u>\$ 1,886,589</u>	

City of Bozeman, Montana
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue Funds								
	Mandeville/Wheat Drive TIF District			Victim/Witness Advocate			Fire Department Equipment		
	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	\$ 28,200	\$ 65,518	\$ 37,318	\$ —	\$ —	\$ —	\$ 1,023,800	\$ 979,762	\$ (44,038)
Intergovernmental	100	8	(92)	1,200	1,153	(47)	—	—	—
Fines and forfeitures	—	—	—	63,100	41,249	(21,851)	—	—	—
Interest on investments	—	8,675	8,675	5,200	12,724	7,524	9,200	—	(9,200)
Change in fair value of investments	—	2,223	2,223	—	4,369	4,369	—	—	—
Total revenues	<u>28,300</u>	<u>76,424</u>	<u>48,124</u>	<u>69,500</u>	<u>59,495</u>	<u>(10,005)</u>	<u>1,033,000</u>	<u>979,762</u>	<u>(53,238)</u>
Expenditures									
Current									
General government	—	—	—	131,500	81,513	49,987	—	—	—
Public safety	—	—	—	—	—	—	70,000	231,175	(161,175)
Public welfare	144,100	4,211	139,889	—	—	—	—	—	—
Capital outlay	—	—	—	—	—	—	364,000	222,933	141,067
Total expenditures	<u>144,100</u>	<u>4,211</u>	<u>139,889</u>	<u>131,500</u>	<u>81,513</u>	<u>49,987</u>	<u>1,228,000</u>	<u>454,108</u>	<u>773,892</u>
Excess (deficiency) of revenues over (under) expenditures	(115,800)	72,213	188,013	(62,000)	(22,018)	39,982	(195,000)	525,654	720,654
Other financing sources (uses)									
Transfers in	—	—	—	—	—	—	—	2,000,000	2,000,000
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,000,000</u>	<u>2,000,000</u>
Net change in fund balances	<u>\$ (115,800)</u>	<u>72,213</u>	<u>\$ 188,013</u>	<u>\$ (62,000)</u>	<u>(22,018)</u>	<u>\$ 39,982</u>	<u>\$ (195,000)</u>	<u>2,525,654</u>	<u>\$ 2,720,654</u>
Fund balance, beginning of year		213,530			362,755			(2,275,265)	
Fund balance, end of year		<u>\$ 285,743</u>			<u>\$ 340,737</u>			<u>\$ 250,389</u>	

City of Bozeman, Montana
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue Funds								
	South Bozeman TIF District			Parks and Trails District			Street Lighting		
	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	\$ 47,300	\$ 48,924	\$ 1,624	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Special assessments	—	—	—	13,300	6,029	(7,271)	97,000	272,932	175,932
Intergovernmental	100	8	(92)	34,300	34,209	(91)	—	—	—
Charges for services	—	—	—	6,847,600	6,840,368	(7,232)	—	—	—
Interest on investments	—	3,785	3,785	13,800	102,656	88,856	—	11,654	11,654
Change in fair value of investments	—	1,127	1,127	—	64,603	64,603	—	5,415	5,415
Miscellaneous	—	—	—	3,510,000	283,452	(3,226,548)	—	—	—
Total revenues	<u>47,400</u>	<u>53,844</u>	<u>6,444</u>	<u>10,419,000</u>	<u>7,331,317</u>	<u>(3,087,683)</u>	<u>97,000</u>	<u>290,001</u>	<u>193,001</u>
Expenditures									
Current									
Public works	—	—	—	—	—	—	512,400	429,265	83,135
Public welfare	96,200	570	95,630	6,284,000	6,046,047	237,953	—	—	—
Capital outlay	—	—	—	8,074,900	2,853,023	5,221,877	—	—	—
Debt service									
Principal	—	—	—	73,000	72,902	98	—	—	—
Interest and fiscal charges	—	—	—	52,900	52,893	7	—	—	—
Total expenditures	<u>96,200</u>	<u>570</u>	<u>95,630</u>	<u>14,484,800</u>	<u>9,024,865</u>	<u>5,459,935</u>	<u>512,400</u>	<u>429,265</u>	<u>83,135</u>
Excess (deficiency) of revenues over (under) expenditures	(48,800)	53,274	102,074	(4,065,800)	(1,693,548)	2,372,252	(415,400)	(139,264)	276,136
Other financing sources (uses)									
Transfers out	—	—	—	—	(16,050)	(16,050)	—	—	—
Issuance of long-term debt	—	—	—	550,800	—	(550,800)	—	—	—
Sale of capital assets	—	—	—	—	13,587	13,587	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>550,800</u>	<u>(2,463)</u>	<u>(553,263)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>\$ (48,800)</u>	<u>53,274</u>	<u>\$ 102,074</u>	<u>\$(3,515,000)</u>	<u>(1,696,011)</u>	<u>\$ 1,818,989</u>	<u>\$ (415,400)</u>	<u>(139,264)</u>	<u>\$ 276,136</u>
Fund balance, end of year		86,689			4,904,381			442,593	
Fund balance, end of year		<u>\$ 139,963</u>			<u>\$ 3,208,370</u>			<u>\$ 303,329</u>	

City of Bozeman, Montana
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue Funds								
	Park Land			Municipal Court Restitution			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	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 7,894,000	\$ 8,262,642	\$ 368,642
Special assessments	—	—	—	—	—	—	\$ 116,300	\$ 283,770	167,470
Licenses and permits	—	—	—	—	—	—	\$ 4,974,500	\$ 4,376,649	(597,851)
Intergovernmental	—	—	—	—	—	—	\$ 1,729,700	\$ 1,273,354	(456,346)
Charges for services	—	—	—	—	—	—	\$20,225,800	\$16,614,529	(3,611,271)
Fines and forfeitures	—	—	—	—	—	—	\$ 63,100	\$ 41,249	(21,851)
Interest on investments	66,100	90,425	24,325	—	—	—	\$ 346,400	\$ 1,733,611	1,387,211
Change in fair value of investments	—	35,602	35,602	—	—	—	\$ —	\$ 604,067	604,067
Interest on loans receivable	—	—	—	—	—	—	\$ 100	\$ 26,668	26,568
Miscellaneous	786,200	222,393	(563,807)	—	—	—	\$ 4,514,400	\$ 705,351	(3,809,049)
Total revenues	852,300	348,420	(503,880)	—	—	—	39,864,300	33,921,890	(5,942,410)
Expenditures									
Current									
General government	—	—	—	—	—	—	\$ 4,341,600	\$ 2,980,206	1,361,394
Public safety	—	—	—	—	—	—	\$ 5,471,700	\$ 4,235,525	1,236,175
Public works	—	—	—	—	—	—	\$ 1,871,900	\$ 1,219,417	652,483
Public welfare	613,800	96,569	517,231	—	—	—	\$14,930,300	\$10,170,727	4,759,573
Other	—	—	—	—	—	—	\$ 200,000	\$ 200,001	(1)
Capital outlay	706,600	816,546	(109,946)	—	—	—	\$34,560,500	\$ 6,173,605	28,386,895
Debt service									
Principal	—	—	—	—	—	—	\$ 912,500	\$ 237,745	674,755
Interest and fiscal charges	—	—	—	—	—	—	\$ 99,500	\$ 100,989	(1,489)
Total expenditures	1,320,400	913,115	407,285	—	—	—	62,388,000	25,318,215	37,069,785
Excess (deficiency) of revenues over (under) expenditures	(468,100)	(564,695)	(96,595)	—	—	—	(22,523,700)	8,603,675	31,127,375
Other financing sources (uses)									
Transfers in	—	—	—	—	—	—	\$ 1,990,100	\$ 4,604,048	2,613,948
Transfers out	—	—	—	—	—	—	\$ 4,053,000	\$(4,754,970)	(8,807,970)
Issuance of long-term debt	—	—	—	—	—	—	\$ 3,436,200	\$ —	(3,436,200)
Sale of capital assets	—	—	—	—	—	—	\$ —	\$ 16,107	16,107
Total other financing sources (uses)	—	—	—	—	—	—	9,479,300	(134,815)	(9,614,115)
Net change in fund balances	<u>\$ (468,100)</u>	<u>(564,695)</u>	<u>\$ (96,595)</u>	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>	<u>\$(13,044,400)</u>	<u>8,468,860</u>	<u>\$ 21,513,260</u>
Fund balance, end of year		2,834,493			105			48,703,619	
Fund balance, end of year		<u>\$ 2,269,798</u>			<u>\$ 105</u>			<u>\$57,172,479</u>	141

City of Bozeman, Montana
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Year Ended June 30, 2025

	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	\$ —	\$ —	\$ —	\$ 4,139,000	\$ 4,139,726	\$ 726	\$ —	\$ —	\$ —
Interest on investments	—	13,592	13,592	—	17,611	17,611	—	—	—
Change in fair value of investments	—	7	7	—	136	136	—	—	—
Interest on loans receivable	—	23,487	23,487	—	—	—	—	—	—
Total revenues	—	37,086	37,086	4,139,000	4,157,473	18,473	—	—	—
Expenditures									
Debt service									
Principal	—	—	—	2,450,000	2,450,000	—	472,000	472,000	—
Interest and fiscal charges	—	—	—	1,689,000	1,688,775	225	273,900	273,842	58
Total expenditures	—	—	—	4,139,000	4,138,775	225	745,900	745,842	58
Excess (deficiency) of revenues over (under) expenditures	—	37,086	37,086	—	18,698	18,698	(745,900)	(745,842)	58
Other financing sources (uses)									
Transfers in	—	167,064	167,064	—	—	—	745,900	745,842	(58)
Transfers out	180,500	(180,416)	(360,916)	—	—	—	—	—	—
Total other financing sources (uses)	180,500	(13,352)	(193,852)	—	—	—	745,900	745,842	(58)
Net change in fund balances	<u>\$ 180,500</u>	<u>23,734</u>	<u>\$ (156,766)</u>	<u>\$ —</u>	<u>18,698</u>	<u>\$ 18,698</u>	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>
Fund balance, end of year		1,709,255			(193,455)			—	
Fund balance, end of year		<u>\$ 1,732,989</u>			<u>\$ (174,757)</u>			<u>\$ —</u>	

City of Bozeman, Montana
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Debt Service Funds			Permanent Fund					
	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	\$ 4,139,000	\$ 4,139,726	\$ 726	\$ —	\$ —	\$ —	\$ 12,033,000	\$12,402,368	\$ 369,368
Special assessments	—	—	—	—	—	—	116,300	283,770	167,470
Licenses and permits	—	—	—	—	—	—	4,974,500	4,376,649	(597,851)
Intergovernmental	—	—	—	—	—	—	1,729,700	1,273,354	(456,346)
Charges for services	—	—	—	82,200	96,189	13,989	20,308,000	16,710,718	(3,597,282)
Fines and forfeitures	—	—	—	—	—	—	63,100	41,249	(21,851)
Interest on investments	—	31,203	31,203	20,000	78,500	58,500	366,400	1,843,314	1,476,914
Change in fair value of investments	—	143	143	—	23,531	23,531	—	627,741	627,741
Interest on loans receivable	—	23,487	23,487	—	—	—	100	50,155	50,055
Miscellaneous	—	—	—	—	—	—	4,514,400	705,351	(3,809,049)
Total revenues	4,139,000	4,194,559	55,559	102,200	198,220	96,020	44,105,500	38,314,669	(5,790,831)
Expenditures									
Current									
General government	—	—	—	—	—	—	4,341,600	2,980,206	1,361,394
Public safety	—	—	—	—	—	—	5,471,700	4,235,525	1,236,175
Public works	—	—	—	—	—	—	1,871,900	1,219,417	652,483
Public welfare	—	—	—	—	—	—	14,930,300	10,170,727	4,759,573
Other	—	—	—	—	—	—	200,000	200,001	(1)
Capital outlay	—	—	—	—	—	—	34,560,500	6,173,605	28,386,895
Debt service									
Principal	2,922,000	2,922,000	—	—	—	—	3,834,500	3,159,745	674,755
Interest and fiscal charges	1,962,900	1,962,617	283	—	—	—	2,062,400	2,063,606	(1,206)
Total expenditures	4,884,900	4,884,617	283	—	—	—	67,272,900	30,202,832	37,070,068
Excess (deficiency) of revenues over (under) expenditures	(745,900)	(690,058)	55,842	102,200	198,220	96,020	(23,167,400)	8,111,837	31,279,237
Other financing sources (uses)									
Transfers in	745,900	912,906	167,006	—	—	—	2,736,000	5,516,954	2,780,954
Transfers out	180,500	(180,416)	(360,916)	—	—	—	4,233,500	(4,935,386)	(9,168,886)
Issuance of long-term debt	—	—	—	—	—	—	3,436,200	—	(3,436,200)
Sale of capital assets	—	—	—	—	—	—	—	16,107	16,107
Total other financing sources (uses)	926,400	732,490	(193,910)	—	—	—	10,405,700	597,675	(9,808,025)
Net change in fund balances	\$ 180,500	42,432	\$ (138,068)	\$ 102,200	198,220	\$ 96,020	\$ (12,761,700)	8,709,512	\$ 21,471,212
Fund balance, end of year		1,515,800			2,002,083			52,221,502	
Fund balance, end of year		\$ 1,558,232			\$ 2,200,303			\$60,931,014	

Enterprise Funds

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
June 30, 2025

	Parking	Stormwater	Total
Assets			
Current assets			
Cash and investments	\$ 1,560,504	\$ 1,721,900	\$ 3,282,404
Receivables (net of allowance for uncollectibles):			
Accrued interest	8,240	5,928	14,168
Accounts	—	196,092	196,092
Special assessments	—	486	486
Total current assets	<u>1,568,744</u>	<u>1,924,406</u>	<u>3,493,150</u>
Noncurrent assets			
Restricted assets			
Restricted cash and investments	811,098	58,288	869,386
Capital assets			
Land	303,436	—	303,436
Construction in progress	—	677,336	677,336
Buildings	11,971,077	24,215	11,995,292
Machinery and equipment	631,872	1,319,319	1,951,191
Vehicles	269,292	197,137	466,429
Infrastructure	47,058	10,848,672	10,895,730
Less accumulated depreciation/amortization	<u>(6,706,991)</u>	<u>(1,872,140)</u>	<u>(8,579,131)</u>
Total capital assets, net of accumulated depreciation/amortization	<u>6,515,744</u>	<u>11,194,539</u>	<u>17,710,283</u>
Total noncurrent assets	<u>7,326,842</u>	<u>11,252,827</u>	<u>18,579,669</u>
Total assets	<u>8,895,586</u>	<u>13,177,233</u>	<u>22,072,819</u>
Deferred outflows of resources			
OPEB	10,195	9,133	19,328
Pensions	51,475	123,822	175,297
Total deferred outflows of resources	<u>61,670</u>	<u>132,955</u>	<u>194,625</u>
Liabilities			
Current liabilities			
Accounts payable	67,792	110,493	178,285
Current portion of long-term debt	26,083	232,572	258,655
Total current liabilities	<u>93,875</u>	<u>343,065</u>	<u>436,940</u>
Noncurrent liabilities			
Long-term debt, net of current portion			
Bonds payable	—	930,000	930,000
Finance purchases - non current	—	308,781	308,781
Compensated absences payable	250	1,103	1,353
Total OPEB liability	58,989	40,113	99,102
Net pension liability	240,319	578,078	818,397
Total noncurrent liabilities	<u>299,558</u>	<u>1,858,075</u>	<u>2,157,633</u>
Total liabilities	<u>393,433</u>	<u>2,201,140</u>	<u>2,594,573</u>
Deferred inflows of resources			
OPEB plans	17,280	13,129	30,409
Pension plans	5,344	12,855	18,199
Total deferred inflows of resources	<u>22,624</u>	<u>25,984</u>	<u>48,608</u>
Net position			
Net investment in capital assets	6,515,744	9,893,011	16,408,755
Restricted for:			
Parking capital projects	811,098	—	811,098
Unrestricted	1,214,357	1,190,053	2,404,410
Total net position	<u>\$ 8,541,199</u>	<u>\$ 11,083,064</u>	<u>\$ 19,624,263</u>

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Net Position
Nonmajor Enterprise Funds
Year Ended June 30, 2025

	Parking	Stormwater	Total
Operating revenues			
Charges for services	\$ 1,662,751	\$ 2,155,476	\$ 3,818,227
Operating expenses			
Salaries and benefits	325,921	952,516	1,278,437
Materials and supplies	48,434	19,113	67,547
Repairs and maintenance	16,405	3,120	19,525
Utilities	43,500	5,787	49,287
Administrative charges	155,040	574,487	729,527
Other services	573,661	357,194	930,855
Depreciation/Amortization	359,252	273,936	633,188
Total operating expenses	1,522,213	2,186,153	3,708,366
Operating income (loss)	140,538	(30,677)	109,861
Nonoperating revenues (expenses)			
Interest income	75,780	61,621	137,401
Change in fair value of investments	22,098	28,196	50,294
Interest expense	—	(27,175)	(27,175)
Intergovernmental revenues	4,833	11,627	16,460
Miscellaneous revenue	11,117	—	11,117
Debt issuance cost	—	(2,953)	(2,953)
Total nonoperating revenues (expenses)	113,828	71,316	185,144
Income (loss) before contributions and transfers	254,366	40,639	295,005
Transfers out	(4,877)	(56,212)	(61,089)
Capital contributions	—	1,132,617	1,132,617
Change in net position	249,489	1,117,044	1,366,533
Total net position, beginning of year	8,291,710	9,966,020	18,257,730
Total net position, end of year	\$ 8,541,199	\$ 11,083,064	\$ 19,624,263

City of Bozeman, Montana
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2025

	Parking	Stormwater	Total
Operating activities			
Receipts from customers and users	\$ 1,662,751	\$ 2,147,455	\$ 3,810,206
Other operating cash receipts	11,117	—	11,117
Payments to suppliers	(686,049)	(313,255)	(999,304)
Payments to and on behalf of employees	(361,408)	(893,335)	(1,254,743)
Payments to internal service funds and administration	(155,040)	(574,487)	(729,527)
Net Cash from (Used for) Operating Activities	<u>471,371</u>	<u>366,378</u>	<u>837,749</u>
Noncapital financing activities			
Transfers to other funds	(4,877)	(56,212)	(61,089)
Intergovernmental operating grants	4,833	11,627	16,460
Net Cash from Noncapital Financing Activities	<u>(44)</u>	<u>(44,585)</u>	<u>(44,629)</u>
Capital and related financing activities			
Acquisition of capital assets	(136,242)	(962,421)	(1,098,663)
Issuance of debt	—	336,491	336,491
Debt issuance costs	—	(2,953)	(2,953)
Debt service			
Principal	—	(89,000)	(89,000)
Interest	—	(27,175)	(27,175)
Net cash used for capital and related financing activities	<u>(136,242)</u>	<u>(745,058)</u>	<u>(881,300)</u>
Investing activity			
Interest and dividends from investments	97,097	92,481	189,578
Change in cash and investments	432,182	(330,784)	101,398
Cash and investments, beginning of year	1,939,420	2,110,972	4,050,392
Cash and investments, end of year	<u>2,371,602</u>	<u>1,780,188</u>	<u>4,151,790</u>
Cash and investments consists of:			
Cash and investments	\$ 1,560,504	\$ 1,721,900	3,282,404
Restricted cash and investments	811,098	58,288	869,386
Totals	<u>\$ 2,371,602</u>	<u>\$ 1,780,188</u>	<u>\$ 4,151,790</u>
Reconciliation of operating loss to			
Net cash from (used for) operating activities			
Operating income (loss)	140,538	(30,677)	109,861
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities			
Depreciation/amortization	359,252	273,936	633,188
Other operating cash receipts	11,117	—	11,117
Changes in assets and liabilities			
Accounts	—	(8,234)	(8,234)
Special assessments	—	213	213
Pensions	32,769	35,782	68,551
OPEB	500	650	1,150
Accounts payable	(4,049)	71,959	67,910
Compensated absences payable	11,405	50,991	62,396
Net pension liability	(77,355)	(23,770)	(101,125)
Total OPEB liability	(1,019)	(1,325)	(2,344)
Pension plans	(5,987)	(8,611)	(14,598)
OPEB plans	4,200	5,464	9,664
Net cash from (used for) operating activities	<u>\$ 471,371</u>	<u>\$ 366,378</u>	<u>\$ 837,749</u>
Supplemental schedule of noncash			
Investing and financing activities			
Acquisition of capital assets through			
Capital contributions	\$ —	\$ 1,132,617	\$ 1,132,617
Acquisition of capital assets through debt	—	336,491	336,491
Acquisition of capital assets on account	—	3,325	3,325
Increase (decrease) in fair value of investments	22,098	28,196	50,294
On-behalf pension contribution and expense	4,833	11,627	16,460
Total noncash transactions	<u>\$ 26,931</u>	<u>\$ 1,512,256</u>	<u>\$ 1,539,187</u>

Internal Service Funds

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
June 30, 2025

	Vehicle Maintenance Shop	Medical Health Insurance	Public Works Administration	Total
Assets				
Current assets				
Cash and investments	\$ 203,819	\$ 1,052,023	\$ 4,608,379	\$ 5,864,221
Receivables (net of allowance for uncollectibles):				
Accrued interest	493	3,718	16,081	20,292
Accounts	2,928	18,299	—	21,227
Prepaid items	—	611,802	—	611,802
Other assets	—	—	8,657	8,657
Total current assets	207,240	1,685,842	4,633,117	6,526,199
Noncurrent assets				
Capital assets				
Buildings	1,424,215	—	121,905	1,546,120
Machinery and equipment	266,764	—	457,954	724,718
Vehicles	96,638	—	142,487	239,125
Infrastructure	—	—	32,769	32,769
Subscription-based IT assets	—	—	70,767	70,767
Right-of-use lease assets - building	—	—	126,936	126,936
Less accumulated depreciation/ amortization	(1,021,291)	—	(594,959)	(1,616,250)
Total capital assets, net of accumulated depreciation/amortization	766,326	—	357,859	1,124,185
Total noncurrent assets	766,326	—	357,859	1,124,185
Total assets	973,566	1,685,842	4,990,976	7,650,384
Deferred outflows of resources				
OPEB	12,026	—	25,097	37,123
Pensions	153,075	—	516,696	669,771
Total deferred outflows of resources	165,101	—	541,793	706,894
Liabilities				
Current liabilities				
Accounts payable	72,815	515	121,027	194,357
Current portion of long-term debt	36,575	—	287,375	323,950
Total current liabilities	109,390	515	408,402	518,307
Noncurrent liabilities				
Long-term debt, net of current portion				
Leases payable	—	—	76,316	76,316
Compensated absences payable	28,576	—	150,711	179,287
Total OPEB liability	68,934	—	212,440	281,374
Net pension liability	714,648	—	2,412,263	3,126,911
Total noncurrent liabilities	812,158	—	2,851,730	3,663,888
Total liabilities	921,548	515	3,260,132	4,182,195
Deferred inflows of resources				
OPEB plans	18,039	—	69,245	87,284
Pension plans	15,892	—	53,642	69,534
Total deferred inflows of resources	33,931	—	122,887	156,818
Net position				
Net investment in capital assets	766,326	—	183,611	949,937
Unrestricted	(583,138)	1,685,327	1,966,139	3,068,328
Total net position	\$ 183,188	\$ 1,685,327	\$ 2,149,750	\$ 4,018,265

City of Bozeman, Montana
Combining Statement of Revenues, Expenditures, and Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2025

	Vehicle Maintenance Shop	Medical Health Insurance	Public Works Administration	Total
Operating revenues				
Charges for services	\$ 2,290,477	\$ 7,163,045	\$ 7,111,018	\$ 16,564,540
Operating expenses				
Salaries and benefits	1,135,742	—	3,626,759	4,762,501
Materials and supplies	645,335	—	43,120	688,455
Repairs and maintenance	11,210	—	1,635	12,845
Utilities	25,412	—	10,206	35,618
Administrative charges	339,798	—	729,931	1,069,729
Other services	71,129	7,083,615	884,581	8,039,325
Depreciation/amortization	74,014	—	164,106	238,120
Total operating expenses	2,302,640	7,083,615	5,460,338	14,846,593
Operating income (loss)	(12,163)	79,430	1,650,680	1,717,947
Nonoperating revenues (expenses)				
Gain (loss) on disposal of assets	6,079	—	—	6,079
Interest income	2,750	15,795	138,183	156,728
Change in fair value of investments	1,182	(2,861)	29,859	28,180
Interest expense	—	—	(11,010)	(11,010)
Intergovernmental revenues	14,374	—	48,517	62,891
Miscellaneous revenue	446	522,945	—	523,391
Total nonoperating revenues (expenses)	24,831	535,879	205,549	766,259
Income (loss) before contributions and transfers	12,668	615,309	1,856,229	2,484,206
Transfers in	—	484,741	102,771	587,512
Transfers out	(9,740)	—	(19,861)	(29,601)
Change in net position	2,928	1,100,050	1,939,139	3,042,117
Total net position, beginning of year	180,260	585,277	210,611	976,148
Total net position, end of year	\$ 183,188	\$ 1,685,327	\$ 2,149,750	\$ 4,018,265

City of Bozeman, Montana
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2025

	Vehicle Maintenance Shop	Medical Health Insurance	Public Works Administration	Total
Operating activities				
Receipts from customers and users	\$ 2,290,790	\$ 7,168,248	\$ 7,111,018	\$ 16,570,056
Other operating cash receipts	446	522,945	—	523,391
Payments to suppliers	(789,148)	(7,129,083)	(1,086,695)	(9,004,926)
Payments to and on behalf of employees	(1,062,105)	—	(3,811,244)	(4,873,349)
Payments to internal service funds and administration	(339,798)	—	(729,931)	(1,069,729)
Net cash from (used for) operating activities	100,185	562,110	1,483,148	2,145,443
Noncapital financing activities				
Transfers to other funds	(9,740)	—	(19,861)	(29,601)
Transfers from other funds	—	484,741	102,771	587,512
Intergovernmental operating grants	14,374	—	48,517	62,891
Net cash from noncapital financing activities	4,634	484,741	131,427	620,802
Capital and related financing activities				
Payments received on advances to other funds	—	(4,044)	—	(4,044)
Acquisition of capital assets	(11,295)	—	(3,455)	(14,750)
Debt service				
Principal	—	—	(109,678)	(109,678)
Interest	—	—	(12,113)	(12,113)
Net cash used for capital and related financing activities	(11,295)	(4,044)	(125,246)	(140,585)
Investing activity				
Interest and dividends from investments	3,848	9,216	163,038	176,102
Change in cash and investments	97,372	1,052,023	1,652,367	2,801,762
Cash and investments, beginning of year	106,447	—	2,956,012	3,062,459
Cash and investments, end of year	\$ 203,819	\$ 1,052,023	\$ 4,608,379	\$ 5,864,221
Cash and investments consists of:				
Cash and investments	\$ 203,819	\$ 1,052,023	\$ 4,608,379	\$ 5,864,221
Reconciliation of operating loss to				
Net cash (used for) from operating activities				
Operating income (loss)	\$ (12,163)	\$ 79,430	\$ 1,650,680	\$ 1,717,947
Adjustments to reconcile operating loss to net cash from (used for) operating activities				
Depreciation/amortization	74,014	—	164,106	238,120
Other operating cash receipts	446	522,945	—	523,391
Changes in assets and liabilities				
Accounts	313	5,203	—	5,516
Prepaid items	—	(45,584)	—	(45,584)
Pensions	29,384	—	236,706	266,090
OPEB	670	—	2,437	3,107
Accounts payable	(36,062)	116	(147,153)	(183,099)
Compensated absences payable	21,345	—	37,266	58,611
Net pension liability	26,617	—	(428,726)	(402,109)
Total OPEB liability	(1,365)	—	(4,968)	(6,333)
Pension plans	(8,648)	—	(47,689)	(56,337)
OPEB plans	5,634	—	20,489	26,123
Net cash from (used for) operating activities	\$ 100,185	\$ 562,110	\$ 1,483,148	\$ 2,145,443
Supplemental schedule of noncash				
Investing and financing activities				
Acquisition of capital assets through				
Acquisition of capital assets on account	—	—	3,455	3,455
Increase (decrease) in fair value of investments	1,182	(2,861)	29,859	28,180
On-behalf pension contribution and expense	14,374	—	48,517	62,891
Total noncash transactions	\$ 15,556	\$ (2,861)	\$ 81,831	\$ 94,526

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 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
June 30, 2025

	Municipal Court	Tourism Business Improvement District	Custodial Funds
Assets			
Cash and investments	\$ 486,500	\$ 50,170	\$ 536,670
Cash and investments	—	50,170	
Restricted cash and investments	486,500		
Receivables:			
Accounts	2,892	—	2,892
Total assets	<u>489,392</u>	<u>50,170</u>	<u>539,562</u>
Liabilities			
Accounts payable	491,833	—	491,833
Total liabilities	<u>491,833</u>	<u>—</u>	<u>491,833</u>
Net Position			
Restricted for			
Rev/expend off set	(20)	—	(20)
Fund balance	(2,421)	50,170	47,749
Other organization or individuals	(2,441)	50,170	47,729
Total liabilities and net position	<u>\$ 489,392</u>	<u>\$ 50,170</u>	<u>\$ 539,562</u>

City of Bozeman, Montana
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Year Ended June 30, 2025

	Municipal Court	Tourism Business Improvement District	Custodial Funds
	<u> </u>	<u> </u>	<u> </u>
Additions			
Miscellaneous	\$ —	\$ —	\$ —
	<u> </u>	<u> </u>	<u> </u>
	—	—	—
	<u> </u>	<u> </u>	<u> </u>
Deductions			
Miscellaneous	20	—	20
	<u> </u>	<u> </u>	<u> </u>
Change in net position	(20)	—	(20)
Net position, beginning	(2,421)	50,170	47,749
	<u> </u>	<u> </u>	<u> </u>
Net position, ending	\$ (2,441)	\$ 50,170	\$ 47,729
	<u> </u>	<u> </u>	<u> </u>

Statistical Section
Year Ended June 30, 2025
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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Fund Balances of Governmental Funds	163
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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.

FINANCIAL TRENDS SECTION

City of Bozeman, Montana
Components of Net Position
Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	\$ 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	\$ 278,556,381
Restricted	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	74,795,824
Unrestricted	(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	8,458,207
Total governmental activities net position	<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>	<u>361,810,412</u>
Business-type activities										
Net investment in capital assets	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	320,698,156
Restricted	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	49,009,376
Unrestricted	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	8,772,060
Total business-type activities net position	<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>	<u>378,479,592</u>
Primary government										
Net investment in capital assets	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	599,254,537
Restricted	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	123,805,200
Unrestricted	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	17,230,267
Total primary government net position	<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>	<u>\$ 740,290,004</u>

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
General government	\$ 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	\$ 21,708,850
Public safety	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	33,434,205
Public works	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	15,732,700
Public health and welfare	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	22,296,310
Interest and fiscal charges	893,470	771,714	781,255	786,236	1,763,155	2,105,985	2,051,119	2,070,117	1,963,485	2,287,076
Total governmental activities expenses	<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>	<u>95,459,141</u>
Business-type activities										
Water	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	15,895,081
Waste water	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	13,119,968
Solid waste	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	7,725,295
Parking	789,186	830,869	897,278	1,133,777	1,119,466	1,304,465	1,183,693	1,565,405	1,598,141	1,522,213
Stormwater	309,585	469,743	930,444	878,173	924,282	1,051,497	985,732	1,711,451	1,847,848	2,216,281
Total business-type activities expenses	<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>	<u>40,478,838</u>
Total primary government expenses	<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>	<u>\$ 135,937,979</u>

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

Last Ten Fiscal Years
(Accrual Basis of Accounting)

Program revenues

Governmental activities

Charges for services

General government	\$ 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	\$ 878,499
Public safety	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	6,227,724
Public works	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	31,800,499
Public health and welfare	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	1,225,865
Operating grants and contributions	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	9,281,456
Capital grants and contributions	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	13,706,374
Total governmental activities program revenues	<u>23,914,809</u>	<u>22,998,926</u>	<u>33,171,158</u>	<u>33,862,958</u>	<u>48,708,985</u>	<u>49,447,057</u>	<u>55,661,916</u>	<u>63,679,201</u>	<u>70,157,983</u>	<u>63,120,417</u>

Business-type activities

Charges for services

Water	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	16,341,501
Waste water	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	14,184,958
Solid waste	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	7,459,945
Parking	597,238	878,458	958,378	958,504	1,028,036	1,005,788	1,062,010	968,042	1,214,125	1,662,751
Stormwater	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	2,155,476
Operating grants and contributions	134,946	169,509	134,523	83,264	104,868	243,536	1,511,436	1,435,529	1,677,660	132,021
Capital grants and contributions	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	12,546,980
Total business-type activities program revenues	<u>36,799,318</u>	<u>34,565,804</u>	<u>39,890,164</u>	<u>36,827,985</u>	<u>43,091,620</u>	<u>38,828,301</u>	<u>50,858,938</u>	<u>48,474,167</u>	<u>50,524,917</u>	<u>54,483,632</u>
Total primary government program revenues	<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>	<u>\$ 117,604,049</u>

Net revenue (expense)

Governmental activities	(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)	(32,338,724)
Business-type activities	<u>17,455,213</u>	<u>11,257,601</u>	<u>15,468,686</u>	<u>11,899,524</u>	<u>17,032,539</u>	<u>12,789,067</u>	<u>22,800,429</u>	<u>11,354,129</u>	<u>11,739,487</u>	<u>14,004,794</u>
Total primary government net revenue (expense)	<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>	<u>\$ (18,333,930)</u>

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

Last Ten Fiscal Years
(Accrual Basis of Accounting)

General revenues and other changes in net position

Governmental activities

Property taxes	\$ 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	\$ 48,889,808
Unrestricted intergovernmental	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	6,062,173
Unrestricted investment earnings (losses)	519,637	554,870	64,058	1,490,286	1,604,365	428,653	(1,685,354)	1,118,619	4,448,723	4,671,030
Miscellaneous	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	1,991,534
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	1,218,036	(742,999)	(758,084)	(475,000)	(546,353)	(534,921)	(1,396,976)	(1,667,658)	(401,119)	(469,505)
Total governmental activities	<u>31,506,290</u>	<u>31,139,110</u>	<u>30,359,392</u>	<u>30,674,185</u>	<u>35,370,474</u>	<u>30,262,406</u>	<u>31,953,982</u>	<u>48,633,273</u>	<u>58,961,788</u>	<u>61,145,040</u>

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	3,102,434
Miscellaneous	—	1,256,284	2,529,824	362,631	518,162	233,508	219,770	226,026	329,371	230,874
(Loss) gain on disposal of capital asset	—	(2,013,292)	10,005	(172,428)	4,012	17,918	1,031	(13,856)	—	21,127
Transfers	<u>(1,218,036)</u>	<u>742,999</u>	<u>758,084</u>	<u>475,000</u>	<u>546,353</u>	<u>534,921</u>	<u>1,396,976</u>	<u>1,667,658</u>	<u>401,119</u>	<u>469,505</u>
Total business-type activities	<u>(1,218,036)</u>	<u>290,222</u>	<u>3,301,302</u>	<u>1,676,052</u>	<u>1,914,858</u>	<u>825,334</u>	<u>326,202</u>	<u>2,713,823</u>	<u>3,832,851</u>	<u>3,823,940</u>

Total primary government	<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>	<u>\$ 64,968,980</u>
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Change in net position

Governmental activities	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	28,806,316
Business-type activities	<u>16,237,177</u>	<u>11,547,823</u>	<u>18,769,988</u>	<u>13,575,576</u>	<u>18,947,397</u>	<u>13,614,401</u>	<u>23,126,631</u>	<u>14,067,952</u>	<u>15,572,338</u>	<u>17,828,734</u>
Total primary government change in net position	<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>	<u>\$ 46,635,050</u>

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund										
Nonspendable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 37,167	\$ 124,570	\$ 102,444
Restricted	—	—	—	—	—	—	—	—	89,079	1,969,240
Committed	—	—	—	—	—	—	—	6,087,489	3,291,645	4,334,720
Assigned	5,541,841	6,402,882	7,739,020	7,739,582	8,110,313	9,313,580	8,708,695	—	1,638,700	7,809,989
Unassigned	979,258	87,274	(274,252)	—	1,030,550	(130,315)	(107,076)	8,953,349	21,131,964	13,307,297
Total general fund	<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>	<u>\$ 27,523,690</u>
All other governmental funds										
Nonspendable	\$ 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	\$ 2,200,303
Restricted	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	72,464,555
Committed	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	3,984,969
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	1,641,686
Unassigned	914,535	107,103	(42,648)	8,731,534	(125,584)	662,773	(312,180)	(302,973)	(2,468,720)	(704,811)
Total all other governmental funds	<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>	<u>\$ 79,586,702</u>

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	\$ 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	\$ 48,889,609
Special assessments	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	773,287
Licenses and permits	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	4,940,453
Intergovernmental	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	15,280,738
Charges for services	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	33,146,404
Fines and forfeitures	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	1,032,563
Investment income (losses)	479,699	520,690	34,709	1,439,743	1,343,201	155,647	(1,885,520)	1,092,193	4,288,617	4,486,122
Loan repayments	38,552	31,837	25,827	31,695	44,930	38,276	53,539	30,346	52,566	50,155
Miscellaneous	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	1,468,143
Total revenues	<u>48,072,827</u>	<u>50,755,209</u>	<u>57,151,222</u>	<u>58,474,623</u>	<u>69,357,682</u>	<u>74,827,039</u>	<u>78,741,602</u>	<u>96,942,021</u>	<u>114,789,884</u>	<u>110,067,474</u>
Expenditures										
General government	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	17,181,468
Public safety	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	30,513,423
Public works	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	10,069,764
Public health & welfare	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	19,247,931
Other	418,431	506,169	655,532	728,642	665,517	3,500,760	2,204,370	1,836,292	2,292,263	2,086,722
Capital outlay	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	19,853,995
Debt service										
Principal	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	4,019,639
Interest and fiscal charges	893,470	771,714	718,597	786,238	1,763,155	2,105,985	2,051,119	2,304,135	2,283,583	2,549,625
Total expenditures	<u>\$ 46,884,539</u>	<u>\$ 51,701,305</u>	<u>\$ 60,097,481</u>	<u>\$ 63,159,049</u>	<u>\$ 76,636,033</u>	<u>\$ 89,190,010</u>	<u>\$ 93,597,948</u>	<u>\$ 88,272,878</u>	<u>\$ 104,545,451</u>	<u>\$ 105,522,567</u>

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

Excess (Deficiency) of											
Revenues over (under)											
Expenditures	\$ 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	\$ 4,544,907	
Other financing											
sources (uses)											
Transfers in	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	10,233,431	
Transfers out	(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)	(11,260,847)	
Bonds issued	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	5,355,756	
Sale of capital assets	227,984	43,277	35,144	33,898	29,567	23,744	34,836	2,800,071	7,687	17,487	
Total other financing sources (uses)	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	4,345,827	
Net Change in											
Fund balances	<u>\$ 2,450,599</u>	<u>\$ (1,411,116)</u>	<u>\$ (2,565,613)</u>	<u>\$ (2,265,930)</u>	<u>\$ 34,083,708</u>	<u>\$ (3,724,139)</u>	<u>\$ (8,638,062)</u>	<u>\$ 11,813,228</u>	<u>\$ 17,348,903</u>	<u>\$ 8,890,734</u>	
Debt service as a percentage											
of noncapital expenditures	6.0%	5.6%	5.3%	5.5%	16.0%	9.4%	8.0%	8.9%	7.8%	7.7%	

REVENUE CAPACITY SECTION

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
2025	\$ 154,480,876	\$ 78,466,477	\$ 12,260,387	\$ 245,207,740	\$ 158.23	\$17,630,717,738	1.391%
2024	170,502,974	66,718,555	9,884,230	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	165.62	8,875,762,356	1.459%
2020	70,588,175	46,105,567	8,729,455	125,423,197	187.70	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	48,794,848	30,966,657	6,013,815	85,775,320	205.30	5,870,738,906	1.461%
2016	50,899,738	29,864,642	5,799,800	86,564,180	210.16	5,698,588,679	1.519%

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

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

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

** Indicates tax-exempt property

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
2025	\$ 17,630,717,738	\$ 266,339,260	\$ 21,131,520	\$ 245,207,740	\$ 263,479,760
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	8,327,441	85,775,320	93,212,816
2016	5,698,588,679	90,787,797	4,223,617	86,564,180	91,973,923

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

Note: Property in Gallatin County is reassessed by the Montana 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,	Downtown Urban Renewal District			Northeast Renewal District		
	Base Taxable	Incremental Taxable	Total Taxable	Base Taxable	Incremental Taxable	Total Taxable
2025	\$ 1,328,695	\$ 13,380,181	\$ 14,708,876	\$ 423,054	\$ 1,466,804	\$ 1,889,858
2024	1,328,695	13,789,647	15,118,342	423,054	1,382,658	1,805,712
2023	1,328,695	8,245,319	9,574,014	423,054	660,471	1,083,525
2022	1,328,695	7,893,562	9,222,257	423,054	636,368	1,059,422
2021	1,328,695	6,247,663	7,576,358	423,054	477,252	900,306
2020	1,328,695	5,987,410	7,316,105	423,054	457,274	880,328
2019	1,328,695	4,159,996	5,488,691	423,054	229,047	652,101
2018	1,328,695	3,769,917	5,098,612	423,054	223,765	646,819
2017	1,328,695	3,068,902	4,397,597	423,054	193,281	616,335
2016	1,328,695	2,898,551	4,227,246	423,054	214,470	637,524

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

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

*Previously North 7th Corridor

**New district created in FY19

***New districts created in FY22

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

Fiscal Year Ended June 30,	Bozeman Midtown*			North Park Urban Renewal**		
	Base Taxable	Incremental Taxable	Total Taxable	Base Taxable	Incremental Taxable	Total Taxable
2025	\$ 3,507,723	\$ 4,865,210	\$ 8,372,933	\$ 244,332	\$ 134,432	\$ 378,764
2024	3,507,723	5,397,828	8,905,551	244,332	85,307	329,639
2023	3,507,723	2,751,885	6,259,608	244,332	37,133	281,465
2022	3,507,723	2,589,893	6,097,616	244,332	53,750	298,082
2021	3,507,723	1,707,571	5,215,294	244,332	13,824	258,156
2020	3,507,723	1,714,155	5,221,878	244,332	—	244,332
2019	3,507,723	982,574	4,490,297	244,332	20,749	265,081
2018	3,507,723	948,746	4,456,469	—	—	—
2017	3,473,127	1,003,546	4,476,673	—	—	—
2016	2,886,997	1,055,385	3,942,382	—	—	—

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

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

*Previously North 7th Corridor

**New district created in FY19

***New districts created in FY22

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

Fiscal Year Ended June 30,	Bozeman Technology***			Pole Yard Urban Renewal***			Total		
	Base Taxable	Incremental Taxable	Total Taxable	Base Taxable	Incremental Taxable	Total Taxable	Base Taxable	Incremental Taxable	Total Taxable
2025	\$ 417	\$ 98,233	\$ 98,650	\$ 1,137,056	\$ 1,186,660	\$ 2,323,716	\$ 6,641,277	\$ 21,131,520	\$ 27,772,797
2024	417	98,233	98,650	1,137,056	1,128,947	2,266,003	6,641,277	21,882,620	28,523,897
2023	417	56,410	56,827	1,137,056	315,388	1,452,444	6,641,277	12,066,606	18,707,883
2022	417	56,410	56,827	1,137,056	255,655	1,392,711	6,641,277	11,485,638	18,126,915
2021	—	—	—	—	—	—	5,503,804	8,446,310	13,950,114
2020	—	—	—	—	—	—	5,503,804	8,158,839	13,662,643
2019	—	—	—	—	—	—	5,503,804	5,392,366	10,896,170
2018	—	—	—	—	—	—	5,259,472	4,942,428	10,201,900
2017	—	—	—	—	—	—	5,224,876	4,265,729	9,490,605
2016	—	—	—	—	—	—	4,638,746	4,168,406	8,807,152

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

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

*Previously North 7th Corridor

**New district created in FY19

***New districts created in FY22

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

Fiscal Year Ended June 30,	Downtown Urban Renewal District			City Taxable Value (Excluding ALL Tax Increment District Valuations)		The District's Incremental Taxable Value as a Percentage of the City's Taxable Value
	Taxable Market Value of Property in the District	Taxable Value of Property in the District	Incremental Taxable Value			
2025	\$ 932,446,863	\$ 14,708,876	\$ 13,380,181	\$	245,207,740	5.46%
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		85,775,320	3.58%
2016	259,138,001	4,227,246	2,898,551		86,564,180	3.35%

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

Note: Property in Gallatin County is reassessed by the Montana 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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Statewide School Equalization	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00
Gallatin County Operating and Bond	99.77	100.41	91.23	98.87	91.17	99.09	88.24	91.25	72.99	78.77
Open Space Bond	5.03	5.85	5.13	4.69	3.90	4.04	3.74	2.30	1.32	—
County-Wide School	106.85	105.39	99.67	102.44	96.45	96.74	36.29	34.58	25.70	23.21
Bozeman High School District	76.76	77.25	73.10	108.95	92.77	97.61	44.45	45.64	31.53	31.00
Bozeman Elementary School District	151.15	154.81	146.92	142.63	125.90	121.74	142.40	142.50	108.19	112.11
City of Bozeman	210.16	205.30	187.33	191.24	187.70	163.62	152.12	204.50	150.72	158.23
Total revenues	744.72	744.01	698.38	743.82	692.89	677.84	562.24	615.77	488.27	498.32
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 College	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Gallatin Conservation District	1.05	1.01	0.89	0.91	0.77	—	—	—	—	—

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

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

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

Fiscal Year Ended June 30,	Basic Rate	General Obligation Debt Service	Total Direct Tax Rate	School District	Gallatin County	State of Montana
2025	\$ 141.35	\$ 16.88	\$ 158.23	\$ 166.32	\$ 86.27	\$ 95.00
2024	133.90	16.82	150.72	165.42	80.49	95.00
2023	181.15	23.35	204.50	222.72	98.75	95.00
2022	131.89	22.23	154.12	223.14	95.74	95.00
2021	140.73	28.75	169.48	219.35	106.59	95.00
2020	162.82	25.63	188.45	218.67	99.44	95.00
2019	178.22	13.02	191.24	251.58	107.28	95.00
2018	173.92	13.41	187.33	220.02	99.62	95.00
2017	190.17	15.13	205.30	232.06	108.92	95.00
2016	194.51	15.65	210.16	227.91	108.32	95.00

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

City of Bozeman, Montana
Principal Property Taxpayers
Last Ten Fiscal Years

Taxpayer	2025			Principal Property Taxpayers 2016		
	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	\$ 8,319,495	1	3.39%	\$ 4,203,090	1	4.86%
Arrow I Propco LLC	1,441,254	2	0.59%	—	N/A	N/A
Bozeman Apartment Group Owners LLC	979,189	3	0.40%	—	N/A	N/A
Straightaway Bozeman Investors LLC	859,094	4	0.35%	—	N/A	N/A
Cannery District Partners LLC	858,298	5	0.35%	—	N/A	N/A
GKT Bozeman Gateway LLC	781,852	6	0.32%	—	N/A	N/A
NB Stadium View DST	780,225	7	0.32%	—	N/A	N/A
Costco Wholesale Corporation	750,859	8	0.31%	—	N/A	N/A
Oxbow Land Holdings LLC	694,288	9	0.28%	—	N/A	N/A
Crestview Lake LLC	669,190	10	0.27%	—	N/A	N/A
Centurylink INC	—	N/A	N/A	736,068	2	0.85%
Bresnan Communications LLC	—	N/A	N/A	708,027	3	0.82%
Verizon Wireless	—	N/A	N/A	495,140	4	0.57%
Daum Harry	—	N/A	N/A	444,051	5	0.51%
Stone Ridge Partners LLC	—	N/A	N/A	417,262	6	0.48%
Mitchell Development & Investment LLC	—	N/A	N/A	390,752	7	0.45%
First Security Bank	—	N/A	N/A	362,625	8	0.42%
J & D Family Limited Partnership	—	N/A	N/A	349,579	9	0.40%
Bridger Peaks Holding LLC	—	N/A	N/A	348,926	10	0.40%
Total attributable to top taxpayers	16,133,744		6.58%	8,455,520		9.77%
Total of all other properties	229,073,996		93.42%	78,108,660		90.23%
	<u>\$245,207,740</u>		<u>100.00%</u>	<u>\$ 86,564,180</u>		<u>100.00%</u>

Source: Gallatin County Treasurer

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

Taxpayer	Business	2025			2024		
		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	\$ 859,094	1	5.84%	\$ 843,046	1	5.73%
ETHA Hotel LLC	Property Investor/Developer	613,133	2	4.17%	728,043	2	4.95%
First Security Bank	Bank	605,441	3	4.12%	606,737	3	4.12%
G25 Holdings LLC	Property Investor/Developer	438,524	4	2.98%	438,524	4	2.98%
104 East Main LLC	Multi-Tenant Commercial/Residential Building	282,476	5	1.92%	221,207	8	1.50%
106 East Babcock LLC	Multi-Tenant Commercial/Residential Building	266,585	6	1.81%	266,585	5	1.81%
5 West LLC	Multi-Tenant Commercial/Residential Building	257,480	7	1.75%	257,480	6	1.75%
Downtowner Group LLC	Business Support Services	226,707	8	1.54%	226,707	7	1.54%
Main St Holdings LLC	Property Investor/Developer	206,603	9	1.40%	206,603	9	1.40%
Osborne Building LLC	Multi-Tenant Commercial/Residential Building	204,901	10	1.39%	204,900	10	1.39%
Total attributable to top taxpayers		3,960,944		26.93%	3,999,832		26.46%
Total of all other properties		10,747,932		73.07%	11,118,510		73.54%
		<u>\$14,708,876</u>		<u>100.00%</u>	<u>\$15,118,342</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	2024/2025		2023/2024	
	Assessed Value	Taxable Value	Assessed Value	Taxable Value
3 agricultural land	\$ 19,142	\$ 863	\$ 16,884	\$ 814
4 residential	106,763,118	1,134,543	79,326,649	1,059,773
4 commercial	424,794,923	7,640,314	379,496,922	7,172,487
5 pollution control, electric and telephone cooperatives	4,988	150	71,148	2,134
8 business equipment	8,055,911	120,935	2,375,694	35,663
9 pipelines and non-electric generating property of electric utility	366,590	43,989	363,191	43,582
13 electrical generation and telecommunication	415,332	24,920	383,686	23,021
	<u>\$ 540,420,004</u>	<u>\$ 8,965,714</u>	<u>\$ 462,034,174</u>	<u>\$ 8,337,474</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	2024/2025			2023/2024		
	Taxable Assessed Valuation	Rank	Total City Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Total City Taxable Assessed Valuation
Rocky Mountain Retail LLC	\$ 336,792	1	4.02%	\$ 336,792	1	4.02%
Walmart Stores Inc.	308,412	2	3.68%	299,912	4	3.58%
TWC Bozeman LLC	302,400	3	3.61%	—	N/A	N/A
Westlake, George	285,878	4	3.41%	285,878	5	3.41%
FSBM Owner LLC	275,698	5	3.29%	—	N/A	N/A
Buffalo Ventures LLC	262,215	6	3.13%	262,215	6	3.13%
Aspen Land Co LLC	252,393	7	3.01%	252,393	7	3.01%
Bozeman Hospitality LLC	203,760	8	2.43%	209,998	9	2.51%
Oak Street Partnership	193,353	9	2.31%	193,353	10	2.31%
DK Martinen LLC	187,152	10	2.24%	221,170	8	2.64%
TCIP Partnership	—	N/A	N/A	328,800	2	3.93%
Grantree Hotels LP	—	N/A	N/A	302,400	3	3.61%
Total attributable to top taxpayers	2,608,053		31.15%	2,692,911		30.24%
Total of all other properties	5,764,880		68.85%	6,212,640		69.76%
	<u>\$ 8,372,933</u>		<u>100.00%</u>	<u>\$ 8,905,551</u>		<u>100.00%</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
2025	\$ 38,796,810	\$ 38,224,970	98.53%	\$ —	\$ 38,224,970	98.53%
2024	37,252,860	35,752,975	95.97%	126,071	35,879,046	96.31%
2023	32,675,419	32,186,055	98.50%	205,428	32,391,483	99.13%
2022	23,793,072	23,525,331	98.87%	38,574	23,563,905	99.04%
2021	21,454,058	21,017,696	97.97%	63,885	21,081,581	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%	59,436	18,851,089	99.44%
2017	18,338,501	18,069,230	98.53%	100,610	18,169,840	99.08%
2016	18,191,892	18,009,556	99.00%	75,198	18,084,754	99.41%

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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Residential	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	1,653,876
Government	51,923	56,956	75,001	54,270	103,536	73,416	82,308	110,364	123,972	56,736
MSU	208,618	225,394	217,967	238,968	178,368	171,840	199,080	202,164	202,872	218,784
Commercial	610,741	620,761	618,398	627,116	506,868	590,076	578,688	600,456	579,012	590,652
Total	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	2,520,048
Total direct rate per 1,000 HCF	\$ 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	\$ 5,048.22

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 Service Charge	Minimum Charge (up to 2 HCR)	Charge per HCF Used (0-6 HCF)	Monthly Service Charge	Rate per HCF
2025	\$ 20.28	\$ 6.02	\$ 3.01	\$ 23.25	\$ 3.89
2024	18.11	5.38	2.69	21.93	3.67
2023	16.17	4.80	2.40	19.58	3.28
2022	16.17	4.80	2.40	19.58	3.28
2021	16.17	4.80	2.40	19.58	3.28
2020	16.17	4.80	2.40	19.58	3.28
2019	16.17	5.36	2.68	19.58	3.28
2018	15.70	5.10	2.55	19.01	3.15
2017	15.39	5.01	2.50	18.63	3.08
2016	15.02	4.89	2.44	18.09	2.99

* For Residential Customers, using 5/8 inch meter size, Single Family, Tier 1

Source: City of Bozeman Finance Department

DEBT CAPACITY

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

Governmental Activities								
Year	General Obligation Bonds	Tax Increment Financing Bonds	Special Assessment Bonds	Notes Payable	Financed Purchases Payable	Leases Payable	Subscription IT Agreements	Unamortized Premium
2025	\$ 47,130,000	\$ 8,782,557	\$ 2,996,026	\$ 1,597,551	\$ 4,887,176	\$ 1,216,084	\$ 843,582	\$ 4,063,634
2024	49,675,000	9,301,366	3,167,567	1,716,030	1,481,531	258,670	626,375	4,337,187
2023	45,765,000	9,802,767	3,372,289	2,045,505	872,674	343,801	853,425	4,230,082
2022	47,990,000	10,288,570	3,764,217	2,322,582	209,624	630,917	—	4,484,963
2021	43,240,000	10,763,655	3,948,216	2,246,694	—	310,270	—	4,198,474
2020	45,445,000	4,733,238	139,500	2,481,079		404,043	—	3,778,566
2019	12,940,000	5,338,811	171,500	2,637,009		651,453	—	208,593
2018	13,835,000	5,018,931	406,000	763,588		463,535	—	222,051
2017	14,710,000	4,425,000	501,000	902,500		270,492	—	235,509
2016	15,570,000	4,630,000	662,500	884,844		249,501	—	248,967

Business-type Activities								
Year	Water Revenue Bonds	Wastewater Revenue Bonds	Stormwater Revenue Bond	Financed Purchases Payable	Leases Payable	Total Primary Government	Percentage of Personal Income	Per Capita
2025	\$ 13,198,000	\$ 21,477,000	\$ 1,020,000	\$ 2,273,720	\$ —	\$ 109,485,330	3.51%	\$ 1,843
2024	14,593,000	23,888,000	1,109,000	—	—	110,153,725	4.21%	1,922
2023	15,949,000	25,939,000	1,196,000	—	—	110,369,543	5.65%	1,967
2022	17,267,000	27,932,231	1,280,000	—	—	116,172,126	6.83%	2,130
2021	18,547,000	24,582,587	1,362,000	—	434,598	109,635,515	7.87%	2,057
2020	19,791,000	14,057,000	1,442,000	—	363,749	92,637,195	7.24%	1,859
2019	21,001,000	15,229,000	1,520,000	—	290,538	59,989,923	5.73%	1,236
2018	19,107,497	16,368,000	1,292,430	—	214,887	57,693,937	5.80%	1,238
2017	15,760,000	17,856,000	1,367,430	—	183,591	56,213,539	6.12%	1,242
2016	16,567,000	18,930,565	1,440,430	—	71,077	59,256,900	6.97%	1,365

Source:
 City of Bozeman Finance Department

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

Year	General Obligation Bonds	Bond Premiums	Tax Increment Financing District Bonds	Total	Percentage of Market Value of Property	Per Capita
2025	\$ 47,130,000	\$ 4,063,634	\$ 8,782,557	\$ 59,976,191	24.46%	\$ 1,009.36
2024	49,675,000	4,337,187	9,301,366	58,976,366	23.87%	1,029
2023	45,765,000	4,230,082	9,802,767	55,567,767	34.78%	990
2022	47,990,000	4,484,963	10,288,570	58,278,570	37.51%	1,068
2021	43,240,000	4,198,474	10,763,655	54,003,655	41.69%	1,013
2020	45,445,000	3,778,566	4,733,238	50,178,238	40.01%	1,007
2019	12,940,000	208,593	5,338,811	18,278,811	17.52%	377
2018	13,835,000	222,051	4,926,931	18,761,931	18.54%	403
2017	14,710,000	235,509	4,425,000	19,135,000	21.32%	423
2016	15,570,000	248,967	4,630,000	20,200,000	23.34%	465

Source:
 City of Bozeman Finance Department

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	\$ 71,516,610	100.00%	\$ 71,516,610
Gallatin County	49,737,644	35.61%	17,713,007
Bozeman School District #7	138,327,636	60.79%	84,084,594
	<u>188,065,280</u>		<u>101,797,601</u>
Subtotal overlapping debt	<u>188,065,280</u>		<u>101,797,601</u>
Total Direct and Overlapping Debt	<u>\$ 259,581,890</u>		<u>\$ 173,314,211</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 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 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

City of Bozeman, Montana
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit*	\$ 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	\$ 440,767,943
Total net debt applicable to limit	22,245,812	21,044,501	20,709,105	21,947,366	56,981,426	64,707,309	69,481,249	67,285,543	70,563,725	71,516,610
Legal debt margin	<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>\$ 208,247,924</u>	<u>\$ 391,874,796</u>	<u>\$ 369,251,333</u>
Total net debt applicable as a percentage of debt limit	15.61%	14.27%	12.28%	12.57%	26.51%	29.16%	25.91%	24.42%	11.59%	16.23%

*2.5% of total market value of taxable property of \$8.6 Billion per MCA 2019 7-7-4201

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

Year	Special Assessment Bonds					Coverage
	Special Assessment Collections	Debt Service				
		Principal	Interest	Total		
2025	\$ 463,120	\$ 171,541	\$ 122,958	\$ 294,499	\$ 1.57	
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	

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

Year	Water Revenue Bonds												
	Water		Less:		Net Available	Debt Service			Coverage				
	Revenue		Expenditures		Revenue	Principal	Interest	Total					
2025	\$	14,379,055	\$	12,015,358	\$	2,363,697	\$	1,395,000		\$	401,138	\$	1,796,138
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

Year	Waste Water Revenue Bonds												
	Waste Water		Less:	Net Available	Debt Service			Coverage					
	Revenue		Expenditures	Revenue	Principal	Interest	Total						
2025	\$	12,905,621	\$	9,068,750	\$	3,836,871	\$	2,111,000	\$	618,515	\$	2,729,515	\$1.41
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

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

Year	Downtown Urban Renewal 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
2025	\$ 2,967,130	\$ 335,292	8.85	\$ 717,476	\$ 92,000	7.80	\$ 2,474,992	\$ 410,550	6.03
2024	2,656,682	332,831	38.20	673,004	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	1,314,795	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

*\$3,689,000 Bond issuance for the Downtown Urban Renewal District on 2/14/2020

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

***\$6,325,000 Bond issuance for the Midtown 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 747	<u>\$ 4,001,000</u>	7/1/2040	<u>\$ 2,996,026</u>	<u>\$ —</u>	<u>\$ 2,256,530</u>	<u>\$ 5,088</u>

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

Fiscal Year Ended June 30,	Revolving Fund Cash Balance	Principal Amount of Debt
2025	\$ 339,296	\$ 1,392,460
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

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>
2025	\$ 407,086	\$ 463,120
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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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
2025	59,420	3.69%	\$ 3,118,071,300	\$ 59,700	32.6	65.1%	7,331	2.3%
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%

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

2025		2016	
Private Employers by Class	Class Size	Private Employers by Class	Class Size
ALBERTSONS LLC	6	ALBERTSONS LLC	6
BIG SKY RESORT LLC	8	BLACKHAWK INDUSTRIES	6
BILLINGS CLINIC	7	BOZEMAN DEACONESS HEALTH SERVICES	6
BOZEMAN DEACONESS HEALTH SERVICES	7	BOZEMAN HEALTH DEACONESS HOSPITAL	9
BOZEMAN HEALTH DEACONESS HOSPITAL	9	COMMUNITY FOOD CO-OP	6
BOZEMAN HEALTH MEDICAL GROUP	7	COSTCO WHOLESALE CORP	6
COSTCO WHOLESALE CORP	7	J C BILLION INC	6
GIBSON, INC	6	KENYON NOBLE LUMBER CO	7
GLACIER BANCORP INC	6	MCDONALDS OF BOZEMAN	6
KENYON NOBLE LUMBER CO	7	MURDOCHS RANCH & HOME SUPPLY LLC	6
MURDOCHS RANCH & HOME SUPPLY LLC	7	ORACLE AMERICA INC	8
ORACLE AMERICA INC	6	RESSLER MOTOR COMPANY	6
RESSLER MOTOR COMPANY	7	RIVERSIDE COUNTRY CLUB	6
TOWN & COUNTRY FOODS INC	7	SIMKINS HALLIN INC	6
TOWN PUMP INC	5	SPANISH PEAKS MOUNTAIN CLUB	6
WAL MART ASSOCIATES INC	7	TOWN & COUNTRY FOODS INC	6
WILLIAMS PLUMBING & HEATING INC	7	TOWN PUMP INC	7
YELLOWSTONE CLUB	9	WAL MART ASSOCIATES INC	7
ZOOT ENTERPRISES INC	6	YELLOWSTONE CLUB	8
		ZOOT ENTERPRISES INC	6
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	7	Belgrade School District	7
Bozeman School District	9	School District #7	8
Gallatin County	8	Gallatin County	7
City of Bozeman	8	City of Bozeman	7

Class 6 - 100 to 249 Employees

Class 7 - 250 to 499 Employees

Class 8 - 500 to 999 Employees

Class 9 - 1,000+ Employees

Source: Montana Department of Labor & Industry

OPERATING INFORMATION

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
City Commission	—	—	—	—	—	—	—	—	—	—
City Manager	6.00	6.00	9.00	9.00	9.00	9.00	9.00	8.00	9.00	12.00
Municipal Court	8.50	8.50	9.50	9.50	9.60	9.98	11.23	12.25	12.25	12.25
City Attorney	10.20	10.20	10.70	10.70	11.70	12.70	12.70	13.00	14.00	15.25
Administrative Services*	21.50	23.50	—	—	—	—	—	—	—	—
Human Resources*	—	—	4.00	5.00	5.00	5.00	5.00	6.00	6.00	7.00
Finance*	—	—	12.50	13.50	13.50	15.00	14.00	8.25	10.25	12.25
Information Technology*	—	—	6.00	7.00	7.00	7.00	8.00	9.00	10.00	10.00
Community Development	11.60	13.00	13.00	14.25	15.25	15.25	18.25	21.00	20.00	20.00
Facilities Management	3.50	3.50	4.50	5.00	5.00	6.00	7.00	8.00	9.50	10.50
Total general government	61.30	64.70	69.20	73.95	76.05	79.93	85.18	85.50	91.00	99.25
Public safety										
Police Department	71.70	72.70	72.70	74.55	75.55	76.95	80.95	83.30	88.80	95.80
Fire Department	46.00	46.00	46.00	47.00	50.00	50.00	50.00	48.00	51.00	64.00
Building Inspection	18.50	18.50	19.50	19.75	19.75	19.75	19.75	23.25	23.25	25.25
Parking	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.17	5.82	6.82
Total public safety	142.20	143.20	144.20	147.30	151.30	152.70	156.70	160.72	168.87	191.87
Public Services										
Public Services Admin/Engineering	10.25	11.50	11.50	16.25	18.25	22.25	26.25	31.25	30.25	31.25
Streets	18.85	19.85	21.85	21.35	22.30	22.30	22.30	26.10	26.10	28.10
Metropolitan Planning Organization (MPO) **	—	—	—	—	—	—	—	—	1.00	2.00
Storm Water	6.25	6.50	7.50	7.50	8.50	9.50	9.50	8.75	8.75	8.75
Water	24.95	24.95	24.50	26.75	28.70	28.65	29.65	31.55	32.55	33.55
Wastewater	28.05	28.80	27.00	27.50	29.55	30.55	30.55	27.45	27.45	27.45
Solid Waste Collection/Recycling	15.15	16.15	17.15	17.15	18.75	19.75	19.75	21.40	21.40	24.40
Vehicle Maintenance	6.50	6.50	7.50	7.50	8.50	8.50	9.50	9.50	9.50	9.50
Total public services	110.00	114.25	117.00	124.00	134.55	141.50	147.50	156.00	157.00	165.00
Public Welfare										
Parks & Recreation	48.75	50.46	48.26	53.05	53.05	52.85	52.85	55.16	60.16	61.78
Library	26.02	28.02	28.02	28.02	28.02	26.53	26.53	26.87	26.87	28.12
Neighborhood Services***	—	—	—	—	—	—	—	—	4.85	4.85
Economic Development	3.50	3.50	2.00	2.00	3.00	3.00	3.00	3.83	3.83	3.83
Sustainability	1.50	1.50	1.50	1.50	1.50	1.50	3.00	3.00	3.00	3.00
Total public services	79.77	83.48	79.78	84.57	85.57	83.88	85.38	88.86	98.71	101.58
Total	395.37	407.73	410.28	431.92	449.57	460.11	476.86	493.18	517.68	557.70

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Finance										
SID Statements	16,893	17,200	17,463	18,185	18,552	18,895	19,655	20,001	20,001	20,169
Utility Bills	166,000	169,000	172,000	168,280	176,263	180,720	205,092	208,259	210,695	213,856
Accounts Payable Checks Processed	11,000	11,800	12,350	11,762	11,800	12,488	10,543	9,846	11,790	10,149
Police										
Number of Officers	60	61	60	60	60	60	60	61	62	67
Calls for Service	47,400	48,200	47,136	50,548	48,099	48,560	69,857	49,182	44,227	46,041
Arrests	2,078	2,427	2,314	2,618	2,017	2,118	1,936	2,402	1,688	1,843
Misdemeanor Citations Issued - includes traffic	6,390	5,886	4,940	5,430	4,800	4,058	4,012	5,460	5,075	3,879
Traffic Stops	7,482	7,900	7,675	9,600	8,410	8,736	8,062	5,991	4,207	6,796
Traffic Crashes	1,792	1,850	1,958	1,840	1,813	1,351	1,452	1,707	1,601	1,600
Fire*										
Fires, Hazardous Conditions, Rupture/Explosions	349	445	564	522	340	304	319	367	460	909
Emergency Medical Services/Rescue	2,424	3,062	3,320	3,073	3,154	3,005	2,716	2,714	2,275	2,344
Service Calls	244	334	438	406	239	170	311	282	285	271
Building Inspection										
Commercial Permits										
Number	1,628	1,731	883	768	702	707	548	1,014	878	774
Value (Millions)	\$ 164	\$ 65	\$ 216	\$ 249	\$ 302	\$ 237	\$ 201	\$ 271	\$ 276	\$ 323
Residential Permits										
Number	3,937	3,905	3,222	2,307	2,094	2,674	1,947	2,354	2,117	2,115
Value (Millions)	\$ 200	\$ 130	\$ 340	\$ 311	\$ 176	\$ 233	\$ 479	\$ 444	\$ 686	\$ 303
Water										
New Service Main Taps	60	72	65	101	96	100	60	25	37	21
Meter Replacement/Repair	978	1,500	994	1,042	528	1,273	1,285	645	781	775
Water Main Breaks/Repairs	7	6	7	5	11	14	9	5	4	5
Wastewater										
Main Line Flushing (in Miles)	50.0	30.9	50.0	37.5	48.0	33.3	73.7	55.1	56.1	39.4
New Infrastructure TV (in Miles)	2.60	9.90	7.00	2.80	3.30	7.40	6.77	3.70	6.32	3.51
New Service Taps	20	30	30	56	25	34	19	19	12	8
Solid Waste Collection & Recycling										
Residential Accounts	8,878	9,695	10,384	10,884	11,321	11,841	12,317	12,379	12,560	12,732
Commercial Customers	461	449	515	573	566	520	612	649	648	662
Recycling Customers	2,663	3,386	3,854	4,434	4,867	5,526	6,025	6,231	6,426	6,559
Annual Tonnage Collected: Collections Program	11,691	12,490	17,657	18,880	19,815	19,955	21,369	23,530	23,768	23,997
Vehicle Maintenance										
Work Orders Processed	1,453	1,509	2,592	2,392	2,057	3,718	1,802	1,845	1,814	1,514
Gallons of Oil Disposed	7,395	6,475	5,007	5,522	4,900	5,787	2,925	4,676	5,596	3,759
Parks										
Park Reservations	400	400	425	493	423	912	1,433	938	1,868	3,382

*Statistics are based on calendar year

Sources:

City Manager's Final Adopted Budget

City of Bozeman Finance Department

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units (Cars)*	21	21	22	21	21	24	20	22	22	28
Patrol Units (Motorcycles)	3	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	9	9	9
Streets										
Street & Alley Mileage	266	267	271	275	280	282	286	297	319	299
Lane Miles Painted	50	50	52	48	53	51	51	53	54	40
Number of Signs Installed/Repaired	600	600	708	394	1,107	1,270	273	467	355	388
Water										
Water Mains (Miles)	274.89	276.92	283.95	286.68	297.10	299.52	304.53	309.46	317.54	319.66
Fire Hydrants	2,511	2,573	2,618	2,668	2,758	2,782	2,835	2,932	3,097	3,095
Wastewater										
Sanitary Sewers (Miles)	219.14	224.28	234.64	236.04	239.00	242.43	254.14	254.79	257.95	260.10
Number of Manholes	4,360	4,492	4,614	4,677	4,828	5,023	5,051	5,125	5,216	5,282
Solid Waste										
Number of Collection Vehicles	8	8	8	8	6	6	8	9	10	10
Number of Roll-off Trucks	4	4	5	5	5	5	5	5	5	6
Number of Recycling Trucks	2	2	2	2	2	2	2	2	2	2
Number of Compost Collection Trucks	2	2	1	1	1	1	1	1	1	2
Parks										
Formal Turf Acres	140	140	172	192	192	192	196	475	475	475
Natural Parkland Acres	220	220	323	343	388	413	413	436	436	436
Miles Trails	63	63	63	65	65	65	71	79	79	79

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

City of Bozeman Finance Department

City of Bozeman GIS Department

City of Bozeman Police Department

Single Audit Section

June 30, 2025

City of Bozeman, Montana

Federal Awards Reports in Accordance
with the Uniform Guidance
June 30, 2025

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, 2025, 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 15, 2025.

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 "Eric Bailly LLP". The signature is written in a cursive, flowing style.

Denver, Colorado
December 15, 2025



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, 2025. 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, 2025.

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 signature is written in a cursive, handwritten style. It reads "Eide Bailly LLP". The letters are connected, and the ink appears to be black or dark blue.

Denver, Colorado
December 15, 2025

City of Bozeman, Montana
Schedule of Expenditures of Federal Awards

June 30, 2025

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:			
Cooperative Forestry Assistance	10.664	FHE-21-101	\$ 1,349
Cooperative Forestry Assistance	10.664	UCF-24-106	9,323
Inflation Reduction Act Urban & Community Forestry Program	10.664	UCF-24-306	15,537
Total U.S. Department of Agriculture			<u>26,209</u>
U.S. Department of Housing and Urban Development			
Direct Program:			
Community Development Block Grants/Entitlement Grants	14.218	B24MC080007	<u>1,770</u>
U.S. Department of Interior			
Passed through the Historical Society:			
Historic Preservation Fund Grants-in-Aid	15.904	MT-24-012	<u>13,709</u>
U.S. Department of Justice			
Direct Program:			
Treatment Court Discretionary Grant Program	16.585	15PBJA-23-GG-04278-DGCT	105,876
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-03578-JAGX	20,855
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-24-CC-04644-JAGX	15,809
Passed through Haven:			
Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	16.589	Rural FY22-24 BvsA-BPD	318
Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	16.589	15JOVW-24-GG-01028-RURA	5,651
Passed through Gallatin County:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2990-000-42-420142-000-400-790	81,027
Passed through Montana Department of Justice, Division of Criminal Investigation:			
Missing Children's Assistance	16.543	15PJDP-24-GK-04198-MECP	14,780
Total U.S. Department of Justice			<u>244,316</u>
U.S. Department of Transportation			
Passed through Montana Department of Transportation: Transportation Alternatives Program			
Metropolitan Transportation Planning and State and Non-Metropolitan Planning & Research	20.505	UPN 10453	10,769
Metropolitan Transportation Planning and State and Non-Metropolitan Planning & Research	20.505	UPN 10450	20,231
Passed through MT Dept. of Transportation: Rail, Planning, and Transit Division			
Metropolitan Transportation Planning and State and Non-Metropolitan Planning & Research	20.505	FFY2025 UPWP	176,677
Passed through Montana Department of Transportation: Highway Traffic Safety			
State and Community Highway Safety	20.600	112824	1,597
National Priority Safety Programs	20.616	112824	2,670
State and Community Highway Safety	20.600	113273	851
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	113273	1,423
Passed through MT Disaster and Emergency Services			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	25HMEPBZNFL	7,200
Total U.S. Department of Transportation			<u>221,418</u>
U.S. Department of Treasury			
Direct Program:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	174,091
Passed through the State of Montana:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	AM-23-0189, AM-23-0216, AM-23-0217	1,169,189
Total U.S. Department of Treasury			<u>1,343,280</u>
U.S. Environmental Protection Agency			
Direct Program:			
Solid Waste Infrastructure for Recycling Infrastructure Grants	66.920	00I170000SC	<u>1,162,292</u>
U.S. Department of Homeland Security			
Direct Program:			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2023-FF-01043	335,964
Passed through Montana Disaster and Emergency Services:			
Homeland Security Grant Program	97.067	SHSP-Bozeman FD HazMat	38,407
Total U.S. Department of Homeland Security			<u>374,371</u>
Total Federal Financial Assistance			<u>\$ 3,387,365</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, 2025. 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:

Name of Federal Program	Federal Financial Assistance Listing
Solid Waste Infrastructure Financing- Save Ours Seas Act Grant	66.920
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.