

# BOZEMAN<sup>MT</sup>

CITY OF BOZEMAN, MONTANA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Prepared by the City of Bozeman Finance Department

CITY OF BOZEMAN, MONTANA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
JUNE 30, 2022

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**PART I**

**INTRODUCTORY SECTION**

# BOZEMAN<sup>MT</sup>

December 19, 2022

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, 2022 is hereby submitted. The financial statement 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 have been 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.

Anderson ZurMuehlen & Co., P.C., Certified Public Accountants, have issued an unmodified or “clean” opinion on the City's financial statements for the fiscal year ended June 30, 2022. The independent auditors report is located at the front of the Financial Section of this report.

## CITY OF BOZEMAN, MONTANA

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 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 and is the home to Montana State University – Bozeman, and the Fighting Bobcats. Bozeman is located 143 miles west of Billings and 200 miles east of Missoula.

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 – which continues Bozeman's standing as the fourth largest city in the state.



## CITY OF BOZEMAN, MONTANA

The government provides a full range of services. These services include police and fire protection; sanitation services; water, waste water & storm water utilities; the construction and maintenance of streets and infrastructure; recreational activities; cultural events; planning and zoning; and general administrative services. The City, as a primary government, is supported or works closely with certain entities to provide these services to the citizens of the City of Bozeman. The Bozeman Public Library Board of Trustees and the Parking Commission are excluded from presentation in these financial statements since their relationship with the City is strictly advisory in nature at this time.

### **BUDGET DEVELOPMENT PROCESS**

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

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

### **ECONOMIC CONDITION AND OUTLOOK**

With a diverse economy, an educated labor force, and a high quality of life, Bozeman continues to be one of the most desirable and fastest growing small cities in the United States. Bozeman has a 2021 population of approximately 53,000 residents. Between 2010 and 2020, the City added nearly 17,000 residents, which translates to a growth rate of nearly 1,700 new residents per year or an annual growth rate of 3.9 percent. There were 116 new single-family home applications and 62 multi-family residential building applications received in Bozeman in fiscal year 2022. This continued growth has increased the need for City services and infrastructure.

## CITY OF BOZEMAN, MONTANA

The City of Bozeman has a diverse economy driven by key segments that distinguish it from other similarly sized cities. While retail trade and hotels and restaurant are large sectors, Bozeman and Gallatin County also have significant numbers of jobs in health care, manufacturing, professional and technical services, finance and insurance, and business services (admin./waste mgt. services). About half of the jobs in the County are within the City of Bozeman. Between 2015 and 2020, Gallatin County added 7,012 private wage and salary jobs (2.8 percent per year), with Bozeman capturing approximately 40 percent of the growth. Employment growth was driven by Construction, Professional and Technical Services, and Health Care.

The regional workforce is highly skilled and well educated. Approximately 59.8 percent of Bozeman's workforce has a bachelor's degree or higher. The presence of MSU and the high concentration of professional and high skill jobs—such as technology, photonics, quantum computing and health care—are drivers of the highly educated local workforce. Places with a high quality of life are also able to attract skilled labor.

The uncertainty in the economy initially caused by the COVID-19 pandemic continues through fiscal year 2022 and beyond, with the inflation rate continuing to climb beyond the highest levels since the early 1980s. Consumer Price Index (CPI) has grown over the last 10 years for the United States and particularly for the Western States. As of September 2022, the CPI-U Western Region is up 8.3% from a year ago. This inflation increases the price on every service and commodity purchased by the City with the “rippling” impact of these commodities across all sectors. Worker shortages, another lingering impact of the COVID-19 pandemic, also had a significant impact on fiscal year 2022 financial statements, resulting in vacancy savings versus the adopted budget. Significant progress has been made over the last few months filling vacancies and we anticipate this impact to be minimal in fiscal year 2023.

The City has continued to take advantage of the federal \$1.9 trillion COVID-19 relief package - the American Rescue Plan. The package included \$350 billion in aid for state and local governments, along with additional funding for other areas like education, rental assistance and transit. The President signed the bill into law on March 11, 2021. The City received over \$6 million at the end of fiscal year 2022.

## CITY OF BOZEMAN, MONTANA

**FINANCIAL POLICIES**

The overall goal of the City's financial policies is to establish and maintain effective management of the city's financial resources. Formal policy statements and major objectives provide the foundation for achieving this goal. 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. For one-time revenues, highest priority is given to the funding of capital assets or other non-recurring expenditures.

On-going expenditures are limited to levels which can be supported by current 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 capital improvements which cannot be financed from current revenues and repays borrowed funds 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.

A minimum level of general fund reserve equal to 2 months of annual revenues, or 16.67%, is maintained. 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 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.

## CITY OF BOZEMAN, MONTANA

**HIGHLIGHTS OF FISCAL YEAR 2022**

Continued construction of the new Bozeman Public Safety Center: Ground breaking for the Bozeman Public Safety Center (BPSC) was early April, 2020 with an opening date of September 2022. On the November 11th, 2018 ballot, the citizens of Bozeman voted to issue \$36,965,000 in General Obligation bonds to fund the building of the Bozeman Public Safety Center which houses the Police, City Attorneys, Municipal Court, one Fire Station and public use spaces. The bonds were successfully sold in September of 2019 and will be repaid using the City's taxing authority. Total project cost is \$43.5M about \$37M of that is building construction. BPSC is three stories and 95,000 square feet. Two unique features of the building include the largest solar array in Montana, and onsite stormwater treatment.

**FOR THE FUTURE**Strategic Plan

With the adoption of the Strategic plan, the fiscal year 2023 budget incorporated efforts to implement each of the vision statements. The Commission set thirteen priorities along with strides towards the strategic plan. The highlights of the impact on the budget include:

1. **An Engaged Community.** Fostering successful collaboration with other public agencies and building on our successes, which is being achieved through City-County Regional Planning and other areas such as the CATS (EPIC-N) program with MSU. We are continuing our work to foster a culture of civic engagement by using our adopted communication plan for the organization to expand Community Outreach and community engagement.
2. **An Innovative Economy.** This plan supports retention and growth of both the traded and local business sectors in coordination with the Economic Development Plan that is budgeted to be updated. Working with our urban renewal districts, we are strategically investing in infrastructure as a mechanism to encourage economic development. We are reviewing policies, Pursuing State and Federal Grants and Philanthropic Funding and will aid the Commission in developing steps towards its priority of Property Tax Relief.
3. **A Safe, Welcoming Community.** This budget includes steps toward an Inclusive City with training and the implementation of our Belonging in Bozeman Team. The Bozeman Public Safety Center opened in FY23, consolidating municipal court and police and fire administration in one location. Body worn cameras, as planned in the recent capital plan, will be integrated with the new technology being implemented at the Bozeman Public Safety Center. Identifying Options to Ban Flavored Tobacco is being explored.

## CITY OF BOZEMAN, MONTANA

4. **A Well-Planned City.** The Parks, Recreation, Open Space, and Trails (PROST) Master Plan implementation began in FY22 and will continue in FY23. Community Housing will continue the implementation of its action plan, which will provide more Affordable Housing including a commitment of 8.0 mills in the FY23 budget. We have Planning & Land Use Initiatives with the City County Regional Planning, and Code Updates. The FY23 Budget also includes the implementation of our Annexation Analysis & Study.
5. **A Creative, Learning Culture.** The Percent for Art program has been incorporated into our Capital Improvement Plan and some projects are already underway. This program provides a guaranteed funding mechanism for the acquisition of artwork for new public facilities and civic spaces.
6. **A Sustainable Environment.** The FY23 Budget looks at Climate Action Plan Implementation and continues to increase the Sustainability Division's budget from \$255,909 in FY20 to over \$680,000 in FY23.
7. **A High-Performance Organization.** We have completed the Advisory Board Consolidation. Throughout the organization, departments are working on collaborating and functioning as a high-performing and innovative team. Staff continues to look at rates and fees to ensure we are using equitable and sustainable sources of funding for appropriate City services with an emphasis on delivering them in a lean and efficient manner.

**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 Anderson, ZurMuehlen & Co. P.C., has been included in this report.

## CITY OF BOZEMAN, MONTANA

Awards

The Government Finance Officers' Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bozeman for its comprehensive annual financial report for the fiscal year ended June 30, 2021. 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. This was the 38<sup>th</sup> consecutive year that the City has received this prestigious award. In order 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 our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirement and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City has also received the Distinguished Budget Presentation Award from the GFOA for thirty years. The award represents the City's commitment to meeting the highest principles of governmental budgeting. The budget is rated in four major categories: as a policy document, an operations guide, a financial plan and a communications device. Budget documents must be rated "proficient" in all four categories to receive the award.

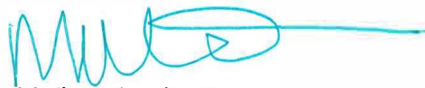
Acknowledgements

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.

Sincerely,



Jeff Mihelich  
City Manager



Melissa Hodnett  
Director of Finance

CITY OF BOZEMAN, MONTANA  
GOVERNMENT FINANCE OFFICERS' ASSOCIATION CERTIFICATE



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Bozeman  
Montana**

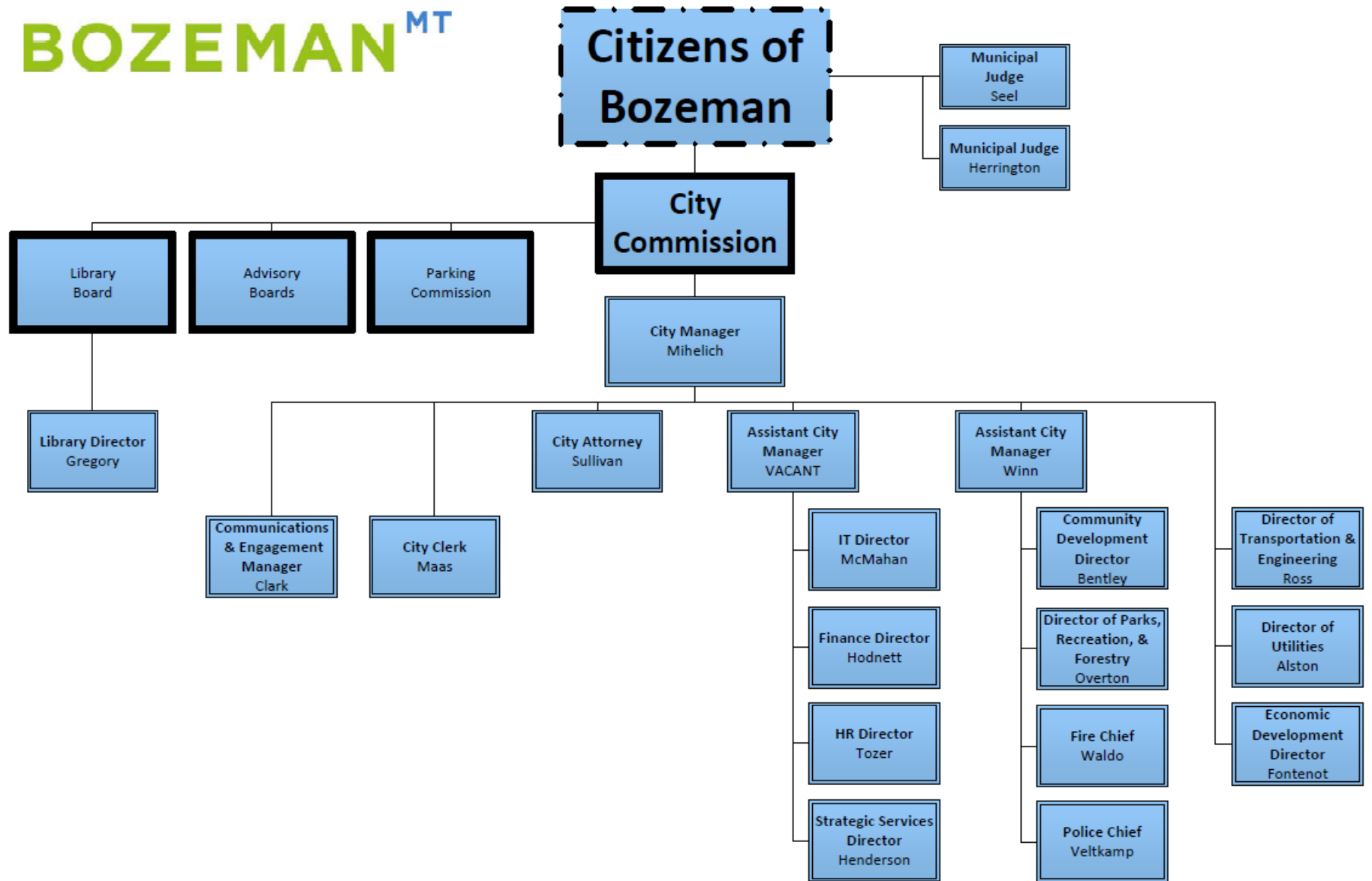
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

CITY OF BOZEMAN, MONTANA  
ORGANIZATIONAL CHART  
Fiscal Year 2022





CITY OF BOZEMAN, MONTANA  
CITY ELECTED OFFICIALS AND OFFICERS  
Fiscal Year 2022

ELECTED OFFICIALS

Legislative

Cynthia Andrus  
Terence Cunningham  
Christopher Coburn  
I-Ho Pomeroy  
Jennifer Madgic

Mayor  
Deputy Mayor  
Commissioner  
Commissioner  
Commissioner

Judicial

Karl Seel  
J. Colleen Herrington

Municipal Judge  
Municipal Judge

OFFICERS

Executive

Jeff Mihelich  
Chuck Winn  
Vacant  
Michael Maas

City Manager  
Assistant City Manager  
Assistant City Manager  
City Clerk

Department of Law

Gregory Sullivan

City Attorney

Department of Finance

Melissa Hodnett, MBA  
Aaron Funk, CPA  
Laurae Clark

Finance Director  
Controller  
Treasurer

CITY OF BOZEMAN, MONTANA  
CITY ELECTED OFFICIALS AND OFFICERS  
Fiscal Year 2022

OFFICERS (CONTINUED)

<p>Department of Economic Development Brit Fontenot</p>	<p>Director of Economic Development</p>
<p>Department of Information Technology Scott McMahan</p>	<p>Information Technology Director</p>
<p>Department of Human Resources Cassandra Tozer</p>	<p>Human Resources Director</p>
<p>Department of Public Safety James Veltkamp Josh Waldo</p>	<p>Chief of Police Fire Chief</p>
<p>Department of Public Service Nicholas Ross John Alston Jon Henderson</p>	<p>Director of Public Service City Engineer Director of Strategic Services</p>
<p>Department of Public Welfare Mitch Overton Susan Gregory</p>	<p>Director of Parks &amp; Recreation Director of Bozeman Public Library</p>
<p>Department of Planning and Community Development Anna Bentley</p>	<p>Director of Planning and Community Development</p>

**PART II**

**FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, City Commissioners, and City Manager of the  
City of Bozeman, Montana

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Bozeman, Montana (the City), as of and for the year ended June 30, 2022, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Bozeman, Montana, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits conformed in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 of Bozeman, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Change in Accounting Principle***

As described in Note 1 to the financial statements, in 2022, the City adopted new accounting guidance, Government Accounting Standards Board Statement No. 87, *Leases*. 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 these 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 and budgetary comparison information - General Fund and Major Special Revenue Funds, Schedule of Changes in Total Other Postemployment Benefits Liability and Related Ratios, and Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the report. The other information comprises the introductory and statistical sections 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 19, 2022, 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*Anderson Zurmuehlen & Co., P.C.*

Bozeman, Montana  
December 19, 2022

**A. MANAGEMENT'S DISCUSSION AND ANALYSIS**



CITY OF BOZEMAN, MONTANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022

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, 2022. 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, waste water, 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.

CITY OF BOZEMAN, MONTANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2022

**Governmental funds** are used for the City's basic services and are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided that reconciles the governmental fund financial statements to the government-wide statements explaining the relationship (or differences) between them.

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

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

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

CITY OF BOZEMAN, MONTANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2022

**Government-Wide Financial Analysis**

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 \$587.6 million at the close of the most recent fiscal year. Net position increased by \$43.8 million this year as compared to a \$30.5 million increase last year. The increase in net position was primarily due to an increase in revenue. This fiscal year total revenues increased by \$19.4 million or 16% compared to the prior year. The increase in total revenue was mainly due to an increase in restricted capital grants and contributions of \$15.3 million. Capital grants and contributions increased largely from additional infrastructure contributed due to the City's continued growth. Total expenses increased by \$6.7 million or 7% compared to the prior year. The increase in expenses was mainly due to increases in public service and public welfare expenses as well as increases in business-type expenses. These increases are attributable to the increasing population and costs associated with serving more people. Net position of the City includes \$84.7 million (14%) of restricted net position. These are resources subject to external restrictions as to how they may be used by the City.

**Table 1** reflects the City's net position as of June 30, 2022 and 2021:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 103,200,397	\$ 101,328,809	\$ 57,951,745	\$ 49,651,049	\$ 161,152,142	\$ 150,979,858
Capital Assets	275,835,087	240,462,418	329,667,072	316,314,532	605,502,159	556,776,950
Total Assets	<u>\$ 379,035,484</u>	<u>\$ 341,791,227</u>	<u>\$ 387,618,817</u>	<u>\$ 365,965,581</u>	<u>\$ 766,654,301</u>	<u>\$ 707,756,808</u>
Deferred Outflow s of Resources	\$ 7,792,013	\$ 9,149,572	\$ 1,245,353	\$ 1,587,035	\$ 9,037,366	\$ 10,736,607
Long-term Debt Outstanding	\$ (95,447,522)	\$ (99,017,332)	\$ (53,831,562)	\$ (54,074,964)	\$ (149,279,084)	\$ (153,092,296)
Other Liabilities	(26,155,271)	(16,176,604)	(2,527,916)	(3,170,054)	(28,683,187)	(19,346,658)
Total Liabilities	<u>\$ (121,602,793)</u>	<u>\$ (115,193,936)</u>	<u>\$ (56,359,478)</u>	<u>\$ (57,245,018)</u>	<u>\$ (177,962,271)</u>	<u>\$ (172,438,954)</u>
Deferred Inflow s of Resources	\$ (8,369,794)	\$ (1,740,945)	\$ (1,794,124)	\$ (503,558)	\$ (10,163,918)	\$ (2,244,503)
Net Position:						
Net investment in capital assets	\$ 217,241,690	\$ 196,931,242	\$ 286,461,913	\$ 271,812,360	\$ 503,703,603	\$ 468,743,602
Restricted for parking capital projects	-	-	130,316	130,316	130,316	130,316
Restricted for infrastructure capital projects	-	-	516,859	516,199	516,859	516,199
Restricted for general government	1,774,351	2,389,783	-	-	1,774,351	2,389,783
Restricted for Public Safety	19,316,942	14,048,758	-	-	19,316,942	14,048,758
Restricted for Public Service	7,398,134	6,134,953	-	-	7,398,134	6,134,953
Restricted for Public Welfare	13,582,824	12,457,409	-	-	13,582,824	12,457,409
Restricted for capital projects	3,214,239	23,048,892	25,416,609	10,705,061	28,630,848	33,753,953
Restricted for debt service	10,035,011	10,378,317	3,274,157	3,125,439	13,309,168	13,503,756
Unrestricted	(15,708,281)	(31,383,436)	14,910,714	23,514,665	(797,567)	(7,868,771)
Total Net Position	<u>\$ 256,854,910</u>	<u>\$ 234,005,918</u>	<u>\$ 330,710,568</u>	<u>\$ 309,804,040</u>	<u>\$ 587,565,478</u>	<u>\$ 543,809,958</u>

CITY OF BOZEMAN, MONTANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2022

**Table 2** reflects the City's changes in net position for the years ended June 30, 2022 and 2021.

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Revenues</b>						
Program revenues:						
Charges for Services	\$ 35,800,641	\$ 32,771,415	\$ 36,283,040	\$ 33,157,599	\$ 72,083,681	\$ 65,929,014
Restricted Operating Grants & Contributions	7,707,580	12,156,812	1,511,436	243,536	9,219,016	12,400,348
Restricted Capital Grants & Contributions	12,153,695	4,518,830	13,064,462	5,427,166	25,218,157	9,945,996
General Revenues						
Property Taxes	29,432,001	27,115,391	-	-	29,432,001	27,115,391
Unrestricted Operating Grants & Contributions	5,099,529	4,956,187	-	-	5,099,529	4,956,187
Other General Revenues	(1,180,572)	(1,274,251)	(1,070,774)	290,413	(2,251,346)	(983,838)
Total Revenues	<u>89,012,874</u>	<u>80,244,384</u>	<u>49,788,164</u>	<u>39,118,714</u>	<u>138,801,038</u>	<u>119,363,098</u>
<b>Program Expenses</b>						
General Government	12,352,494	11,517,404	-	-	12,352,494	11,517,404
Public Safety	22,442,450	22,698,030	-	-	22,442,450	22,698,030
Public Service	12,176,141	11,018,661	-	-	12,176,141	11,018,661
Public Welfare	16,211,729	13,429,890	-	-	16,211,729	13,429,890
Interest and Fiscal Fees	2,051,119	2,105,985	-	-	2,051,119	2,105,985
Water	-	-	11,604,238	10,687,976	11,604,238	10,687,976
Waste Water	-	-	10,849,992	10,209,279	10,849,992	10,209,279
Non-major activities	-	-	7,824,382	7,186,719	7,824,382	7,186,719
Total Expenses	<u>65,233,933</u>	<u>60,769,970</u>	<u>30,278,612</u>	<u>28,083,974</u>	<u>95,512,545</u>	<u>88,853,944</u>
Excess (deficiency) before special items and transfers	23,778,941	19,474,414	19,509,552	11,034,740	43,288,493	30,509,154
Transfers	(1,396,976)	(534,921)	1,396,976	534,921	-	-
<b>Increase (decrease) in net position</b>	<u>22,381,965</u>	<u>18,939,493</u>	<u>20,906,528</u>	<u>11,569,661</u>	<u>43,288,493</u>	<u>30,509,154</u>
Net position - beginning	234,005,918	215,066,425	309,804,040	298,234,379	543,809,958	513,300,804
Restatement of net position due to correction of an error	467,027	-	-	-	467,027	-
Net position - beginning after restatement	<u>234,472,945</u>	<u>215,066,425</u>	<u>309,804,040</u>	<u>298,234,379</u>	<u>544,276,985</u>	<u>513,300,804</u>
<b>Net position - ending</b>	<u>\$ 256,854,910</u>	<u>\$ 234,005,918</u>	<u>\$ 330,710,568</u>	<u>\$ 309,804,040</u>	<u>\$ 587,565,478</u>	<u>\$ 543,809,958</u>

CITY OF BOZEMAN, MONTANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2022

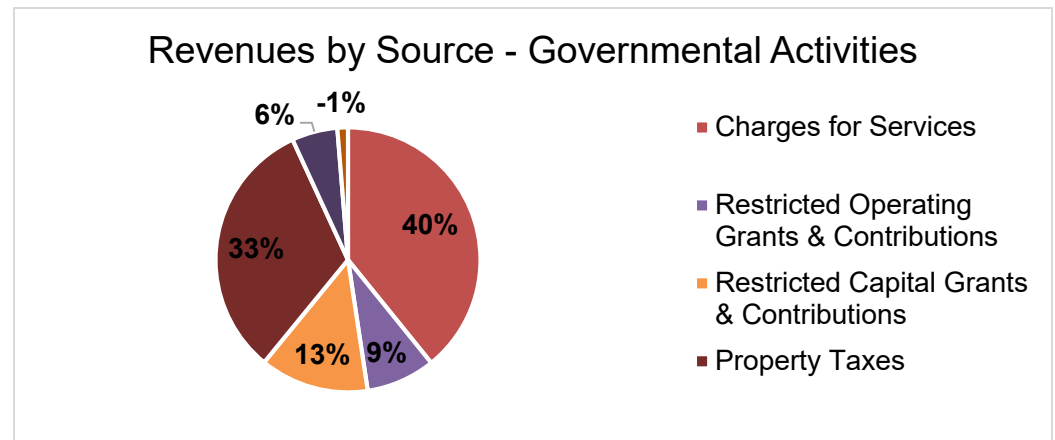
Key elements of the City's overall Net Position increase are as follows:

- The net position of the City's governmental activities increased by \$22.9 million or 10% from \$234.0 million last year to \$256.9 million this year due to revenues exceeding expenses, the details of which are discussed below.
- The net position of the City's business-type activities increased by \$20.9 million, or 7%, from \$309.8 million last year to \$330.7 million. 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, waste water, solid waste, storm water, and parking operations.

**Governmental activities** revenues for the year increased \$8.8 million or 11%, from \$80.2 million in fiscal year 2021(FY21) to \$89.0 million in fiscal year 2022 (FY22), while total expenses increased by \$4.4 million or 7%, from \$60.8 million in FY21 to \$65.2 million in FY22.

**Property Tax** revenues increased by \$2.3 million or 9% from \$27.1 million to \$29.4 million. The number of total property tax mills levied decreased by 15.36 mills from 169.48 to 154.12. However, the mill value increased by 19.9%, from \$129,537 in FY21 to \$155,353 in FY22. This increase is attributed to new construction and market value appreciation of property within the city. Based on these factors, the FY22 tax levy was 35.54 mills, or approximately \$5.5 million, below the statutory maximum allowable tax levy.

**Charges for Services**, which primarily includes Street Assessments, Fire and Street Impact Fees, and the Park and Trails assessments, increased \$3.0 million or 9% from \$32.8 million in FY21 to \$35.8 million in FY22. Street Maintenance District assessment revenue increased by approximately \$617,000 or 9%, from \$7.0 million in FY21 to \$7.6 million in FY22 due to a combination of a rate increase of 6% approved by the City Commission and developments of new lots in the district. Street Impact Fees increased approximately \$2 million or 31%. The increase was due to a standard rate increase of 7% as well as an increase in City developments in FY22 compared to FY21. Parks and Trails assessments increased by approximately \$1.3 million or 36%, from \$3.7 million in FY21 to \$5.0 million in FY22 due to a rate increase of 33% approved by the City Commission and development of new assessed lots in the district.

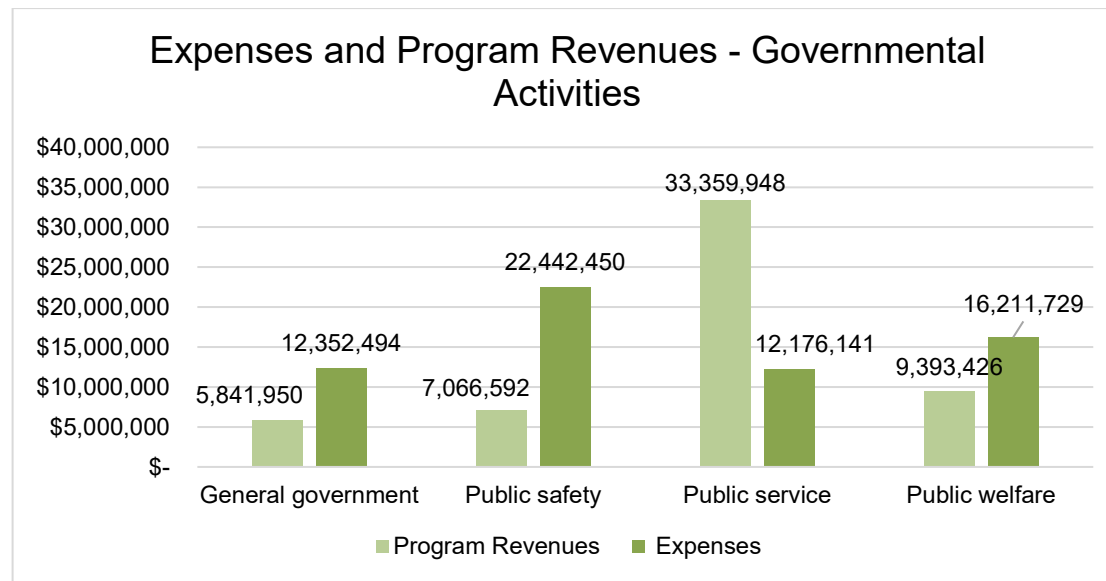


**Restricted Capital Grants and Contributions** (developer-provided infrastructure reported under Program Revenues) increased by \$7.7 million or 169% from \$4.5 million in FY21 to \$12.2 million in FY22. Infrastructure contributions will vary year to year depending on the amount of development as well as what stage in the process the development is in. In FY22 various developments were completed around the City.

CITY OF BOZEMAN, MONTANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2022

**Program Expenses** increased by \$4.4 million or 7%, from \$60.8 million in FY21 to \$65.2 million in FY22 with Public Service, and Public Welfare being the primary drivers of the increase. Public Service increased by \$1.2 million or 11% from \$11.0 million in FY21 to 12.2 million in FY22. The increase was primarily due to an increase in personnel services costs as well as additional street maintenance costs and capital equipment purchases. Public Welfare expenses increased by \$2.8 million or 21%, from \$13.4 million in FY21 to \$16.2 million in FY22 due to increases in Parks and Trails District and the North 7<sup>th</sup> Corridor Tax Increment Finance (TIF) District. The Parks and Trails District expenses increased by approximately \$1.2 million compared to the prior year primarily due to increased maintenance contracts as well as administrative overhead, which was not allocated to the District in FY21. The North 7<sup>th</sup> Corridor TIF District expenses increased by \$2.1 million or 590% from \$348,563 in FY21 to approximately \$2.4 million in FY22. The increase was due to reimbursements of eligible costs from development agreements approved by the City Commission.

The City's six largest programs—Police, Fire, Public Service, Library, Parks and Recreation—as well as each program's *net cost* (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.



**Business-type activities** total revenues (see Table 2) increased by \$10.7 million or 27% from \$39.1 million in FY21 to \$49.8 million in FY22, while expenses increased by \$2.2 million or 8%, from \$28.1 million in FY21 to \$30.3 million in FY22. The increase was primarily due to an increase in Restricted Capital Grants and Contributions as well as an increase in charges for services.

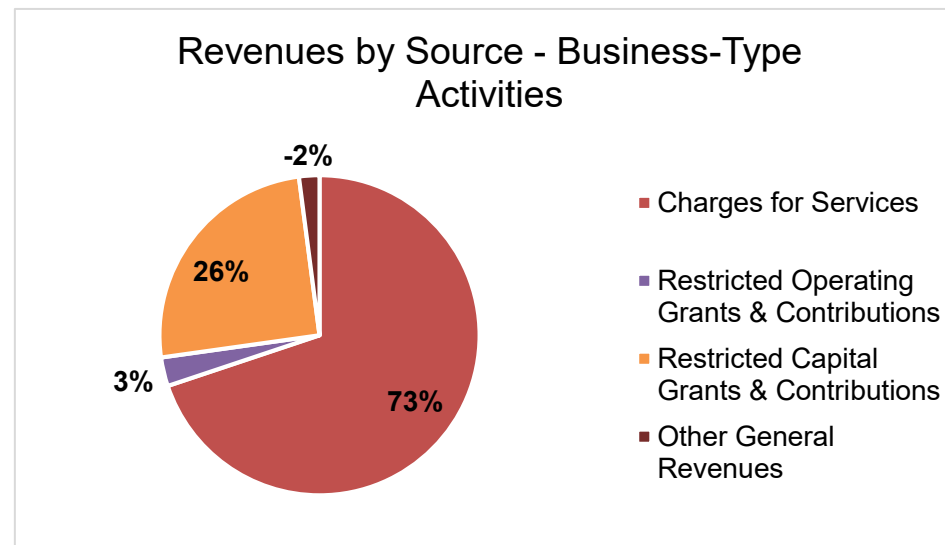
CITY OF BOZEMAN, MONTANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2022

*Restricted Capital Grants and Contributions* (developer-provided infrastructure reported under Program Revenues) increased by \$7.7 million or 141% from \$5.4 million in FY21 to \$13.1 million in FY22. Restricted capital grants & contributions consist primarily of privately constructed water, wastewater, and storm water infrastructure that was contributed to the city by developers. Infrastructure contributions will vary year to year depending on the amount of development as well as what stage in the process the development is in. In the current year the city saw an increase in the number of developments that were substantially completed by fiscal year-end.

*Water* - Water charges for services revenue increased by \$1.4 million or 10%, from \$14.0 million in FY21 to \$15.4 million in FY22. The City's water charges for services revenue has steadily increased over the past decade as a result of both an increase in the customer base and due to regular rate increases. Water rates for residential customers did not change in the current year, however minimum charge rates as well as select usage rates for certain non-residential customer types increased between 2% and 20% during the current fiscal year.

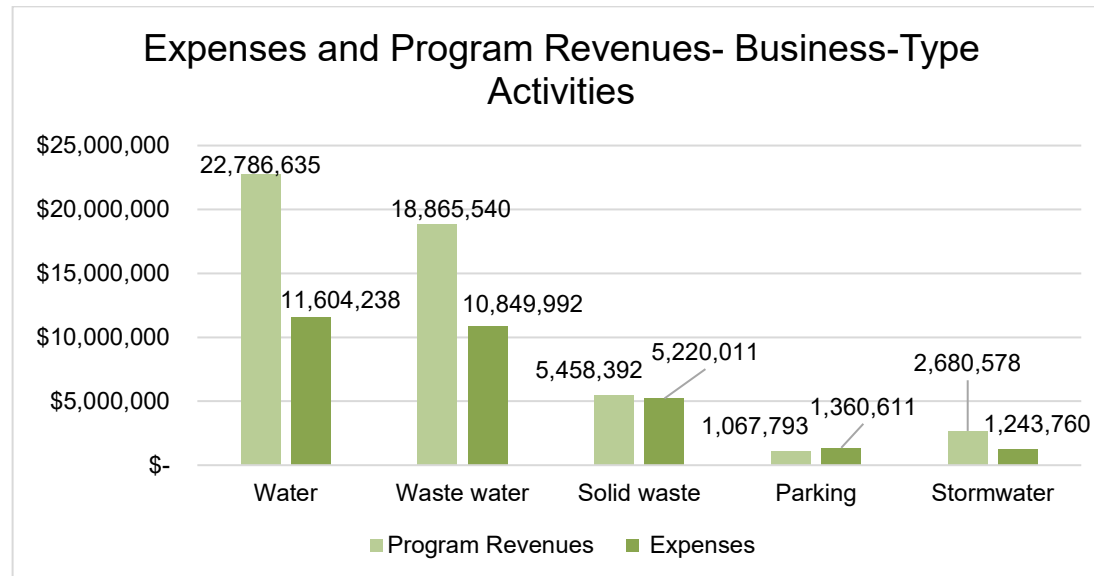
*Wastewater*- Wastewater charges for services revenue increased by \$1.0 million or 9%, from \$11.7 million in FY21 to \$12.7 million in FY22. During the current fiscal year wastewater service charge rates were unchanged, however volume rates were increased between 2% and 8% for non-residential customer types.

*Stormwater*- Charges for services revenues increased approximately \$154,000 or 10%, from \$1.52 million in FY21 to \$1.67 million in FY22 due to an increase in Stormwater rates of 9%.



CITY OF BOZEMAN, MONTANA  
 MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
 JUNE 30, 2022

**Operating Expenses** increased by \$2.2 million or 8%, from \$28.1 million in FY21 to \$30.3 million in FY22. Water and wastewater saw increases of approximately \$900,000 or 9%, and \$640,000 or 6%, respectively, while solid waste, parking, and stormwater combined increased by approximately \$640,000 or 9%. The increase in water expenses was primarily due to depreciation as well as other expenses, which include contracted services, and travel and training expenses. Water Fund net capital assets increased by approximately \$7.2 million which resulted in an increase in depreciation expense. The increase in other expenses was mainly due to temporary staffing needs as well as engineering and other services provided for capital-related projects. The increase in wastewater expenses was primarily due to depreciation expenses and administrative charges, which includes administrative overhead, vehicle maintenance, and other general charges. Wastewater Fund net capital assets increased by approximately \$5.7 million which resulted in an increase in depreciation expense. Administrative charges are determined during the budget process and reflect charges for work performed in other divisions. The increase in non-major proprietary funds (solid waste, parking, and stormwater) was primarily due to salaries and benefits and administrative charges. The increase in salaries and benefits was due to filling various positions that were vacant in the prior year from Covid related circumstances.





CITY OF BOZEMAN, MONTANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2022

### 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, 2022, the City's governmental funds reported combined ending fund balances of \$69.1 million, a decrease of \$8.2 million in comparison to the prior year.

**General fund** - The General Fund is the main operating fund of the City. The City's total general fund balance decreased by \$581,646 or 6%, from \$9,183,265 in FY21 to \$8,601,619 in FY22. At the end of the current fiscal year the unassigned fund balance was (\$107,076) and the assigned fund balance was \$8,708,695. Assigned fund balance includes capital projects that were budgeted for in FY22 but will not be completed until FY23, a 16.67 minimum reserve level required by City Charter, and well as the balance estimated to cover FY23 budget deficit. The negative unassigned fund balance will be recovered through operational savings in FY23.

The following factors represent the reasons behind significant changes in the General Fund and significant budgetary variances.

Property tax revenues increased in the General Fund by \$2.2 million or 14%, from 15,775,452 in FY21 to \$18,023,178 in FY22. Actual property tax revenue slightly exceeded budget by just over \$100,000. The number of total property tax mills levied decreased by 15.36 mills from 169.48 to 154.12. However, the mill value increased by 19.9%, from \$129,537 in FY21 to \$155,353 in FY22. When combined, these changes resulted in the increase in total property tax revenues.

The other notable changes in revenues and budget variances were the decrease in the fair market value of investments, and transfers from other funds. The change in the fair market value of investments was included in the budget with interest on investments. For several fiscal years prior to FY22 interest rate changes were minimal and therefore the change in the fair market value of investments was insignificant. Due to the significant rate increases that occurred during the year the decrease in the fair market value of investments as of fiscal year end was considerably more than expected in the budget. Transfers from other funds increased from \$2.7 million in FY21 to \$5.0 million in FY22. Budgeted transfers for FY22 originally included transfers from the health insurance internal service fund for insurance costs and from the American Rescue Plan Act (ARPA) fund for various planned projects. During the year the budget was revised to account for a \$3.1 million transfer from the Revolving Loan fund as directed by resolution and the actual transfer was the reason for the year over year increase in transfers from other funds. The \$1.9 million revised budget to actual variance was due to a decrease in the actual amount transferred from the ARPA fund as some of the projects that were scheduled during budget did not occur.

Total general fund expenditures increased by approximately \$32,000, from \$35,325,722 in FY21 to \$35,357,729 in FY22.

CITY OF BOZEMAN, MONTANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2022

Significant variances (variances over 10%) between the original budgets compared to the final budgets were as follows:

- The Other expenditures final budget, which primarily includes non-departmental grants and other City-wide projects/assistance, exceeded the original budget by \$567,000 due to projects that were budgeted for in FY21 but not completed by fiscal year-end. Remaining expenditures were added to the FY22 budget.
- Capital outlay expenditures final budget exceeded the original budget by \$642,955 due to projects that were budgeted for in FY21 but not completed by fiscal year-end. Remaining expenditures were added to the FY22 budget.
- Transfers to other funds final budget exceeded the original budget by \$3,186,973. During the year the budget was revised to account for a \$3.1 million transfer to the SID Debt Service Fund as directed by resolution.

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

- Public Welfare (cemetery, parks, tree maintenance, library, recreation and community services) actual expenditures were under budget by \$1.2 million which was the result of savings in payroll and benefit expenses due to various position vacancies across Public Welfare departments.
- Capital outlay was under budget by \$1.4 million due to delays in completing capital projects.
- Transfers to other funds was under budget by \$622,245 due to the actual amount transferred to the SID Debt Service Fund was less than the budgeted amount. A portion of the total provided to the SID Debt Service Fund was considered a due from other funds and will be paid back to the General Fund as the related debt is reduced.

**American Rescue Plan Act (ARPA) Special Revenue Fund** This special revenue fund accounts for the ARPA federal grant program. The City received the final installment of the ARPA funding in the current year and per the grantor expenditure guidelines the funding was used primarily for revenue recovery in various general fund departments and water related infrastructure projects. Actual expenditures were under budgeted expenditures due to delays in the infrastructure projects. Fund balance decreased by \$197,922 during the current fiscal year due to negative revenue related to the fair market value of investments as of fiscal year end.

**Street Impact Fee Special Revenue Fund** This fund accounts for the collection and expenditures associated with the street impact fee. Fund balance increased by \$5.2 million or 65% due to an increase in impact fee revenue as the City continued to see an increase in developments.

**SID Debt Service** 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 assessment revenues, which make up the majority of revenues in the fund, decreased by \$73,904 or 8% from \$975,387 to \$901,483. Expenditures decreased by \$43,322 or 12%, from \$362,427 to \$319,135. As no new SIDs were funded in FY22 the decreases are due to principal payments being reduced as debt is paid off. Fund balance increased by \$2.6 million due to a transfer in from the SID revolving fund as approved by resolution.

**Construction Capital Projects Fund** Accounts for the construction of general improvement projects financed by special assessments other than those financed by proprietary funds. Fund balance decreased by \$14.8 million, from \$24,078,408 to \$9,328,155. The decrease was due to capital outlay expenditures of \$21,700,471 primarily for the construction of the Bozeman Public Safety Center. The increase in expenditures was offset by the issuance of \$7,245,591 in new debt to fund the construction of fire station 2.

CITY OF BOZEMAN, MONTANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2022

### Proprietary Funds

The City's proprietary funds provide the same measurement focus found in the government-wide financial statements, but in more detail. Total net position of the Water Fund was \$176.3 million, and Wastewater was \$137.5 million. Net position for all enterprise funds was \$330.7 million. Other significant factors concerning the finances of the enterprise funds can be found in the discussion of the City's business-type activities in the Government-Wide analysis section earlier in this MD&A.

### Capital Assets and Bonded Debt Administration

#### Capital Assets

At the end of FY22 the City had \$605.5 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 \$49 million, or 9% over last year. Refer to capital assets disclosure Note 6 for more information. Major additions and capital projects during the year include: \$20.5 million for the construction of the Bozeman Public Safety Center; \$1.8 million for the construction of the Sourdough Transmission Main Phase 2; and \$2.2 million for the construction of the WRF solids handling project.

**Table 3**

**Table 3- Capital Assets at Year-End (in millions)**

	Governmental Activities		Business-type Activities		Totals	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 37.4	\$ 33.6	\$ 2.2	\$ 2.2	\$ 39.6	\$ 35.8
Water Rights	-	-	2.8	2.1	2.8	2.1
CIP	46.8	30.3	24.0	19.2	70.8	49.5
Buildings	35.6	35.5	113.9	113.9	149.5	149.4
Other Structures and Improvements	1.1	1.1	30.6	30.5	31.7	31.6
Machinery & Equipment	19.8	18.1	13.4	12.7	33.2	30.8
Property under Lease	1.0	0.6	-	-	1.0	0.6
Vehicle	4.9	4.8	2.3	2.2	7.2	7.0
Infrastructure	264.1	243.5	365.6	350.7	629.7	594.2
Subtotal	410.7	367.5	554.8	533.5	965.5	901.0
Accumulated Depreciation	(134.9)	(127.1)	(225.1)	(217.2)	(360.0)	(344.3)
<b>Total Capital Assets</b>	<b>\$ 275.8</b>	<b>\$ 240.4</b>	<b>\$ 329.7</b>	<b>\$ 316.3</b>	<b>\$ 605.5</b>	<b>\$ 556.7</b>

CITY OF BOZEMAN, MONTANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2022

### Debt

At fiscal year-end, the City had \$111.5 million in long-term debt outstanding compared to \$105.0 million last year (excluding compensated absences) – an increase of \$6.5 million, or 6%. Of this amount \$48.0 million comprises general obligation debt backed by the full faith and credit of the city. Additional information on the City's long-term debt for can be found in Note 8 in the notes to the basic financial statements.

**Table 4**

**Table 4- Outstanding Debt, at Year-end (in millions)**

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
General obligation bonds (backed by the City)	\$ 48.0	\$ 43.2	\$ -	\$ -	\$ 48.0	\$ 43.2
Tax Increment Financing District (TIFD) bonds	10.3	10.8	-	-	10.3	10.8
Special Improvement District Debt	3.8	3.9	-	-	3.8	3.9
Notes Payable	2.3	2.2	-	-	2.3	2.2
Lease Payable	0.6	0.3	-	-	0.6	0.3
Water Revenue Bonds (backed by specific fee revenues)	-	-	17.3	18.5	17.3	18.5
Wastewater Revenue Bonds (backed by specific fee revenues)	-	-	27.9	24.6	27.9	24.6
Stormwater Revenue Bonds (backed by specific fee revenues)	-	-	1.3	1.4	1.3	1.4
Stormwater Lease Payable (backed by specific fee revenues)	-	-	-	0.1	-	0.1
<b>Totals</b>	<b>\$ 65.0</b>	<b>\$ 60.4</b>	<b>\$ 46.5</b>	<b>\$ 44.6</b>	<b>\$ 111.5</b>	<b>\$ 105.0</b>

The City's general obligation bonds have been assigned ratings of "Aa3" (TOP, Series 2013 and Series 2014), and "Aa1" (BPSC, Series 2019 and FS2, Series 2022) 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).

Pursuant to State law and except for special provisions concerning general obligation indebtedness incurred for purposes of providing sewer and water service, aggregate outstanding and unpaid general obligation indebtedness for cities cannot exceed 2.5% of the total assessed value of taxable property as ascertained by the last assessment for State and county taxes. The 2021/22 total assessed valuation for the City was \$10,724,564,866. The total amount of debt the City may incur according to State law is \$268,114,121. As of June 30, 2022, the city had general obligation debt outstanding in the amount of \$47,990,000. The City has \$220,124,121 of general obligation debt capacity remaining.

CITY OF BOZEMAN, MONTANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2022

**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  
121 North Rouse Avenue,  
Bozeman, Montana 59715

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

**B. BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

CITY OF BOZEMAN, MONTANA  
STATEMENT OF NET POSITION  
June 30, 2022

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 65,402,938	\$ 29,686,747	\$ 95,089,685
Restricted cash and investments	27,325,307	24,855,134	52,180,441
Accrued interest	94,798	65,403	160,201
Receivables, net	9,253,638	3,344,461	12,598,099
Notes receivable	403,555	-	403,555
Prepaid expenses	720,161	-	720,161
	<u>103,200,397</u>	<u>57,951,745</u>	<u>161,152,142</u>
Capital assets:			
Non-depreciable land, water rights and CIP	84,197,656	29,033,857	113,231,513
Other capital assets, net of depreciation and amortization	191,637,431	300,633,215	492,270,646
Total capital assets	<u>275,835,087</u>	<u>329,667,072</u>	<u>605,502,159</u>
Total assets	<u>379,035,484</u>	<u>387,618,817</u>	<u>766,654,301</u>
Deferred outflows of resources:			
Other post-employment benefits	1,102,476	247,861	1,350,337
Pension plan contributions	6,689,537	997,492	7,687,029
Total deferred outflows of resources	<u>7,792,013</u>	<u>1,245,353</u>	<u>9,037,366</u>
Total assets and deferred outflows of resources	<u>\$ 386,827,497</u>	<u>\$ 388,864,170</u>	<u>\$ 775,691,667</u>

(continued)



CITY OF BOZEMAN, MONTANA  
STATEMENT OF NET POSITION (CONTINUED)  
June 30, 2022

	Governmental Activities	Business-type Activities	Total
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 12,935,089	\$ 2,527,916	\$ 15,463,005
Unearned revenue	13,220,182	-	13,220,182
Current portion of long-term liabilities:			
Compensated absences payable	2,169,321	455,117	2,624,438
Lease obligations	246,930	-	246,930
Closure and post-closure care costs	-	310,773	310,773
Bonds and notes	3,332,296	3,395,321	6,727,617
Long-term liabilities, due in more than one year:			
Compensated absences payable	1,056,455	99,498	1,155,953
Lease obligations	383,984	-	383,984
Closure and post-closure care costs	-	864,259	864,259
Pollution remediation obligations	-	782,927	782,927
Other post-employment health benefits - implicit rate subsidy	4,196,277	870,839	5,067,116
Bonds and notes	65,518,037	43,084,000	108,602,037
Net pension liability	18,544,222	3,968,828	22,513,050
Total liabilities	<u>121,602,793</u>	<u>56,359,478</u>	<u>177,962,271</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Other post-employment health benefits - implicit rate subsidy	500,883	97,008	597,891
Pension deferrals	7,868,911	1,697,116	9,566,027
Total deferred inflows of resources	<u>8,369,794</u>	<u>1,794,124</u>	<u>10,163,918</u>
<b>NET POSITION</b>			
Net investment in capital assets	217,241,690	286,461,913	503,703,603
Restricted:			
Restricted for parking capital projects	-	130,316	130,316
Restricted for infrastructure capital projects	-	516,859	516,859
Restricted for general government	1,774,351	-	1,774,351
Restricted for public safety	19,316,942	-	19,316,942
Restricted for public service	7,398,134	-	7,398,134
Restricted for public welfare			
Expendable	11,898,720	-	11,898,720
Nonexpendable	1,684,104	-	1,684,104
Restricted for capital projects	3,214,239	25,416,609	28,630,848
Restricted for debt service	10,035,011	3,274,157	13,309,168
Unrestricted	(15,708,281)	14,910,714	(797,567)
Total net position	<u>\$ 256,854,910</u>	<u>\$ 330,710,568</u>	<u>\$ 587,565,478</u>

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

CITY OF BOZEMAN, MONTANA  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary Government</b>							
Governmental activities:							
General government	\$12,352,494	\$ 5,472,678	\$ 369,272	\$ -	\$ (6,510,544)		\$ (6,510,544)
Public safety	22,442,450	4,317,541	2,749,051	-	(15,375,858)		(15,375,858)
Public service	12,176,141	19,176,512	2,029,741	12,153,695	21,183,807		21,183,807
Public welfare	16,211,729	6,833,910	2,559,516	-	(6,818,303)		(6,818,303)
Interest and fiscal fees	2,051,119	-	-	-	(2,051,119)		(2,051,119)
Total governmental activities	<u>65,233,933</u>	<u>35,800,641</u>	<u>7,707,580</u>	<u>12,153,695</u>	<u>(9,572,017)</u>		<u>(9,572,017)</u>
Business-type activities:							
Water	11,604,238	15,431,185	1,167,859	6,187,591		\$ 11,182,397	11,182,397
Waste water	10,849,991	12,684,974	301,258	5,879,308		8,015,549	8,015,549
Solid waste	5,220,011	5,431,005	27,387	-		238,381	238,381
Parking	1,360,611	1,062,010	5,783	-		(292,818)	(292,818)
Stormwater	1,243,760	1,673,866	9,149	997,563		1,436,818	1,436,818
Total business-type activities	<u>30,278,611</u>	<u>36,283,040</u>	<u>1,511,436</u>	<u>13,064,462</u>		<u>20,580,327</u>	<u>20,580,327</u>
Total primary government	<u>\$95,512,544</u>	<u>\$72,083,681</u>	<u>\$ 9,219,016</u>	<u>\$25,218,157</u>	<u>(9,572,017)</u>	<u>20,580,327</u>	<u>11,008,310</u>
General revenues							
Property taxes					29,432,001	-	29,432,001
Unrestricted grants and contributions					5,099,529	-	5,099,529
Investment earnings					652,534	321,644	974,178
Increase (decrease) in fair market value of investments					(2,337,888)	(1,613,219)	(3,951,107)
Miscellaneous					520,517	219,769	740,286
Gain (loss) on sale of assets					(15,735)	1,031	(14,704)
Transfers					(1,396,976)	1,396,976	-
Total general revenues and transfers					<u>31,953,982</u>	<u>326,201</u>	<u>32,280,183</u>
Change in net position							
					22,381,965	20,906,528	43,288,493
Net position, beginning of the year							
					234,005,918	309,804,040	543,809,958
Restatement of net position due to correction of an error							
					467,027	-	467,027
Net position, beginning of the year as restated							
					<u>234,472,945</u>	<u>309,804,040</u>	<u>544,276,985</u>
Net position, end of the year							
					<u>\$ 256,854,910</u>	<u>\$ 330,710,568</u>	<u>\$ 587,565,478</u>

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

**FUND FINANCIAL STATEMENTS**

**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 works, and general government.

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.

Street Impact Fees Special Revenue Fund – Accounts for the collection and expenditures associated with the street impact fees.

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

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

CITY OF BOZEMAN, MONTANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2022

	General Fund	American Rescue Plan Act	Street Impact Fee Fund	SID Debt Service	Construction Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and investments	\$ 7,015,939	\$ 10,835,105	\$ -	\$ 3,004,481	\$11,437,407	\$ 30,099,335	\$ 62,392,267
Receivables:							
Property taxes	1,692,785	-	-	-	-	1,035,203	2,727,988
Accrued interest	11,741	8,368	17,702	3,193	9,694	44,100	94,798
Customers, net	1,504,486	-	-	-	-	657,828	2,162,314
Special assessments	-	-	-	4,128,644	-	209,585	4,338,229
Other governments	-	-	-	-	-	1,246	1,246
Due from other city funds	2,212,310	-	-	-	-	-	2,212,310
Advances to other city funds	-	-	-	-	-	693,010	693,010
Prepaid expenditures	17,751	-	-	-	-	235,875	253,626
Notes receivable	-	-	-	-	-	403,555	403,555
Restricted cash and investments	-	-	14,402,021	3,186,973	3,533,950	6,202,362	27,325,306
Total assets	<u>\$ 12,455,012</u>	<u>\$ 10,843,473</u>	<u>\$ 14,419,723</u>	<u>\$ 10,323,291</u>	<u>\$14,981,051</u>	<u>\$ 39,582,099</u>	<u>\$102,604,649</u>

(continued)

CITY OF BOZEMAN, MONTANA  
BALANCE SHEET (CONTINUED)  
GOVERNMENTAL FUNDS  
June 30, 2022

	General Fund	American Rescue Plan Act	Street Impact Fee Fund	SID Debt Service	Construction Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	\$ 2,416,217	\$ -	\$ 1,040,145	\$ 3,511	\$ 1,732,900	\$ 5,390,950	\$ 10,583,723
Escheat property payable	130,718	-	-	-	-	24,506	155,224
Accrued employee benefits	340	-	-	-	-	1,109	1,449
Appearance bonds and other liabilities	-	-	160,706	-	1,797,552	-	1,958,258
Advances from other city funds	-	-	-	693,010	-	-	693,010
Due to other city funds	-	-	-	1,109,264	-	311,239	1,420,503
Unearned revenue	-	11,041,395	-	-	2,122,444	-	13,163,839
Total liabilities	<u>2,547,275</u>	<u>11,041,395</u>	<u>1,200,851</u>	<u>1,805,785</u>	<u>5,652,896</u>	<u>5,727,804</u>	<u>27,976,006</u>
<b>Deferred inflows of resources</b>							
Unavailable revenue-property taxes	29,028	-	-	-	-	26,928	55,956
Unavailable revenue-special assessments	-	-	-	4,114,264	-	86,324	4,200,588
Unavailable revenue-court fines	1,277,090	-	-	-	-	-	1,277,090
Total deferred inflows of resources	<u>1,306,118</u>	<u>-</u>	<u>-</u>	<u>4,114,264</u>	<u>-</u>	<u>113,252</u>	<u>5,533,634</u>
<b>Fund balances</b>							
Nonspendable	-	-	-	-	-	1,919,979	1,919,979
Restricted	-	-	13,218,872	4,403,242	9,328,155	28,632,260	55,582,529
Committed	-	-	-	-	-	3,168,927	3,168,927
Assigned	8,708,695	-	-	-	-	134,135	8,842,830
Unassigned	(107,076)	(197,922)	-	-	-	(114,258)	(419,256)
Total fund balances	<u>8,601,619</u>	<u>(197,922)</u>	<u>13,218,872</u>	<u>4,403,242</u>	<u>9,328,155</u>	<u>33,741,043</u>	<u>69,095,009</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 12,455,012</u>	<u>\$ 10,843,473</u>	<u>\$ 14,419,723</u>	<u>\$ 10,323,291</u>	<u>\$ 14,981,051</u>	<u>\$ 39,582,099</u>	<u>\$ 102,604,649</u>

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

CITY OF BOZEMAN, MONTANA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2022

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

Fund balances - total governmental funds		\$ 69,095,009
Capital assets and intangible right-of-use leased assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Governmental capital assets	\$ 409,718,951	
Less: accumulated depreciation	(134,597,210)	
Governmental intangible right-of-use lease assets	1,014,577	
Less: accumulated amortization	<u>(301,231)</u>	275,835,087
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 governmental activities in the statement of net position.		
Net position	1,290,788	
Less: capital assets included in governmental activities	(2,401,769)	
Plus: accumulated depreciation included in governmental activities	1,185,618	
Less: intangible right-of-use leased assets included in governmental activities	(423,122)	
Plus: accumulated amortization included in governmental activities	42,312	
Plus: compensated absences included in governmental activities	261,019	
Plus: lease obligations included in governmental activities	406,143	
Plus: other post-employment health benefits and related deferred outflows and inflows included in governmental activities	248,441	
Plus: net pension liability and related deferred outflows and inflows included in governmental activities	<u>1,863,396</u>	2,472,826
Deferred inflows of resources are not available to pay for current period expenditures and, therefore, are deferred in the funds.		5,533,634
Deferred outflows of resources relating to pensions and other liabilities are not payable in the current period and, therefore, are not reported in the governmental funds.		7,792,013
Pension plan deferrals are deferred inflows of resources on the statement of net position.		(7,868,911)
The assumption change gain in the total other post-employment benefits liability (TOL) is a deferred inflow of resources and is amortized over the expected future service life; therefore, the balance is deferred and not reported in governmental funds.		(500,883)
Bond premiums are other financing source revenue in the governmental funds. They are a liability for the statement of net position and amortized over the life of the issuance.		
Bond premium	(5,205,785)	
Less: amortization	<u>720,821</u>	(4,484,964)
Impact fee credits do not affect current financial resources and therefore are not reported in the governmental funds.		(56,343)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Bonds and notes payable, net of bond premium	(64,365,369)	
Net pension liability	(18,544,222)	
Lease obligations	(630,914)	
Other post-employment health benefits	(4,196,277)	
Compensated absences	<u>(3,225,776)</u>	<u>(90,962,558)</u>
Net position of governmental activities		<u>\$ 256,854,910</u>

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, 2022

	General	American Rescue Plan Act	Street Impact Fee Fund	SID Debt Service	Construction Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes	\$ 18,023,178	\$ -	\$ -	\$ -	\$ -	\$ 11,584,019	\$ 29,607,197
Special assessments	931	-	-	901,483	-	713,904	1,616,318
Licenses and permits	420,415	-	-	-	-	2,429,645	2,850,060
Intergovernmental	8,816,807	1,013,635	-	-	-	2,808,240	12,638,682
Charges for services	4,523,191	-	8,426,720	1,704	-	17,143,622	30,095,237
Fines and forfeitures	993,493	-	-	-	-	59,703	1,053,196
Interest on investments	36,552	8,368	60,965	14,046	153,158	179,279	452,368
Decrease in fair market value of investments	(289,699)	(206,290)	(436,464)	(78,498)	(238,877)	(1,088,061)	(2,337,889)
Interest on loans receivable	-	-	-	-	-	53,539	53,539
Other	139,623	-	387,666	1,789	-	2,183,816	2,712,894
Total revenues	<u>32,664,491</u>	<u>815,713</u>	<u>8,438,887</u>	<u>840,524</u>	<u>(85,719)</u>	<u>36,067,706</u>	<u>78,741,602</u>
<b>EXPENDITURES</b>							
General government	9,140,826	-	-	-	-	2,750,358	11,891,184
Public safety	18,305,074	-	-	-	689,185	3,110,252	22,104,511
Public service	1,434	-	545,681	-	6,223	6,423,742	6,977,080
Public welfare	5,274,990	-	-	-	2,506	9,321,448	14,598,944
Other	2,022,115	39,255	-	-	-	143,000	2,204,370
Capital outlay	565,483	-	2,679,742	-	21,700,471	5,855,879	30,801,575
Debt service							
Principal payments	41,797	-	-	183,999	-	2,743,369	2,969,165
Interest and fiscal fees	6,010	-	-	135,136	-	1,909,973	2,051,119
Total expenditures	<u>35,357,729</u>	<u>39,255</u>	<u>3,225,423</u>	<u>319,135</u>	<u>22,398,385</u>	<u>32,258,021</u>	<u>93,597,948</u>
Revenues over (under) expenditures	<u>(2,693,238)</u>	<u>776,458</u>	<u>5,213,464</u>	<u>521,389</u>	<u>(22,484,104)</u>	<u>3,809,685</u>	<u>(14,856,346)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	4,966,165	-	-	2,077,709	745,362	3,012,946	10,802,182
Transfers out	(3,363,753)	(974,380)	-	-	(257,102)	(7,603,923)	(12,199,158)
Premium on bonds issued	-	-	-	-	515,591	-	515,591
Issuance of long term debt	-	-	-	-	6,730,000	315,000	7,045,000
Issuance of lease (as lessee)	19,833	-	-	-	-	-	19,833
Sale of capital assets	22,321	-	-	-	-	12,515	34,836
Total other financing sources (uses)	<u>1,644,566</u>	<u>(974,380)</u>	<u>-</u>	<u>2,077,709</u>	<u>7,733,851</u>	<u>(4,263,462)</u>	<u>6,218,284</u>
Net change in fund balances	<u>(1,048,672)</u>	<u>(197,922)</u>	<u>5,213,464</u>	<u>2,599,098</u>	<u>(14,750,253)</u>	<u>(453,777)</u>	<u>(8,638,062)</u>
FUND BALANCE, beginning of year	9,183,264	-	8,005,408	1,804,144	24,078,408	34,194,820	77,266,044
Restatement due to a correction of an error	467,027	-	-	-	-	-	467,027
FUND BALANCE, beginning of year as restated	<u>9,650,291</u>	<u>-</u>	<u>8,005,408</u>	<u>1,804,144</u>	<u>24,078,408</u>	<u>34,194,820</u>	<u>77,733,071</u>
FUND BALANCE, end of year	<u>\$ 8,601,619</u>	<u>\$ (197,922)</u>	<u>\$ 13,218,872</u>	<u>\$ 4,403,242</u>	<u>\$ 9,328,155</u>	<u>\$ 33,741,043</u>	<u>\$ 69,095,009</u>

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

CITY OF BOZEMAN, MONTANA  
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds	\$ (8,638,062)
--	----------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays and donated infrastructure exceeded depreciation expense in the current period.

Expenditures for capital assets	\$30,781,742	
Expenditures for intangible right-of-use leased assets	19,833	
Donated assets	12,153,695	
Less: current year depreciation and amortization	<u>(7,864,793)</u>	35,090,477

Governmental funds report asset disposals as sale of capital assets for the cash received. In the statement of activities, those gains and losses must be adjusted by the assets basis, net of any depreciation.	(50,571)
--	----------

The issuance of long-term debt (e.g. bonds, leases) 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, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities, unless immaterial. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(4,382,801)
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Some revenues reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenues in governmental funds. The change in deferred inflows of resources is presented in the statement of activities.	(886,360)
--	-----------

Governmental funds do not report a liability for compensated absences. The change in the liability is presented in the statement of activities.	27,748
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Governmental funds do not report a liability for other post-employment health benefits. The change in the liability is presented in the statement of activities.	(375,325)
--	-----------

Contributions to the pension plans in the current fiscal year are deferred outflows in the statement of net position. The change in the deferred outflows for pension plan contributions presented in the statement of activities.	717,669
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported in the governmental activities.	<u>879,190</u>
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Change in net position of governmental activities	<u><u>\$22,381,965</u></u>
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**PROPRIETARY FUND FINANCIAL STATEMENTS**

## MAJOR PROPRIETARY FUNDS

These funds are used to account for the financing, acquisition, operation and maintenance of water, sewer, and solid waste facilities, which are supported by user charges.

### Major Enterprise Funds –

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

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

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

CITY OF BOZEMAN, MONTANA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2022

	Business-type Activities Enterprise Funds			Total	Governmental Activities
	Water Fund	Waste Water Fund	Nonmajor Enterprise Funds		Internal Service Funds
	Water Fund	Water Fund	Enterprise Funds		Total
<b>ASSETS</b>					
Current assets					
Cash and investments	\$ 20,593,439	\$ 5,174,010	\$ 3,919,298	\$ 29,686,747	\$ 3,010,670
Receivables:					
Accrued interest	44,148	15,655	5,600	65,403	-
Customers, net	681,283	791,745	760,610	2,233,638	23,863
Special assessments	22	-	494	516	-
Other governments	843,241	267,066	-	1,110,307	-
Prepaid expenses	-	-	-	-	466,536
Total current assets	<u>22,162,133</u>	<u>6,248,476</u>	<u>4,686,002</u>	<u>33,096,611</u>	<u>3,501,069</u>
Non-current assets					
Other assets:					
Restricted cash and investments	<u>16,341,951</u>	<u>7,722,507</u>	<u>790,676</u>	<u>24,855,134</u>	<u>-</u>
Total other assets	<u>16,341,951</u>	<u>7,722,507</u>	<u>790,676</u>	<u>24,855,134</u>	<u>-</u>
Property, plant and equipment					
Nondepreciable:					
Land	573,847	1,112,597	532,109	2,218,553	-
Water rights	2,762,142	-	-	2,762,142	-
Construction in progress	2,198,049	21,425,943	429,170	24,053,162	-
Depreciable:					
Buildings	40,703,019	60,481,476	12,724,848	113,909,343	1,546,120
Other structures and improvements	13,646,910	14,745,401	2,155,300	30,547,611	-
Machinery and equipment	1,814,425	3,659,862	7,925,305	13,399,592	630,754
Vehicles	665,045	723,533	936,639	2,325,217	224,895
Infrastructure	215,039,779	143,627,680	6,884,733	365,552,192	-
Accumulated depreciation	<u>(119,418,353)</u>	<u>(91,025,528)</u>	<u>(14,656,859)</u>	<u>(225,100,740)</u>	<u>(1,185,619)</u>
Net property, plant and equipment	<u>157,984,863</u>	<u>154,750,964</u>	<u>16,931,245</u>	<u>329,667,072</u>	<u>1,216,150</u>
Intangible right-of-use leased assets					
Leased building	-	-	-	-	423,122
Less: accumulated amortization	-	-	-	-	(42,312)
Net intangible right-of-use leased assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>380,810</u>
Total non-current assets	174,326,814	162,473,471	17,721,921	354,522,206	1,596,960
Deferred outflows of resources					
Other post-employment benefits	79,810	70,196	97,855	247,861	90,659
Pension plan contributions	<u>336,981</u>	<u>295,177</u>	<u>365,334</u>	<u>997,492</u>	<u>400,264</u>
Total deferred outflows of resources	416,791	365,373	463,189	1,245,353	490,923
Total assets and deferred outflows of resources	<u>\$196,905,738</u>	<u>\$169,087,320</u>	<u>\$ 22,871,112</u>	<u>\$388,864,170</u>	<u>\$ 5,588,952</u>

(continued)

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

CITY OF BOZEMAN, MONTANA  
STATEMENT OF NET POSITION (CONTINUED)  
PROPRIETARY FUNDS  
June 30, 2022

	Business-type Activities Enterprise Funds				Governmental Activities
	Water Fund	Waste Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable and accrued expenses	\$ 908,717	\$ 735,026	\$ 884,173	\$ 2,527,916	\$ 236,435
Compensated absences payable	127,721	160,864	166,532	455,117	261,019
Due to other city funds	-	-	-	-	791,807
Lease obligations due in one year	-	-	-	-	70,968
Closure and post-closure care costs, current portion	-	-	310,773	310,773	-
Bonds, notes, and loans payable	1,318,000	1,993,321	84,000	3,395,321	-
Total current liabilities	<u>2,354,438</u>	<u>2,889,211</u>	<u>1,445,478</u>	<u>6,689,127</u>	<u>1,360,229</u>
Noncurrent liabilities					
Closure and post-closure care costs	-	-	864,259	864,259	-
Revenue bonds due after one year	15,949,000	25,939,000	1,196,000	43,084,000	-
Compensated absences payable	57,105	-	42,393	99,498	-
Lease obligations	-	-	-	-	335,175
Other post-employment health benefits implicit rate subsidy	262,710	275,801	332,328	870,839	311,497
Solvent site remediation liability	-	782,927	-	782,927	-
Net pension liability	1,340,781	1,174,452	1,453,595	3,968,828	1,541,801
Total noncurrent liabilities	<u>17,609,596</u>	<u>28,172,180</u>	<u>3,888,575</u>	<u>49,670,351</u>	<u>2,188,473</u>
Total liabilities	<u>19,964,034</u>	<u>31,061,391</u>	<u>5,334,053</u>	<u>56,359,478</u>	<u>3,548,702</u>
Deferred inflows of resources					
Other post-employment benefits	25,645	34,551	36,812	97,008	27,603
Pension deferrals	573,333	502,209	621,574	1,697,116	721,859
Total deferred inflows of resources	<u>598,978</u>	<u>536,760</u>	<u>658,386</u>	<u>1,794,124</u>	<u>749,462</u>
<b>NET POSITION</b>					
Net investment in capital assets	141,616,640	129,135,740	15,709,533	286,461,913	810,007
Committed for drought reserve	576,282	-	-	576,282	-
Restricted for impact capital projects	15,432,602	9,984,007	-	25,416,609	-
Restricted for infrastructure capital projects	516,859	-	-	516,859	-
Restricted for parking capital projects	-	-	130,316	130,316	-
Restricted for debt service	898,774	2,317,095	58,288	3,274,157	-
Unrestricted	17,301,569	(3,947,673)	980,536	14,334,432	480,781
Total net position	<u>176,342,726</u>	<u>137,489,169</u>	<u>16,878,673</u>	<u>330,710,568</u>	<u>1,290,788</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$196,905,738</u>	<u>\$169,087,320</u>	<u>\$ 22,871,112</u>	<u>\$388,864,170</u>	<u>\$ 5,588,952</u>

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

CITY OF BOZEMAN, MONTANA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
Year Ended June 30, 2022

	Business-type Activities Enterprise Funds			Governmental Activities	
	Water Fund	Waste Water Fund	Nonmajor Enterprise Funds	Internal Service Funds	
			Totals		
OPERATING REVENUES	\$ 11,613,448	\$ 10,389,216	\$ 8,166,881	\$ 30,169,545	\$ 11,892,029
OPERATING EXPENSES					
Salaries and benefits	2,420,665	2,064,539	2,705,376	7,190,580	3,129,925
Materials and supplies	971,213	411,308	563,241	1,945,762	876,829
Repairs and maintenance	119,324	194,446	397,415	711,185	41,462
Utilities	291,548	705,756	687,961	1,685,265	33,108
Administrative charges	2,260,363	1,942,774	1,312,710	5,515,847	529,084
Insurance claims	-	-	-	-	5,230,702
Other expenses	1,805,590	1,288,369	1,023,856	4,117,815	977,825
Depreciation and amortization	3,219,693	3,513,095	1,133,372	7,866,160	176,099
Changes in estimated closure and post-closure care costs	-	-	(33,087)	(33,087)	-
Total operating expenses	<u>11,088,396</u>	<u>10,120,287</u>	<u>7,790,844</u>	<u>28,999,527</u>	<u>10,995,034</u>
Operating income	<u>525,052</u>	<u>268,929</u>	<u>376,037</u>	<u>1,170,018</u>	<u>896,995</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest income	230,073	63,673	27,898	321,644	12,651
Decrease in fair market value of investments	(1,088,863)	(386,164)	(138,192)	(1,613,219)	(87,463)
Interest expense	(515,842)	(729,704)	(33,538)	(1,279,084)	(7,662)
Other income	110,270	74,685	34,814	219,769	14,124
Intergovernmental income	1,167,859	301,258	42,319	1,511,436	50,545
Impact fees	3,817,737	2,295,758	-	6,113,495	-
Gain on disposal of assets	1,031	-	-	1,031	-
Total non-operating revenues	<u>3,722,265</u>	<u>1,619,506</u>	<u>(66,699)</u>	<u>5,275,072</u>	<u>(17,805)</u>
Income before contributions and transfers	4,247,317	1,888,435	309,338	6,445,090	879,190
Contributions of infrastructure - developers	6,187,591	5,879,308	997,563	13,064,462	-
Transfers in	843,241	-	553,735	1,396,976	-
Change in net position	11,278,149	7,767,743	1,860,636	20,906,528	879,190
NET POSITION, beginning of year	<u>165,064,577</u>	<u>129,721,426</u>	<u>15,018,037</u>	<u>309,804,040</u>	<u>411,598</u>
NET POSITION, end of year	<u>\$176,342,726</u>	<u>\$137,489,169</u>	<u>\$ 16,878,673</u>	<u>\$330,710,568</u>	<u>\$ 1,290,788</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, 2022

	Business-type Activities Enterprise Funds			Total	Governmental Activities
	Water Fund	Waste Water Fund	Nonmajor Funds		Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Non-cash investment activity	\$ (1,088,863)	\$ (386,164)	\$ (138,192)	\$ (1,613,219)	\$ (87,463)
Receipts from customers	11,620,945	10,089,648	8,086,574	29,797,167	11,888,074
Receipts from others	(732,971)	74,685	57,304	(600,982)	14,124
Operating loans from other City funds	-	-	-	-	159,023
Payments to suppliers	(2,655,859)	(3,950,203)	(2,881,006)	(9,487,068)	(2,089,489)
Payments to employees	(2,466,910)	(2,170,842)	(2,723,141)	(7,360,893)	(8,291,452)
Payments to internal service funds and administrative fees	(2,260,363)	(1,942,774)	(1,312,710)	(5,515,847)	(529,084)
Net cash flows from operating activities	<u>2,415,979</u>	<u>1,714,350</u>	<u>1,088,829</u>	<u>5,219,158</u>	<u>1,063,733</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Transfers in	843,241	-	553,735	1,396,976	-
Receipts from grants and intergovernmental sources	1,167,859	301,258	42,319	1,511,436	50,545
Net cash flows from non-capital financing activities	<u>2,011,100</u>	<u>301,258</u>	<u>596,054</u>	<u>2,908,412</u>	<u>50,545</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	(4,251,425)	(3,342,947)	(559,867)	(8,154,239)	(84,247)
Principal paid on bonds, interfund loans, loans and leases	(1,290,585)	(1,951,000)	(82,000)	(3,323,585)	(31,986)
Interest paid on bonds, interfund loans, loans and leases	(515,842)	(729,704)	(33,538)	(1,279,084)	(7,662)
Proceeds from issuance of long-term debt	-	5,300,734	-	5,300,734	-
Impact fees received	3,817,737	2,295,758	-	6,113,495	-
Proceeds from sale of property, plant and equipment	-	-	-	-	-
Net cash flows from capital and related financing activities	<u>(2,240,115)</u>	<u>1,572,841</u>	<u>(675,405)</u>	<u>(1,342,679)</u>	<u>(123,895)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	207,363	49,486	25,265	282,114	12,651
Net cash flows from investing activities	<u>207,363</u>	<u>49,486</u>	<u>25,265</u>	<u>282,114</u>	<u>12,651</u>
Net change in cash and investments	2,394,327	3,637,935	1,034,743	7,067,005	1,003,034
Cash and investments, beginning of year	34,541,063	9,258,581	3,675,231	47,474,875	2,007,636
Cash and investments, end of year	<u>\$ 36,935,390</u>	<u>\$ 12,896,516</u>	<u>\$ 4,709,974</u>	<u>\$ 54,541,880</u>	<u>\$ 3,010,670</u>
Classified as:					
Cash and investments	\$ 20,593,439	\$ 5,174,010	\$ 3,919,298	\$ 29,686,747	\$ 3,010,670
Restricted cash and investments	16,341,951	7,722,507	790,676	24,855,134	-
Totals	<u>\$ 36,935,390</u>	<u>\$ 12,896,517</u>	<u>\$ 4,709,974</u>	<u>\$ 54,541,881</u>	<u>\$ 3,010,670</u>

(continued)

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



CITY OF BOZEMAN, MONTANA  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
Year Ended June 30, 2022

	Business-type Activities Enterprise Funds			Total	Governmental Activities
	Water Fund	Waste Water Fund	Nonmajor Funds		Internal Service Funds
	Water Fund	Waste Water Fund	Nonmajor Funds		Total
<b>RECONCILIATION OF OPERATING INCOME</b>					
<b>TO NET CASH FROM OPERATING ACTIVITIES</b>					
Operating income	\$ 525,052	\$ 268,929	\$ 376,037	\$ 1,170,018	\$ 896,995
Adjustments to reconcile operating income (loss) to net cash flows from operating activities					
Depreciation and amortization	3,219,693	3,513,095	1,133,372	7,866,160	176,099
Change in estimated closure and post-closure care costs	-	-	(310,773)	(310,773)	-
Change in solvent site remediation obligation	-	(107,217)	-	(107,217)	-
Other income	110,270	74,685	34,814	219,769	15,677
Non-cash fair market value decrease of investments	(1,088,863)	(386,164)	(138,192)	(1,613,219)	(87,463)
Gain (loss) on disposal of assets	1,031	-	-	1,031	-
Change in assets and liabilities:					
(Increase) Decrease in:					
Accounts receivable	6,466	(299,568)	(80,307)	(373,409)	3,151
Due from other governments	(843,241)	-	-	(843,241)	-
Prepaid expenses	-	-	-	-	(41,018)
Other governments receivable	-	-	22,490	22,490	-
Increase (Decrease) in:					
Accounts payable	531,816	(1,243,107)	69,153	(642,138)	(71,484)
Due from other city funds	-	-	-	-	159,023
Accrued employee benefits payable	24,158	23,690	42,265	90,113	101,536
Net pension	(70,403)	(129,993)	(60,030)	(260,426)	(88,783)
Total adjustments	<u>1,890,927</u>	<u>1,445,421</u>	<u>712,792</u>	<u>4,049,140</u>	<u>166,738</u>
Net cash flows from operating activities	<u>\$ 2,415,979</u>	<u>\$ 1,714,350</u>	<u>\$ 1,088,829</u>	<u>\$ 5,219,158</u>	<u>\$ 1,063,733</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>					
Noncash transactions:					
Transferred property, plant and equipment	\$ 22,196	\$ -	\$ -	\$ -	\$ -
Building acquired through leasing activities	-	-	-	-	423,122
Decrease in fair-market value of investments	(1,088,863)	(386,164)	(138,192)	(1,613,219)	(87,463)
Donated infrastructure	<u>6,187,591</u>	<u>5,879,308</u>	<u>997,563</u>	<u>13,064,462</u>	<u>-</u>
Total noncash transactions	<u>\$ 5,120,924</u>	<u>\$ 5,493,144</u>	<u>\$ 859,371</u>	<u>\$ 11,451,243</u>	<u>\$ 335,659</u>

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

**FIDUCIARY FUND FINANCIAL STATEMENTS**

## FIDUCIARY FUNDS

### 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.

CITY OF BOZEMAN, MONTANA  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 June 30, 2022

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 633,962
Customer receivables	<u>2,692</u>
Total assets	<u><u>\$ 636,654</u></u>
<b>LIABILITIES</b>	
Accounts payable	<u>589,447</u>
<b>NET POSITION</b>	
Restricted for other organizations	<u>47,207</u>
Total liabilities and net position	<u><u>\$ 636,654</u></u>

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

CITY OF BOZEMAN, MONTANA  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 Year Ended June 30, 2022

	Custodial Funds
ADDITIONS	
Contributions	
Interest income	\$ -
DEDUCTIONS	
Miscellaneous	-
Change in net position	-
NET POSITION - Beginning of Year	47,207
NET POSITION - End of Year	\$ 47,207

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

**NOTES TO FINANCIAL STATEMENTS**

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

**NOTE 1. 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 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. In June 1999 the GASB issued Statement 34 *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* (GASB 34). This Statement establishes financial reporting requirements for state and local governments throughout the United States.

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, 2022, and for the year then ended. The more significant accounting policies of the City are described below.

**Restatement**

The City has corrected an error in the prior year related to the improper accounting for Notes Receivable. The City determined that \$467,027 was improperly expensed in the General Fund instead of recorded as a note receivable and accounts receivable. Accordingly, beginning net position for the government-wide governmental activities and beginning fund balance for the General Fund has been restated to reflect the accounting error. The following table summarizes the impact of the restatement:

	Government-Wide Governmental Activities			
	Net Position	Receivables, Net	Notes Receivable	General Government Expenses
June 30, 2021, as originally reported	\$ 234,005,918	\$ 11,613,455	\$ 455,624	\$ 11,517,404
Restatement due to correction of an error	467,027	351,122	115,903	(467,027)
June 30, 2021, as restated	<u>\$ 234,472,945</u>	<u>\$ 11,964,577</u>	<u>\$ 571,527</u>	<u>\$ 11,050,377</u>
	General Fund			
	Fund Balance	Customer Receivables, Net	Notes Receivable	General Government Expenditures
June 30, 2021, as originally reported	\$ 9,183,264	\$ 2,176,579	\$ -	\$ 8,178,413
Restatement due to correction of an error	467,027	351,122	115,903	(467,027)
June 30, 2021, as restated	<u>\$ 9,650,291</u>	<u>\$ 2,527,701</u>	<u>\$ 115,903</u>	<u>\$ 7,711,386</u>

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**New Accounting Pronouncement**

The City implemented GASB Statement No. 87, *Leases* for the year ended June 30, 2022. The goal of this statement is to better meet information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-of-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The implementation of GASB 87 did not impact how the City is accounting for its existing capital leases at the beginning of the year and did not result in a cumulative impact adjustment to beginning net position.

**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.

Although the Bozeman Public Library Board of Trustees and the Parking Commission meet the requirements of Statement 61, they are strictly advisory in nature. Therefore, the government-wide financial statements do not include the financial information of these entities and their omission does not cause the City's financial statements to be misleading or incomplete. Should there develop a financial element at some point in the future, the City shall include these entities on its government-wide financial statements.



CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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 City has retroactively included infrastructure in its assets.

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.

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting/Measurement Focus (Continued)**

Governmental Fund Financial Statements (Continued)

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.

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.

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting/Measurement Focus (Continued)**

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 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 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.

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Funds**

As mentioned, the 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. The following major funds are presented in separate columns on the Governmental Funds Financial Statements, and the Proprietary Funds Financial Statements, respectively:

*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.

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.

Street Impact Fees Special Revenue Fund – Accounts for the collection and expenditures associated with the street impact fees.

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

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

*Proprietary Funds*

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

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

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Use of Restricted/Unrestricted 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.

**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.

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Investments (Continued)**

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).

**Eliminations and Reclassifications**

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as inter-fund activity and balances in the funds have been eliminated or reclassified. Internal service fund activity has also been eliminated in the Statement of Activities to remove the "doubling-up" effect.

**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, 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:

Vehicles	5 to 10 years
Machinery and equipment	5 to 30 years
Buildings	20 to 80 years
Other structures and improvements	10 to 100 years
Infrastructure	25 to 100 years

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (Continued)**

In accordance with GASB 34, the City has recorded infrastructure assets prospectively from 2005, the date of implementation, and has included infrastructure acquired prior to implementation within the four-year required period. 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.

**Compensated Absences Payable**

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).

**Inter-fund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those short-term loans related to goods- and services-type transactions are classified as "due to and from other funds." Long-term inter-fund loans (noncurrent portion) are reported as "advances to and from other funds." Inter-fund receivables and payables between funds are eliminated in the Statement of Net Position.

**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 15).

**Budgets**

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

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

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets (Continued)**

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 fund level.

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

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

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

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

**Fund Balance**

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

Nonspendable 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.

The restricted fund balance category contains 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.

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance (Continued)**

The committed fund balance category includes 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.

Amounts in the assigned fund balance classification are 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.

The amount of General Fund balance presented on page 33 has been assigned this fiscal year. 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 is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

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

**Minimum General Fund – Fund Balance**

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



CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Position**

In funds other than governmental, net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. 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.

**NOTE 2. CASH AND INVESTMENTS**

At June 30, 2022, the carrying amount of the City's deposits in local banks and investments is \$147,904,088. 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 \$13,667,915. 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:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Governmental activities	\$ 65,402,938	\$ 27,325,307	\$ 92,728,245
Business-type activities	29,686,747	24,855,134	54,541,881
Fiduciary funds	-	633,962	633,962
	<u>\$ 95,089,685</u>	<u>\$ 52,814,403</u>	<u>\$ 147,904,088</u>

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

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 2. CASH AND INVESTMENTS (CONTINUED)**

On June 30, 2022, the following interest rate risks and valuation inputs were associated with the City's deposits and investments.

<u>Investment</u>	<u>Maturities</u>	<u>Credit Risk Rating</u>	<u>Fair Value</u>	<u>Valuation Inputs</u>
Certificates of deposit	February 2021 - March 2022	NA	\$ -	Level 2
U.S. Government bonds	May 2023 - June 2027	S&P AA+	71,961,430	Level 2
U.S. Bank Municipal Investment Account	N/A	N/A	2,306,378	Level 2
State of Montana Short Term Investment Pool Account	N/A	N/A	65,000,000	
Demand deposits	N/A	N/A	8,631,192	
Petty cash	N/A	N/A	5,088	
			<u>\$ 147,904,088</u>	

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 previous tables 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. The City has no formal policy relating to interest risk and no formal policy relating to credit risk.

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>.

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 3. PROPERTY TAX AND SPECIAL ASSESSMENTS REVENUE AND RECEIVABLES**

Property Taxes

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

- Lien Date: December 1<sup>st</sup> for the 1<sup>st</sup> installment and June 1<sup>st</sup> for the 2<sup>nd</sup> installment
- Levy Date: November 1<sup>st</sup>
- Due Dates: November 30<sup>th</sup> for the 1<sup>st</sup> installment and May 31 for the 2<sup>nd</sup> 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 represent 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.

**NOTE 4. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES**

Deferred inflows of resources in the General Fund represent outstanding general property taxes and court fines at June 30, 2022. These amounts are reported as revenue in the Government-Wide Financial Statements in the period in which they are levied and court fines are charged. Deferred inflows in Special Revenue Funds represent either revenues received but not considered earned or amounts to be received in the future that are recorded as receivables but not yet earned. The deferred inflows in Debt Service Funds represent future assessments to be received to meet the related debt obligation. Deferred inflows and outflows in the Government-Wide Financial Statements relate to payments made on pension plans after the measurement date for the calculated pension obligations. Deferred inflows and outflows in the Government-Wide Financial Statements also relate to the implicit rate subsidy of post-employment benefits.

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 5. NOTES RECEIVABLE**

The City had the following notes receivable:

<u>Special Revenue Funds</u>	
Economic Development Loan Fund	\$ 381,056
Community Housing Fund	22,499
Total	<u>\$ 403,555</u>

**NOTE 6. CAPITAL ASSETS**

In accordance with GASB 34, the City has reported all capital assets, with the exception of pre-July 1, 2001, infrastructure in the Government-Wide Statement of Net Position. For the year ended June 30, 2022, depreciation expense on capital assets was charged to the functions and programs as follows:

Governmental Activities:	
General Government	\$ 370,806
Public Safety	917,299
Public Services	5,251,068
Public Welfare	1,500,226
Total depreciation expense - governmental activities	<u>\$ 8,039,399</u>
Business-type Activities:	
Parking	\$ 409,185
Stormwater	189,198
Water	3,219,693
Wastewater	3,513,095
Solid Waste	534,989
Total depreciation expense - business-type activities	<u>\$ 7,866,160</u>

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 6. CAPITAL ASSETS (CONTINUED)**

All capital assets of the City are depreciable with the exception of land, water rights, and construction in process, when applicable. Capital assets activity of the City for the year ended June 30, 2022, consisted of the following:

	June 30, 2021	Additions	Disposals	Transfers	June 30, 2022
<b>GOVERNMENTAL ACTIVITIES</b>					
Non-depreciable:					
Land	\$ 33,617,853	\$ 3,780,155	\$ -	\$ -	\$ 37,398,008
Construction in progress	30,369,287	25,624,208	-	(9,193,847)	46,799,648
Depreciable:					
Buildings	35,501,368	25,842	-	-	35,527,210
Other structures and improvements	1,145,214	-	-	-	1,145,214
Machinery and equipment	18,130,508	1,864,434	(143,462)	-	19,851,480
Leased equipment	558,809	-	-	-	558,809
Leased building	-	423,122	-	-	423,122
Leased vehicles	12,813	19,833	-	-	32,646
Vehicles	4,758,444	275,749	(134,628)	(22,196)	4,877,369
Infrastructure	243,476,879	11,449,296	-	9,193,847	264,120,022
Total	367,571,175	43,462,639	(278,090)	(22,196)	410,733,528
Accumulated depreciation	(127,108,757)	(8,039,399)	227,519	22,196	(134,898,441)
Total governmental activities	<u>\$ 240,462,418</u>	<u>\$ 35,423,240</u>	<u>\$ (50,571)</u>	<u>\$ -</u>	<u>\$ 275,835,087</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Non-depreciable:					
Land	\$ 2,218,553	\$ -	\$ -	\$ -	\$ 2,218,553
Water rights	2,120,142	642,000	-	-	2,762,142
Construction in progress	19,200,051	4,853,111	-	-	24,053,162
Depreciable:					
Buildings	113,873,026	36,317	-	-	113,909,343
Other structures and improvements	30,547,611	-	-	-	30,547,611
Machinery and equipment	12,695,974	703,618	-	-	13,399,592
Vehicles	2,202,192	100,829	-	22,196	2,325,217
Infrastructure	350,669,367	14,882,825	-	-	365,552,192
Total	533,526,916	21,218,700	-	22,196	554,767,812
Accumulated depreciation	(217,212,384)	(7,866,160)	-	(22,196)	(225,100,740)
Total business-type activities	<u>\$ 316,314,532</u>	<u>\$ 13,352,540</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 329,667,072</u>
Total capital assets	<u>\$ 556,776,950</u>	<u>\$ 48,775,780</u>	<u>\$ (50,571)</u>	<u>\$ -</u>	<u>\$ 605,502,159</u>

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 6. CAPITAL ASSETS (CONTINUED)**

Changes in accumulated depreciation are as follows for the year ended June 30, 2022:

	June 30, 2021	Additions	Disposals	Transfers	June 30, 2022
<b>GOVERNMENTAL ACTIVITIES</b>					
Buildings	\$ (19,444,365)	\$ (901,457)	\$ -	\$ -	\$ (20,345,822)
Other structures and improvements	(1,151,401)	(20,437)	-	-	(1,171,838)
Machinery and equipment	(11,580,630)	(1,396,442)	92,891	-	(12,884,181)
Leased equipment	(193,657)	(58,754)	-	-	(252,411)
Leased building	-	(42,312)	-	-	(42,312)
Leased vehicles	(1,922)	(4,586)	-	-	(6,508)
Vehicles	(3,382,462)	(283,725)	134,628	22,196	(3,509,363)
Infrastructure	(91,354,320)	(5,331,686)	-	-	(96,686,006)
Total governmental activities	<u>\$ (127,108,757)</u>	<u>\$ (8,039,399)</u>	<u>\$ 227,519</u>	<u>\$ 22,196</u>	<u>\$ (134,898,441)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Buildings	\$ (27,038,795)	\$ (2,688,720)	\$ -	\$ -	\$ (29,727,515)
Other structures and improvements	(29,750,628)	(376,302)	-	-	(30,126,930)
Machinery and equipment	(9,236,982)	(828,049)	-	-	(10,065,031)
Vehicles	(1,645,879)	(94,395)	-	(22,196)	(1,762,470)
Infrastructure	(149,540,100)	(3,878,694)	-	-	(153,418,794)
Total business-type activities	<u>(217,212,384)</u>	<u>(7,866,160)</u>	<u>-</u>	<u>(22,196)</u>	<u>(225,100,740)</u>
Total accumulated depreciation	<u>\$ (344,321,141)</u>	<u>\$ (15,905,559)</u>	<u>\$ 227,519</u>	<u>\$ -</u>	<u>\$ (359,999,181)</u>

**NOTE 7. COMPENSATED ABSENCES**

The City's policy relating to compensated absences is described in Note 1. The current portion is that which is expected to be paid within one year. This amount is estimated based on past trends and expected upcoming events. Actual amounts could differ. Historically, compensated absences and pension liabilities have been liquidated primarily by the general fund and the proprietary funds.

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 7. COMPENSATED ABSENCES (CONTINUED)**

	Balance June 30, 2021	Incurred	Satisfied	Balance June 30, 2022
Compensated absences:				
Governmental activities	\$ 3,189,882	\$ 2,151,804	\$ (2,115,910)	\$ 3,225,776
Business-type activities	554,061	404,888	(404,334)	554,615
Total compensated absences	<u>\$ 3,743,943</u>	<u>\$ 2,556,692</u>	<u>\$ (2,520,244)</u>	<u>\$ 3,780,391</u>
	Due within one year	Due after one year	Total	
Compensated absences:				
Governmental activities	\$ 2,169,321	\$ 1,056,455	\$ 3,225,776	
Business-type activities	455,117	99,498	554,615	
Total compensated absences	<u>\$ 2,624,438</u>	<u>\$ 1,155,953</u>	<u>\$ 3,780,391</u>	

**NOTE 8. LONG-TERM DEBT**

**Governmental Activities Long-Term Debt**

The following is a summary of long-term debt transactions of the City's governmental activities for the year ended June 30, 2022:

	Balance June 30, 2021	Issuances and Additions	Repayments and Deletions	Balance June 30, 2022
General obligation bonds	\$ 43,240,000	\$ 6,730,000	\$ (1,980,000)	\$ 47,990,000
Tax increment financing bonds	10,763,655	-	(475,085)	10,288,570
Special assessment debt	3,948,216	-	(183,999)	3,764,217
Note payable	1,637,117	315,000	(65,167)	1,886,950
Intercap notes payable	609,577	-	(173,945)	435,632
Bond premiums	4,198,474	515,591	(229,101)	4,484,964
Subtotal bonds and notes	<u>64,397,039</u>	<u>7,560,591</u>	<u>(3,107,297)</u>	<u>68,850,333</u>
Compensated absences	3,189,882	2,151,804	(2,115,910)	3,225,776
Lease obligations (see Note 9)	310,270	442,955	(122,311)	630,914
Totals	<u>\$ 67,897,191</u>	<u>\$ 10,155,350</u>	<u>\$ (5,345,518)</u>	<u>\$ 72,707,023</u>

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 8. LONG-TERM DEBT (CONTINUED)**

**Governmental Activities Long-Term Debt (Continued)**

The above long-term debt of the City's governmental activities is presented in the accompanying Statement of Net Position as follows:

	Current Portion (due within one year)	Long-term Portion (due after one year)	Total Long-Term Debt
General obligation bonds	\$ 2,225,000	\$ 45,765,000	\$ 47,990,000
Tax increment financing bonds	485,803	9,802,767	10,288,570
Special assessment debt	189,799	3,574,418	3,764,217
Note payable	67,627	1,819,323	1,886,950
Intercap notes payable	109,245	326,387	435,632
Bond premiums	254,822	4,230,142	4,484,964
Subtotal bonds and notes	3,332,296	65,518,037	68,850,333
Compensated absences	2,169,321	1,056,455	3,225,776
Lease obligations (see Note 9)	246,930	383,984	630,914
Totals	<u>\$ 5,748,547</u>	<u>\$ 66,958,476</u>	<u>\$ 72,707,023</u>

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 currently outstanding are as follows:

	Interest Rate	Amount	Due within one year
General Obligation TOP Bonds, Series 2013 serial maturities through 2034	2.00% - 4.00%	\$ 6,730,000	\$ 460,000
General Obligation TOP Bonds, Series 2014 serial maturities through 2035	2.00% - 4.00%	3,700,000	230,000
General Obligation BPSC Bonds, Series 2019 serial maturities through 2039	2.00% - 4.00%	30,830,000	1,330,000
General Obligation Refunding Bonds, Series 2022 serial maturities through 2042	4.00% - 5.00%	6,730,000	205,000
Total general obligations bonds		<u>\$47,990,000</u>	<u>\$ 2,225,000</u>



CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 8. LONG-TERM DEBT (CONTINUED)**

**Governmental Activities Long-Term Debt (Continued)**

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,225,000	\$ 1,729,180	\$ 3,954,180
2024	2,300,000	1,658,650	3,958,650
2025	2,390,000	1,573,675	3,963,675
2025	2,475,000	1,483,125	3,958,125
2026	2,575,000	1,384,250	3,959,250
2028-2032	14,540,000	5,256,200	19,796,200
2033-2037	14,660,000	2,252,519	16,912,519
2038-2042	6,825,000	446,775	7,271,775
	<u>\$ 47,990,000</u>	<u>\$ 15,784,374</u>	<u>\$ 63,774,374</u>

Tax Increment Financing Bonds - Tax Increment Financing (TIF) Bonds are not general obligations, but are special limited obligations of the City. The bonds are payable solely, and equally and ratably from the tax increment revenues received by the City from its Downtown Bozeman 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. TIF bonds outstanding at June 30, 2022, are as follows:

	<u>Balance</u>			<u>Balance</u>		<u>Long-Term</u>
	<u>June 30, 2021</u>	<u>Issuances</u>	<u>Repayments</u>	<u>June 30, 2022</u>	<u>Due in One Year</u>	<u>Portion</u>
Direct placement downtown urban renewal bond, series 2020	\$ 3,171,000	\$ -	\$ (255,000)	\$ 2,916,000	\$ 259,000	\$ 2,657,000
Direct placement northeast urban renewal bond, series 2017	1,267,655	-	(40,085)	1,227,570	41,803	1,185,767
Midtown urban renewal bond, series 2020	6,325,000	-	(180,000)	6,145,000	185,000	5,960,000
	<u>\$ 10,763,655</u>	<u>\$ -</u>	<u>\$ (475,085)</u>	<u>\$ 10,288,570</u>	<u>\$ 485,803</u>	<u>\$ 9,802,767</u>

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 8. LONG-TERM DEBT (CONTINUED)**

**Governmental Activities Long-Term Debt (Continued)**

Annual debt services requirements to maturity for the TIF bonds are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 485,803	\$ 346,298	\$ 832,101
2024	501,468	334,613	836,081
2025	517,401	320,441	837,842
2026	531,215	304,068	835,283
2027	545,171	287,104	832,275
2028-2033	3,010,099	1,163,724	4,173,823
2033-2037	1,780,759	727,391	2,508,150
2038-2042	2,131,654	342,225	2,473,879
2043-2044	785,000	35,550	820,550
	<u>\$ 10,288,570</u>	<u>\$ 3,861,414</u>	<u>\$ 14,149,984</u>

**Special Assessment Debt** - 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.

The City has issued various special assessment bonds with various maturities through 2040 at interest rates ranging from 2.5% to 5.75%. In addition, the City has issued two notes payable to finance special assessment projects. The following is a schedule of changes in special assessment debt:

	<u>Balance June 30, 2021</u>	<u>Issuances</u>	<u>Repayments</u>	<u>Balance June 30, 2022</u>
Direct borrowings:				
Note Payable to Department of Natural Resources and Conservation, #WRF-05067	\$ 31,000	\$ -	\$ (6,000)	\$ 25,000
Note Payable to Department of Natural Resources and Conservation, #SRF-05132	76,500	-	(28,000)	48,500
Direct placement:				
Special Improvement District No. 747 Bond Series 2020	3,840,716	-	(149,999)	3,690,717
	<u>\$ 3,948,216</u>	<u>\$ -</u>	<u>\$ (183,999)</u>	<u>\$ 3,764,217</u>

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 8. LONG-TERM DEBT (CONTINUED)**

**Governmental Activities Long-Term Debt (Continued)**

Annual debt service requirements to maturity for special assessment bonds are as follows:

<u>Year ending June 30,</u>	<u>Note Payables</u>
2023	\$ 189,799
2024	198,253
2025	164,866
2026	170,142
2027	175,587
2028-2032	965,904
2033-3037	1,130,672
2038-2040	768,994
	<u>\$ 3,764,217</u>

Substantially all special assessment bonds mature 18 to 20 years after the date of issuance but are redeemable at the option of the City whenever cash is available in the respective funds for each issue. The City follows the policy of early redemption on these bonds. Accordingly, a schedule of future interest payments through maturity of the bonds is deemed to be not meaningful and has been excluded.

Intercap Loans - The City entered into loan agreements with the Montana Board of Investments to partially finance the reconstruction of South Eighth Avenue, to upgrade street lighting in various areas around the City, and for the Sports Park-Bronken Park improvements. The intercap loans payables had balances outstanding at June 30, 2022, as follows:

	<u>Due within one year</u>	<u>Due after one year</u>	<u>Total</u>
Direct borrowings:			
Notes payable to Montana Board of Investments in uneven semi-annual installments including interest at variable rates, ranging from 1.00% to 3.370%:			
South 8th Reconstruction, matures in 2022	\$ 66,161	\$ -	\$ 66,161
Upgrade Street Lighting, matures in 2030	13,796	110,149	123,945
Sports Park-Bronken Park improvement, matures in 2029	29,288	216,238	245,526
	<u>\$ 109,245</u>	<u>\$ 326,387</u>	<u>\$ 435,632</u>

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 8. LONG-TERM DEBT (CONTINUED)**

**Governmental Activities Long-Term Debt (Continued)**

The debt service requirements for the intercap loan at June 30, 2022, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 109,245	\$ 5,648	\$ 114,893
2024	44,284	-	44,284
2025	45,520	-	45,520
2026	46,797	-	46,797
2027	48,112	-	48,112
2028-2030	141,674	-	141,674
	<u>\$ 435,632</u>	<u>\$ 5,648</u>	<u>\$ 441,280</u>

Sports Complex Loan - The City entered into a loan agreement with First Security Bank on July 1, 2018 for \$1,700,000 for continued improvements to the Bozeman Sports Park, one of the projects identified for funding by the Trail and Open Space General Obligation Bond. The general terms of the loan include a 3.74% interest rate, 20-year term maturing on June 30, 2039, no origination fee, and semi-annual payments of principal and interest of \$62,911.

The Sports Park Foundation will provide the funding for the payments through their management of the Sports Park and debt agreements with the City. The City's General Fund will take on this debt and make payments. The revenue generated at the Sports Park Foundation will offset the payment. In the event that the Foundation cannot make the debt payment, the City's General Fund will cover the payment.

Peets Hill Note Payable - The City entered into a loan agreement with Gallatin Valley Land Trust to finance the purchase of real property located in the vicinity of Peets Hill/Burk Park on December 14, 2021. The terms of the note included a two-year term at an interest rate of 3.75%, with principal of \$315,000 and accrued interest payable at maturity on January 18, 2024. The City may prepay the principal in whole or in part before the maturity date of January 18, 2024.

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 8. LONG-TERM DEBT (CONTINUED)**

**Governmental Activities Long-Term Debt (Continued)**

The outstanding balance and debt service requirements for the sports complex loan at June 30, 2022, are as follows:

	Due within one year	Due after one year	Total
Direct borrowing:			
Note payable to First Security Bank in semi-annual installments including interest at 3.74% through June of 2039	\$ 67,627	\$ 1,504,323	\$ 1,571,950
Note payable to Gallatin Valley Land Trust due at maturity in January of 2024 including interest at 3.75%	-	315,000	315,000
	\$ 67,627	\$ 1,819,323	\$ 1,886,950
	Principal	Interest	Total
<u>Year ending June 30,</u>			
2022	\$ 67,627	\$ 58,168	\$ 125,795
2023	385,104	74,394	459,498
2024	72,902	52,893	125,795
2025	75,579	50,216	125,795
2026	78,432	47,363	125,795
2027-2031	438,824	190,151	628,975
2032-2036	528,235	100,740	628,975
2037-2039	240,247	11,342	251,589
	\$ 1,886,950	\$ 585,267	\$ 2,472,217

**Business-type Activities Long-Term Debt**

Revenue Bonds - The City also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service.

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 8. LONG-TERM DEBT (CONTINUED)**

**Business-type Activities Long-Term Debt (Continued)**

*Water Revenue Bonds*

Water revenue bonds outstanding at June 30, 2022, are as follows:

	Balance June 30, 2021	Issuances	Repayments and Settlements	Balance June 30, 2022	Due in One Year	Long-Term Portion
Direct placements:						
State Revolving Fund Revenue Bond - 12247						
Series 2011A, serial maturities through 2032, 3% interest rate	\$ 6,015,000	\$ -	\$ (496,000)	\$ 5,519,000	\$ 510,000	\$ 5,009,000
State Revolving Fund Revenue Bond - 13291						
Series 2011B, serial maturities through 2033, 3% interest rate	6,187,000	-	(458,000)	5,729,000	472,000	5,257,000
State Revolving Fund Revenue Bond - 17386						
Series 2017, serial maturities through 2037, 2.5% interest rate	6,345,000	-	(326,000)	6,019,000	336,000	5,683,000
	<u>\$ 18,547,000</u>	<u>\$ -</u>	<u>\$ (1,280,000)</u>	<u>\$ 17,267,000</u>	<u>\$ 1,318,000</u>	<u>\$ 15,949,000</u>

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, 2022.

Water revenue bond debt service requirements to maturity are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,318,000	\$ 338,800	\$ 1,656,800
2024	1,356,000	312,250	1,668,250
2025	1,395,000	284,930	1,679,930
2026	1,435,000	256,840	1,691,840
2027	1,477,000	227,930	1,704,930
2028-2032	7,713,000	675,820	8,388,820
2033-2037	2,573,000	129,740	2,702,740
	<u>\$17,267,000</u>	<u>\$ 2,226,310</u>	<u>\$19,493,310</u>
Due within one year	\$ 1,318,000		
Due after one year	<u>15,949,000</u>		
	<u>\$17,267,000</u>		

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 8. LONG-TERM DEBT (CONTINUED)**

**Business-type Activities Long-Term Debt (Continued)**

*Waste Water Revenue Bonds*

Waste Water revenue bonds outstanding at June 30, 2022, are as follows:

	Interest Rate	Balance June 30, 2021	Issuances	Repayments and Settlements	Balance June 30, 2022	Due in One Year	Long-Term Portion
Direct placements:							
Waste Water State Revolving -10252							
Series 2010B, serial maturities through 2030	1.75%	\$ 167,000	\$ -	\$ (18,000)	\$ 149,000	\$ 18,000	\$ 131,000
Waste Water Reclamation Facility Revenue Bonds - 10230,							
Series 2010D, serial maturities through 2030	3.00%	4,787,000	-	(502,000)	4,285,000	518,000	3,767,000
Waste Water Reclamation Facility Revenue Bonds - 10262,							
Series 2010F, serial maturities through 2030	3.00%	431,000	-	(42,000)	389,000	44,000	345,000
Waste Water Reclamation Facility Revenue Bonds - 11291,							
Series 2010C, serial maturities through 2031	3.00%	537,000	-	(50,000)	487,000	51,000	436,000
Waste Water Reclamation Facility Revenue Bonds - 11292,							
Series 2010G, serial maturities through 2031	3.00%	1,652,000	-	(146,000)	1,506,000	152,000	1,354,000
Waste Water Reclamation Facility Revenue Bonds - 11281							
Series 2010H, serial maturities through 2031	3.00%	5,274,000	-	(488,000)	4,786,000	502,000	4,284,000
Waste Water State Revolving - 21490							
Series 2020D, serial maturities through 2040	2.50%	2,697,000	-	(113,000)	2,584,000	115,000	2,469,000
Waste Water State Revolving - 21487							
Series 2020B, serial maturities through 2040	2.50%	7,482,000	-	(312,000)	7,170,000	320,000	6,850,000
Waste Water State Revolving - 21506							
Series 2020C, serial maturities through 2041	2.50%	1,255,587	5,300,734	(280,000)	6,276,321	273,321	6,003,000
Waste Water State Revolving - 21486							
Series 2020A Davis/Norton General Obligation Bonds, Forgivable	2.50%	300,000	-	-	300,000	-	300,000
		<u>\$ 24,582,587</u>	<u>\$ 5,300,734</u>	<u>\$ (1,951,000)</u>	<u>\$ 27,932,321</u>	<u>\$ 1,993,321</u>	<u>\$ 25,939,000</u>

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 8. LONG-TERM DEBT (CONTINUED)**

**Business-type Activities Long-Term Debt (Continued)**

*Waste Water Revenue Bonds (Continued)*

Waste water revenue bond debt service requirements to maturity are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,993,321	\$ 573,433	\$ 2,566,754
2024	2,051,000	531,968	2,582,968
2025	2,111,000	489,298	2,600,298
2026	2,171,000	445,388	2,616,388
2027	2,234,000	400,265	2,634,265
2028-2032	8,956,000	1,326,271	10,282,271
2033-2037	4,754,000	663,438	5,417,438
2038-2041	3,662,000	140,585	3,802,585
	<u>\$27,932,321</u>	<u>\$ 4,570,646</u>	<u>\$32,502,967</u>
Due within one year	\$ 1,993,321		
Due after one year	<u>25,939,000</u>		
	<u>\$27,932,321</u>		

*Stormwater Revenue Bonds*

Stormwater revenue bonds outstanding at June 30, 2022, are as follows. The City had draws of \$229,750 in fiscal year 2015, \$1,281,680 in fiscal year 2016, and \$303,750 in fiscal year 2019 for a total approved amount of \$1,815,000.

	<u>Interest Rate</u>	<u>Balance June 30, 2021</u>	<u>Issuances</u>	<u>Repayments and Settlements</u>	<u>Balance June 30, 2022</u>	<u>Due in One Year</u>	<u>Long-Term Portion</u>
Direct placement:							
Stormwater System Revenue Bond, Series 2015	2.50%	<u>\$ 1,362,000</u>	<u>\$ -</u>	<u>\$ (82,000)</u>	<u>\$ 1,280,000</u>	<u>84,000</u>	<u>\$ 1,196,000</u>



CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 8. LONG-TERM DEBT (CONTINUED)**

**Business-type Activities Long-Term Debt (Continued)**

*Stormwater Revenue Bonds (Continued)*

Stormwater revenue bond debt service requirements to maturity are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 84,000	\$ 25,180	\$ 109,180
2024	87,000	23,490	110,490
2025	89,000	21,740	110,740
2026	90,000	19,950	109,950
2027	94,000	18,130	112,130
2028-2032	502,000	61,550	563,550
2033-2035	334,000	11,780	345,780
	<u>\$ 1,280,000</u>	<u>\$ 181,820</u>	<u>\$ 1,461,820</u>
Due within one year	\$ 84,000		
Due after one year	<u>1,196,000</u>		
	<u>\$ 1,280,000</u>		

**Industrial Revenue and Private Activity Bonds**

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

To provide financial assistance for the acquisition and improvements of the building occupied by a private elementary school, the City has issued a Private Activity Revenue Bond. This bond is secured by the property financed and is payable solely from payments received on the underlying mortgage loan. Upon repayment of the bond, ownership of the acquired facility transfers to the private-sector entity served by the bond issuance. Neither the City nor any political subdivision thereof is obligated in any manner for repayment of the bond. Accordingly, the bond is not reported as a liability in the accompanying financial statements. As of June 30, 2022, the Revenue Bond outstanding had an aggregate principal amount payable of \$140,129.

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 9. LEASES**

As discussed in Note 1, the City implemented GASB Statement No. 87, *Leases* for the year ended June 30, 2022. The City had various pre-existing capital leases that were either paid off during the year ended June 30, 2022 or are set to expire in fiscal year 2023 or 2024. The total amount of the existing lease obligations and carrying value of the capitalized assets are immaterial and the difference in accounting for these existing leases under GASB Statement No. 87, *Leases* was also deemed immaterial to the financial statements. All the leases listed below, except for the Highlander Library and the E. Beall Office leases, were existing capital leases at the beginning of the year. Lease agreements are summarized as follows:

<u>Lease</u>	<u>Origination Date</u>	<u>Interest Rate</u>	<u>Lease Term</u>	<u>Maturity Date</u>	<u>Payment Amount</u>	<u>Balloon Payment</u>
Snow Blower 2016	9/9/2016	3.20%	6 years	3/16/2023	\$ 13,933	\$ 6,342
Canon Printer 2018	1/1/2018	5.56%	5 years	12/1/2022	1,257	-
Caterpillar Motor Grader 2018	4/25/2018	4.55%	6 years	4/25/2023	-	127,840
Elgin Broom Street Sweeper 2019	4/29/2019	4.35%	6 years	4/29/2024	82,776	-
Highlander Library 2019	9/19/2018	7.04%	3 years	9/18/2021	-	-
Prius Recreation 2020	1/27/2020	N/A; fixed monthly amount	3 years	1/26/2023	391	-
Prius Sustainability 2019	9/21/2018	N/A; fixed monthly amount	5 years	9/20/2021	430	-
Prius Streets/Water 2019	9/9/2018	7.04%	5 years	9/9/2023	301	-
Prius Engineering 1 2019	9/9/2018	7.04%	5 years	9/9/2023	301	-
Prius Engineering 2 2019	9/9/2018	7.04%	5 years	9/9/2023	346	-
Prius Water Conservation 2019	9/9/2018	7.04%	5 years	9/9/2023	306	-
Highlander Library 2022	11/11/2021	5.00%	3 years	10/1/2024	594	-
E. Beall Office Lease 2022	4/1/2022	5.00%	5 years	3/1/2027	7,399	-

<u>Lease</u>	<u>Paid off in FY22</u>	<u>Bargain Purchase Option or Lease Purchase Contract Exists?</u>	<u>Bargain Purchase Option Exercised? City Plans to Exercise Lease Purchase Contract?</u>	<u>Installment sale contract Exists?</u>	<u>Installment Sale Contract Paid Off; Title Transferred?</u>
Snow Blower 2016	No	Yes	Yes	No	N/A
Canon Printer 2018	No	Yes	No	No	N/A
Caterpillar Motor Grader 2018	No	Yes	Yes	No	N/A
Elgin Broom Street Sweeper 2019	No	Yes	Yes	No	N/A
Highlander Library 2019	Yes	Yes	Yes	No	N/A
Prius Recreation 2020	No	Yes	Unknown	No	N/A
Prius Sustainability 2019	Yes	Yes	Yes	No	N/A
Prius Streets/Water 2019	Yes	No	N/A	Yes	Yes
Prius Engineering 1 2019	Yes	No	N/A	Yes	Yes
Prius Engineering 2 2019	Yes	No	N/A	Yes	Yes
Prius Water Conservation 2019	Yes	No	N/A	Yes	Yes
Highlander Library 2022	No	Yes	Unknown	No	N/A
E. Beall Office Lease 2022	No	No	N/A	No	N/A

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 9. LEASES (CONTINUED)**

The lease liability balance outstanding at June 30, 2022, is as follows:

	Balance June 30, 2021	Issuances	Repayments	Balance June 30, 2022	Due in One Year	Long-Term Portion
<b>Governmental Activities:</b>						
Snow Blower 2016	\$ 19,736	\$ -	\$ (13,302)	\$ 6,434	\$ 6,434	\$ -
Caterpillar Motor Grader 2018	146,628	-	(24,352)	122,276	122,276	-
Canon Printer 2018	2,683	-	(1,759)	924	924	-
Elgin Broom Sweeper 2019	113,907	-	(36,333)	77,574	37,945	39,629
Highlander Library 2019	972	-	(972)	-	-	-
Prius Sustainability 2019	1,292	-	(1,292)	-	-	-
Prius Streets 2019	3,490	-	(3,490)	-	-	-
Prius Engineering 1 2019	6,984	-	(6,984)	-	-	-
Prius Engineering 2 2019	8,022	-	(8,022)	-	-	-
Prius Recreation 2020	6,556	-	(4,141)	2,415	2,415	-
Highlander Library 2022	-	19,833	(4,684)	15,149	5,968	9,181
East Beall Office Lease 2022	-	423,122	(16,980)	406,142	70,968	335,174
	<u>\$ 310,270</u>	<u>\$ 442,955</u>	<u>\$ (122,311)</u>	<u>\$ 630,914</u>	<u>\$ 246,930</u>	<u>\$ 383,984</u>
<b>Business-Type Activities:</b>						
Prius Water 2019	3,493	-	(3,493)	-	-	-
Prius Water Conservation 2019	7,092	-	(7,092)	-	-	-
	<u>\$ 10,585</u>	<u>\$ -</u>	<u>\$ (10,585)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Principal and interest requirements to maturity of the leases as of June 30, 2022 are as follows:

Governmental Activities	Principal	Interest
<u>Year ending June 30,</u>		
2023	\$ 246,930	\$ 28,665
2024	124,732	17,033
2025	88,461	10,922
2026	94,477	6,413
2027	76,314	1,600
Total	<u>\$ 630,914</u>	<u>\$ 64,633</u>

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 9. LEASES (CONTINUED)**

The below table details amortization by class and total interest on lease liabilities for the year ended June 30, 2022:

Governmental Activities	Year ending June 30, 2022
<b>Lease expense</b>	
Amortization expense by class of underlying asset	
Leased equipment	\$ 58,754
Leased building	42,312
Leased vehicles	<u>4,586</u>
Total amortization expense	105,652
Interest on lease liabilities	<u>64,633</u>
<b>Total</b>	<b><u>\$ 170,285</u></b>

The total amount of right-of-use leased assets by class and related accumulated amortization at June 30, 2022 is as follows:

Governmental Activities	June 30, 2022
<b>Intangible right-of-use leased assets, net</b>	
Leased equipment	\$ 558,809
Less accumulated amortization on leased equipment	<u>(252,411)</u>
Leased equipment, net	<u>306,398</u>
Leased building	423,122
Less accumulated amortization on leased building	<u>(42,312)</u>
Leased building, net	<u>380,810</u>
Leased vehicles	32,646
Less accumulated amortization on leased vehicles	<u>(6,508)</u>
Leased vehicles, net	<u>26,138</u>
<b>Total intangible right-of-use leased assets, net</b>	<b><u>\$ 713,346</u></b>

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 9. LEASES (CONTINUED)**

On October 22, 1992, the City signed a memorandum of understanding with Gallatin County, Montana, in which the City agreed to lease space from the County's Law and Justice Center for the City Police Department and Municipal Court. The City paid to the County \$765,000 during the renovation of the building, which started 1993. The \$765,000 constitutes rent for four rental terms of ten years each. During the term of the lease and renewal of the lease, the principal balance of \$765,000 will be decreased by equal annual rental payments in the amount of \$19,125. If the City and County mutually agree to terminate the lease after the second ten-year term, the County will refund \$274,125, to the City for the unused portion of the rent. The lease began when renovations were complete on November 1, 1994. For the year ended June 30, 2022, rent expenditure was \$19,125 regarding this lease. Subsequent to fiscal year-end, the lease was terminated by both parties upon the opening of the Bozeman Public Safety Center. The County paid \$210,7135 to the City in October 2022 for the unused portion of the rent. Due to the expected termination of the lease, the City deemed the lease arrangement immaterial to the financial statements for the year ended June 30, 2022.

**NOTE 10. CLASSIFICATION OF NET POSITION**

In the Government-Wide Financial Statements, net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure in future years, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

Restricted Net Position – This category represents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments, and restrictions imposed by law through constitutional provision or enabling legislation. Net Position is presented as restricted by major purpose.

Unrestricted Net Position – This category represents the net position of the City that are not restricted for any project or other purpose.

In the Fund Financial Statements, commitments and assignments segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various commitments and assignments are established by actions of the City Commission and Management and can be increased, reduced, or eliminated by similar actions. Refer to Note 12 for a further disclosure related to fund balance classifications.

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 10. CLASSIFICATION OF NET POSITION (CONTINUED)**

The City's calculation of net investment in capital assets is as follows:

	Governmental Activities	Business-type Activities
Net capital assets	\$ 275,835,087	\$ 329,667,072
Less: capital related debt	(64,707,314)	(46,479,316)
Plus: capital debt reserve balance	-	3,274,157
Plus: unspent capital related debt proceeds	9,464,190	-
Less: capital related retainage and accounts payables	(3,350,273)	-
Net investment in capital assets	<u>\$ 217,241,690</u>	<u>\$ 286,461,913</u>

**NOTE 11. RESTRICTED NET POSITION**

At June 30, 2022, the balances of restricted net position for business-type activities are as follows:

	Business-Type Activities			Total
	Water Fund	Waste Water Fund	Nonmajor Enterprise	
Restricted by revenue bond covenants:				
For bond reserve	\$ 898,774	\$ 2,317,095	\$ 58,288	\$ 3,274,157
Restricted by ordinance:				
Cash in lieu of parking	-	-	130,316	130,316
Cash in lieu of infrastructure	516,859	-	-	516,859
Impact fees	15,432,602	9,984,007	-	25,416,609
	<u>\$ 16,848,235</u>	<u>\$ 12,301,102</u>	<u>\$ 188,604</u>	<u>\$ 29,337,941</u>

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 12. FUND BALANCE COMPOSITION**

The table presented below displays the City's fund balances by major purpose as displayed on page 33 of the governmental funds balance sheet.

	General Fund	American Rescue Plan Act	Street Impact Fee Fund	SID Debt Service	Construction Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>							
Prepays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 235,875	\$ 235,875
Cemetery perpetual care	-	-	-	-	-	1,684,104	1,684,104
Total nonspendable	-	-	-	-	-	1,919,979	1,919,979
<b>Restricted</b>							
General government-Planning	-	-	-	-	-	743,027	743,027
General government-Health Insurance	-	-	-	-	-	1,025,294	1,025,294
General government-other	-	-	-	-	-	105	105
Public safety - Building Inspection	-	-	-	-	-	1,409,716	1,409,716
Public safety-Fire Impact	-	-	-	-	-	4,287,167	4,287,167
Public safety-Victim Witness	-	-	-	-	-	401,187	401,187
Public safety-other	-	-	13,218,872	-	-	-	13,218,872
Public service	-	-	-	-	-	5,816,737	5,816,737
Public service - Gas Tax	-	-	-	-	-	1,062,125	1,062,125
Public service - Community Transportation	-	-	-	-	-	-	-
Public service - Lighting Districts	-	-	-	-	-	498,391	498,391
Public welfare - Tax Increment Districts	-	-	-	-	-	6,849,540	6,849,540
Public welfare - Econ Develop Loan Fund	-	-	-	-	-	1,025,026	1,025,026
Public welfare - Tree Maint. District	-	-	-	-	-	660,347	660,347
Public welfare - other	-	-	-	-	-	3,342,286	3,342,286
Capital projects	-	-	-	-	9,328,155	-	9,328,155
Debt service - TIF Bonds	-	-	-	-	-	-	-
Debt service - SID Sinking	-	-	-	4,403,242	-	-	4,403,242
Debt service - SID Revolving Fund	-	-	-	-	-	1,463,281	1,463,281
Debt service - GO Bonds	-	-	-	-	-	48,031	48,031
Total restricted	-	-	13,218,872	4,403,242	9,328,155	28,632,260	55,582,529

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 12. FUND BALANCE COMPOSITION (CONTINUED)**

	General Fund	American Rescue Plan Act	SID Debt Service	SID Debt Service	Construction Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Committed</b>							
Public safety	-	-	-	-	-	1,042,272	1,042,272
Public welfare	-	-	-	-	-	2,126,655	2,126,655
Capital projects	-	-	-	-	-	-	-
Total committed	-	-	-	-	-	3,168,927	3,168,927
<b>Assigned</b>							
General government	959,858	-	-	-	-	-	959,858
Public welfare	-	-	-	-	-	134,135	134,135
Capital projects	1,682,947	-	-	-	-	-	1,682,947
Budget ordinance minimum 16.67%	6,065,890	-	-	-	-	-	6,065,890
Total assigned	8,708,695	-	-	-	-	134,135	8,842,830
<b>Unassigned</b>	(107,076)	(197,922)	-	-	-	(114,258)	(419,256)
Total fund balance	\$ 8,601,619	\$ (197,922)	\$ 13,218,872	\$ 4,403,242	\$ 9,328,155	\$ 33,741,043	\$ 69,095,009

**NOTE 13. DEFICIT FUND BALANCES**

At June 30, 2022, the following funds had deficit fund balances: American Rescue Plan Act (ARPA) fund (\$197,122), TIF Bonds fund (\$1,499) and the Vehicle Maintenance Shop fund (\$478,000).

The deficit fund balance in the ARPA fund is due to the fair market value adjustment of \$206,290 decreasing the value of cash and investments held in the ARPA fund as of June 30, 2022. The decrease in the fair market value of investments as of June 30, 2022 was due to increasing interest rates. As the City's current fixed income investments mature and are replaced by investments with higher interest rates the effects on fair market value should lessen.

The deficit fund balance in Vehicle Maintenance Shop fund is due to an increase in the materials and supplies and salaries and benefits expenses. The City will re-evaluate the internal allocations to keep pace with increasing costs as well as recover the fund balance deficit that has accumulated over the last two fiscal years.



CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**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. EMPLOYEE BENEFIT PLANS**

**Plan Description and Provisions**

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 2022 and 2021 total payroll and covered payroll for all retirement plans were \$25,726,854 and \$24,322,441, respectively. Financial information for all three plans is reported in the Public Employees' Retirement Board's published *Comprehensive Annual 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.

**Aggregate Pension Totals**

The following table aggregates the amounts for all pension plans in which the City participates.

	<b>PERS</b>	<b>FURS</b>	<b>MPORS</b>	<b>Total</b>
Pension deferred outflows of resources	\$ 3,832,772	\$ 1,856,591	\$ 1,997,666	\$ 7,687,029
Net pension liability	15,249,847	1,935,764	5,327,439	22,513,050
Pension deferred inflows of resources	6,521,011	1,378,320	1,666,696	9,566,027
Pension expense	1,882,533	1,195,878	2,524,218	5,602,629

**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, 2021 measurement date for the 2022 reporting.

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

**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 (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 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 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. 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.

**Service Retirement**

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

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

*Benefits Provided (Continued)*

**Early Retirement**

Early retirement, actuarially reduced:

- |                                 |   |
|---------------------------------|---|
| Hired prior to July 1, 2011:    | Age 50, 5 years of membership service; or<br>Any age, 25 years of membership service. |
| Hired on or after July 1, 2011: | Age 55, 5 years of membership service.  |

**Second Retirement** (*requires returning to PERS-covered employer or PERS service*):

1. Retire before January 1, 2016 and accumulate less than 2 years additional service credit or retire on or after January 1, 2016 and accumulate less than 5 years additional service credit:
  - a) A refund of member's contributions plus return interest (currently 2.02% effective July 1, 2018);
  - b) No service credit for second employment;
  - c) Start the same benefit amount the month following termination; and
  - d) Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.
2. Retire before January 1, 2016 and accumulate at least 2 years of additional service credit;
  - a) A recalculated retirement benefit based on provisions in effect after the initial retirement; and
  - b) GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months.
3. Retire on or after January 1, 2016 and accumulate 5 or more years of service credit;
  - c) The same retirement as prior to the return to service;
  - d) A second retirement benefit as prior to the second of service based on laws in effect upon the rehire date; and
  - e) GABA starts on both benefits in January after receiving the original and 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 member's highest average compensation.

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

*Benefits Provided (Continued)*

***Monthly Benefit Formula***

Members hired prior to July 1, 2011:

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

Members hired on or after July 1, 2011:

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

***Guaranteed Annual Benefit Adjustment (GABA)\****

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

- 3% 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: (a) 1.5% for each year PERS is funded at or above 90%; (b) 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and (c) 0% whenever the amortization period for PERS is 40 years or more.

***Overview of 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.

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

***Overview of Contributions (Continued)***

Fiscal Year	Member		State & Universities	Local Government		School Districts	
	Hired <07/01/11	Hired >07/01/11	Employer	Employer	State	Employer	State
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%		7.170%	7.070%	0.100%	6.800%	0.370%
2008-2009	6.900%		7.035%	6.935%	0.100%	6.800%	0.235%
2000-2007	6.900%		6.900%	6.800%	0.100%	6.800%	0.100%

1. Member contributions to the system of 7.9% of member's compensation are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.
2. Employer contributions to the system:
  - a. Effective July 1, 2014, following the 2013 Legislative Session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following an actuary valuation that shows the amortization period of the PERS-DBRP has dropped below 25 years and remains below the 25 years following the reduction of both the additional employer and member contributions rates.
  - b. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
  - c. The portion of employer contributions allocated to the 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.

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

***Overview of Contributions (Continued)***

3. Non Employer Contributions
  - a. Special Funding
    - i. The State contributes 0.1% of members' compensation on behalf of local government entities.
    - ii. The State contributes 0.37% of members' compensation on behalf of school district entities.
    - iii. The state contributed a Statutory Appropriation from the General Fund of \$34,290,660.

***Actuarial Assumptions***

The total pension liability (TPL) as of June 30, 2021, measurement date, was determined on the results of an actuarial valuation date of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

- Investment Return (net of admin expense) 7.06%
- Admin expense as a % of payroll 0.28%
- General Wage Growth\* 3.50%  
\*includes Inflation at 2.40%
- 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 (provided below) each January, inclusive of other adjustments to the member's benefit.

  - 3% for members hired prior to July 1, 2007
  - 1.5% for members hired between July 1, 2007 and June 30, 2013
  - Members hired on or after July 1, 2013:
    - a) 1.5% for each year PERS is funded at or above 90%;
    - b) 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
    - c) 0% whenever the amortization period for PERS is 40 years or more.
- Mortality assumptions among contributing members, service retired members and beneficiaries are based on RP-2000 Combined Employee and Annuitant Mortality Tables projected to 2020 with scale BB, males set back one year.
- Mortality assumptions among disabled members are based on RP-2000 Mortality Tables with no projections.

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

***Discount Rate***

The discount rate used to measure the TPL was 7.06%. 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 2126. 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 rate of return as of June 30, 2021, the measurement date, was calculated using the average long-term capital market assumptions published in the Survey of Capital Market Assumptions 2021 Edition by Horizon Actuarial Service, LLC, yielding a median real return of 4.66%. The assumed inflation is based on the intermediate inflation assumption of 2.40% in the 2021 OASDI Trustees Report used by the Chief Actuary for Social Security to produce 75-year cost projections. Combining these two results yields a nominal return of 7.06%. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2021, the measurement date, are summarized in the table below:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic Basis
Cash	3.00%	-0.33%
Domestic Equity	30.00%	5.90%
International Equity	17.00%	7.14%
Private Investments	15.00%	9.13%
Real Assets	5.00%	4.03%
Real Estate	9.00%	5.41%
Core Fixed Income	15.00%	1.14%
Non-Core Fixed Income	6.00%	3.02%
<b>Total</b>	<b>100.00%</b>	

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

***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 7.06%, 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.

As of Measurement Date	1.0% Decrease at 6.06%	Current Discount Rate	1.0% Increase at 8.06%
City of Bozeman Net Pension Liability	\$24,206,755	\$15,249,847	\$7,737,081

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

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's TPL. The basis for the TPL as of June 30, 2021, was determined by taking the results of the June 30, 2020, actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The roll forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

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, 2022, and 2021 (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 \$15,249,847 and the employer's proportionate share was 0.841036 percent.

As of Reporting Date	Net Pension Liability as of 6/30/22	Net Pension Liability as of 6/30/21	Percent of Collective NPL as of 6/30/22	Percent of Collective NPL as of 6/30/21	Change in Percent of Collective NPL
City of Bozeman Proportionate Share	\$ 15,249,847	\$ 22,483,506	0.8410%	0.8522%	-0.0112%
State of Montana Proportionate Share associated with the City	4,507,680	7,096,303	0.2486%	0.2690%	-0.0204%
<b>Total</b>	<b>\$ 19,757,527</b>	<b>\$ 29,579,809</b>	<b>1.0896%</b>	<b>1.1212%</b>	<b>-0.0316%</b>

***Changes in Actuarial Assumptions and Methods:***

The following changes in assumptions or other inputs were made that affected the measurement of the TPL:

1. The discount rate was lowered from 7.34% to 7.06%
2. The investment rate of return was lowered from 7.34% to 7.06%



CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Changes in Benefit Terms:*

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

*Changes in Proportionate Share:*

There were no changes between the measurement date of the collective 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, 2022, the reporting date, the employer recognized \$587,584 for its proportionate share of the Plan's pension expense. The employer also recognized grant revenue of \$1,294,949 for the support provided by the State of Montana for its proportionate share of the pension expense associated with the employer.

As of reporting date	Pension Expense as of 6/30/22	Pension Expense as of 6/30/21
City's Proportionate Share	\$ 587,584	\$ 3,000,057
Employer Grant Revenue - State of Montana Proportionate Share for Employer	1,294,949	1,160,544
<b>Total</b>	<b>\$ 1,882,533</b>	<b>\$ 4,160,601</b>

*Recognition of Deferred Inflows and Outflows*

At June 30, 2022, the reporting date, the employer reported its proportionate share of PERS' deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

As of Reporting Date	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected v. actual experience	\$ 162,744	\$ 110,393
Projected investment earnings v. actual investment earnings	-	6,177,871
Changes in assumptions	2,258,786	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	232,747
Employer contributions subsequent to the measurement date	1,411,242	-
<b>Total</b>	<b>\$ 3,832,772</b>	<b>\$ 6,521,011</b>

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Recognition of Deferred Inflows and Outflows (Continued)*

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

For the Reporting Year ended June 30:	Recognition of deferred outflows and deferred inflows in future years as an increase or (decrease) to pension expense
2023	\$ (76,819)
2024	\$ (558,417)
2025	\$ (1,492,114)
2026	\$ (1,972,129)
2027	\$ -
Thereafter	\$ -

**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.

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

**PERS Disclosure for the Defined Contribution Plan (Continued)**

At the plan level for the reporting period ended June 30, 2022, 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 329 employers that have participants in the PERS-DCRP totaled \$1,103,889.

*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. The reports are available from the PERB at PO Box 200131, Helena, MT 59620-0131, (406) 444-3154 or both are available on the MPERA website at <https://mpera.mt.gov/about/annualreports1/annualreports>.

**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, 2021 measurement date for the 2022 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).

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Firefighters' Unified Retirement System (FURS) (Continued)**

**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 has elected to be covered by GABA:
  - 20 years of membership service
  - 2.5% of HAC x years of service credit
- Hired prior to July 1, 1981, and who had 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) x years of service credit, and
  - If membership service is greater or equal to 20 years:
    - 50% of HMC + 2% of HMC x years 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.

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Firefighters' Unified Retirement System (FURS) (Continued)**

*Benefits Provided (Continued)*

***Second Retirement (Continued):***

- 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 services, 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 part of a member's highest average compensation.

***Guaranteed Annual Benefit Adjustment (GABA)***

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

***Minimum Benefit Adjustment (non-GABA)***

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

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Firefighters' Unified Retirement System (FURS) (Continued)**

**Overview of 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 - 2022	9.50%	10.70%	14.36%	32.61%
1997	7.80%		14.36%	32.61%

**Actuarial Assumptions**

The total pension liability (TPL) as of June 30, 2021, measurement date, was determined on the results of an actuarial valuation date of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

- Investment Return 7.06%
- Admin expense as a % of payroll 0.17%
- General Wage Growth\* 3.50%  
   \*includes Inflation at 2.40%
- Merit Increases 0% to 6.30%
- Postretirement Benefit Increases
  - *Guaranteed Annual Benefit Adjustment (GABA) each January*  
 Members 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 a maximum of 3% each January.
  - *Minimum Benefit Adjustment (non-GABA)*  
 A member with 10 or more years of membership service who has not elected to be covered under GABA - the minimum benefit provided may not be less than 50% of the monthly compensation paid to a newly confirmed active firefighter of the employer that last employed the member as a firefighter in the current fiscal year.
- Mortality assumptions among contributing members, service retired members and beneficiaries are based on RP-2000 Combined Employee and Annuitant Mortality Tables projected to 2020 using Scale BB, males set back 1 year.
- Mortality assumptions among disabled members are based on RP-2000 Combined Mortality Tables with no projections.

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Firefighters' Unified Retirement System (FURS) (Continued)**

***Discount Rate***

The discount rate used to measure the TPL was 7.06%. 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 rate of return as of June 30, 2021, the measurement date, was calculated using the average long-term capital market assumptions published in the Survey of Capital Market Assumptions 2021 Edition by Horizon Actuarial Service, LLC, yielding a median real return of 4.66%. The assumed inflation is based on the intermediate inflation assumption of 2.40% in the 2021 OASDI Trustees Report used by the Chief Actuary for Social Security to produce 75-year cost projections. Combining these two results yields a nominal return of 7.06%. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2021, the measurement date, are summarized in the table below:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic Basis
Cash	3.00%	-0.33%
Domestic Equity	30.00%	5.90%
International Equity	17.00%	7.14%
Private Investments	15.00%	9.13%
Real Assets	5.00%	4.03%
Real Estate	9.00%	5.41%
Core Fixed Income	15.00%	1.14%
Non-Core Fixed Income	6.00%	3.02%
<b>Total</b>	<b>100.00%</b>	

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Firefighters' Unified Retirement System (FURS) (Continued)**

***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 the liability. The NPL was calculated using the discount rate of 7.06%, 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.

As of Measurement Date	1.0% Decrease at 6.06%	Current Discount Rate	1.0% Increase at 8.06%
City of Bozeman's Net Pension Liability	\$4,392,013	\$1,935,764	-\$31,729

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

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's TPL. The basis for the TPL as of June 30, 2021, was determined by taking the results of the June 30, 2020, actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The roll forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

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, 2022 and 2021 (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 \$1,935,764 and the employer's proportionate share was 2.2620 percent.

As of Reporting Date	Net Pension Liability as of 6/30/22	Net Pension Liability as of 6/30/21	Percent of Collective NPL as of 6/30/22	Percent of Collective NPL as of 6/30/21	Change in Percent of Collective NPL
City Proportionate Share	\$ 1,935,764	\$ 3,632,981	2.2620%	2.3217%	-0.0597%
State of Montana Proportionate Share associated with Employer	4,393,566	8,189,975	5.1341%	5.2340%	-0.0999%
<b>Total</b>	<b>\$ 6,329,330</b>	<b>\$ 11,822,956</b>	<b>7.3961%</b>	<b>7.5557%</b>	<b>-0.1596%</b>



CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Firefighters' Unified Retirement System (FURS) (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Changes in Actuarial Assumptions and Methods:*

The following changes in assumptions or other inputs were made that affected the measurement of the TPL:

1. The discount rate was lowered from 7.34% to 7.06%
2. The investment rate of return was lowered from 7.34% to 7.06%

*Changes in Benefit Terms:*

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

*Changes in Proportionate Share:*

There were no changes between the measurement date of the collective 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, 2022, the reporting date, the employer recognized its proportionate share of the FURS' pension expense of \$357,678. The employer also recognized grant revenue of \$838,200 for the support provided by the State of Montana for the proportionate share of the pension expense that is associated with the employer.

As of reporting date	Pension Expense as of 6/30/22	Pension Expense as of 6/30/21
City's Proportionate Share	\$ 357,678	\$ 704,126
Employer Grant Revenue - State of Montana Proportionate Share for Employer	838,200	1,594,757
<b>Total</b>	<b>\$ 1,195,878</b>	<b>\$ 2,298,883</b>

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Firefighters' Unified Retirement System (FURS) (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Recognition of Deferred Inflows and Outflows*

At June 30, 2022, 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 v. actual experience	\$ 253,456	\$ 10,532
Projected investment earnings v. actual investment earnings	-	1,324,282
Changes in assumptions	990,962	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	43,506
Employer contributions subsequent to the measurement date	612,173	-
<b>Total</b>	<b>\$ 1,856,591</b>	<b>\$ 1,378,320</b>

Other amounts reported as deferred outflows and 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 or (decrease) to pension expense
2023	\$ (2,055)
2024	\$ (48,251)
2026	\$ (150,335)
2026	\$ (225,366)
Thereafter	\$ 292,106

*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. The reports are available from the PERB at PO Box 200131, Helena, MT 59620-0131, (406) 444-3154 or both are available on the MPERA website at <https://mpera.mt.gov/about/annualreports1/annualreports>.

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**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 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. This report provides information for employers who are using a June 30, 2021 measurement date for the 2022 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.

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Municipal Police Officers' Retirement System (MPORS) (Continued)**

*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 x 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:

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

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Municipal Police Officers' Retirement System (MPORS) (Continued)**

*Benefits Provided (Continued)*

*Second Retirement (Continued):*

- c. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA:
    - i. On the initial retirement benefit in January immediately following second retirement, and
    - ii. On the second retirement benefit starting in January after receiving that benefit for at least 12 months.
- 3) A member who returns to covered service is not eligible for a disability benefit.

***Member's 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 part of a member's highest 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 3.0%.

***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.

***Overview of 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.

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Municipal Police Officers’ Retirement System (MPORS) (Continued)**

**Overview of Contributions (Continued)**

*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 <7/1/75	Hired >6/30/75	Hired >6/30/79	Hired >6/30/97 GABA		
2000-2022	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%

**Actuarial Assumptions**

The total pension liability (TPL) as of June 30, 2021, measurement date, was determined on the results of an actuarial valuation date of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

- Investment Return (net of admin expense) 7.06%
- Admin Expense as % of Payroll 0.18%
- General Wage Growth\* 3.50%
- \*includes Inflation at 2.40%
- Merit Increases 0% to 6.60%
- Postretirement Benefit Increases

i. **Guaranteed Annual Benefit Adjustment (GABA) each January**

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%.

ii. **Minimum Benefit Adjustment (non-GABA)**

Benefit for a retired member or member’s survivor and member did not elect 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.

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Municipal Police Officers' Retirement System (MPORS) (Continued)**

***Actuarial Assumptions (Continued)***

- Mortality assumptions among contributing members, service retired members and beneficiaries were based on RP-2000 Combined Employee and Annuitant Mortality Tables projected to 2020 using scale BB, set back one year for males.
- Mortality assumptions among Disabled Retirees were based on RP-2000 Combined Mortality Tables with no projects.

***Discount Rate***

The discount rate used to measure the TPL was 7.06%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board's funding policy, which established the contractually required rates under the Montana Code Annotated. The state contributed 29.37% of the salaries paid by employers. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2134. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

***Target Allocations***

The long-term rate of return as of June 30, 2021, the measurement date, was calculated using the average long-term capital market assumptions published in the Survey of Capital Market Assumptions 2021 Edition by Horizon Actuarial Service, LLC, yielding a median real return of 4.66%. The assumed inflation is based on the intermediate inflation assumption of 2.40% in the 2021 OASDI Trustees Report used by the Chief Actuary for Social Security to produce 75-year cost projections. Combining these two results yields a nominal return of 7.06%. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2021, the measurement date, are summarized in the table below:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic Basis
Cash	3.00%	-0.33%
Domestic Equity	30.00%	5.90%
International Equity	17.00%	7.14%
Private Investments	15.00%	9.13%
Real Assets	5.00%	4.03%
Real Estate	9.00%	5.41%
Core Fixed Income	15.00%	1.14%
Non-Core Fixed Income	6.00%	3.02%
<b>Total</b>	<b>100.00%</b>	

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Municipal Police Officers' Retirement System (MPORS) (Continued)**

***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 7.06%, 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.

As of Measurement Date	1.0% Decrease at 6.06%	Current Discount Rate	1.0% Increase at 8.06%
City of Bozeman's Net Pension Liability	\$8,716,339	\$5,327,439	\$2,633,515

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

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's TPL. The basis for the TPL as of June 30, 2021, was determined by taking the results of the June 30, 2020, actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The roll forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

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, 2022 and 2021 (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 \$5,237,439 and the employer's proportionate share was 2.9306 percent.

As of Reporting Date	Net Pension Liability as of 6/30/22	Net Pension Liability as of 6/30/21	Percent of Collective NPL as of 6/30/22	Percent of Collective NPL as of 6/30/21	Change in Percent of Collective NPL
City Proportionate Share	\$ 5,327,439	\$ 7,311,248	2.9306%	2.9892%	-0.0586%
State of Montana Proportionate Share associated with Employer	\$ 10,828,332	\$ 14,746,046	5.9566%	6.0290%	-0.0724%
<b>Total</b>	<b>\$ 16,155,771</b>	<b>\$ 22,057,294</b>	<b>8.8872%</b>	<b>9.0182%</b>	<b>-0.1310%</b>



CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Municipal Police Officers' Retirement System (MPORS) (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Changes in Actuarial Assumptions and Methods*

The following changes in assumptions or other inputs were made that affected the measurement of the TPL:

1. The discount rate was lowered from 7.34% to 7.06%
2. The investment rate of return was lowered from 7.34% to 7.06%

*Changes in Benefit Terms*

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

*Changes in Proportionate Share*

There were no changes between the measurement date of the collective 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, 2022, the reporting date, the employer recognized its proportionate share of the Plan's pension expense of \$834,004. The employer also recognized grant revenue of \$1,690,214 for the support provided by the State of Montana for the proportionate share of the pension expense that is associated with the employer.

As of reporting date	Pension Expense as of 6/30/22	Pension Expense as of 6/30/21
City's Proportionate Share	\$ 834,004	\$ 1,271,558
State of Montana Proportionate Share associated with the City	1,690,214	2,606,712
<b>Total</b>	<b>\$ 2,524,218</b>	<b>\$ 3,878,270</b>

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Municipal Police Officers' Retirement System (MPORS) (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Recognition of Deferred Inflows and Outflows*

At June 30, 2022, the reporting date, the employer reported its proportionate share of MPORS' deferred outflows of resources and deferred inflows of resources related to MPORS from the following sources:

As of reporting date	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected v. actual experience	\$ 169,440	\$ 58,175
Projected investment earnings v. actual investment earnings	-	1,604,993
Changes in assumptions	1,017,875	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	3,528
Employer contributions subsequent to the measurement date	810,351	-
<b>Total</b>	<b>\$ 1,997,666</b>	<b>\$ 1,666,696</b>

Other amounts reported as deferred outflows and 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 or (decrease) to pension expense
2023	\$ 194,724
2024	\$ 73,886
2025	\$ (228,427)
2026	\$ (519,564)
Thereafter	\$ -

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 15. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Municipal Police Officers' Retirement System (MPORS) (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*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. The reports are available from the PERB at PO Box 200131, Helena, MT 59620-0131, (406) 444-3154 or both are available on the MPERA website at <https://mpera.mt.gov/about/annualreports1/annualreports>.

**NOTE 16. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

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

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

***Funding Policy***

The plan is unfunded by the City and plan members receiving benefits contribute 100 percent of their cost of the benefits on a pay-as-you-go basis. The City plan's administratively established retiree medical, dental, and vision premiums vary between \$41 and \$2,313 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 \$2,800 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%. Depending on the plan, for a family, after an annual deductible of \$1,000 to \$5,600 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%.

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 16. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

***Employees Covered by Benefit Terms***

At June 30, 2020, the census valuation date, the following employees were covered by the benefit terms:

<u>Category</u>	<u>Count</u>
Active employees	462
Inactive employees or beneficiaries currently receiving benefit payments	<u>32</u>
Total	<u><u>494</u></u>

***Contributions***

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

***Total OPEB Liability (TOL)***

The City's total OPEB liability of \$5,067,116 was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

Changes in the TOL for the year ended June 30, 2022 are as follows:

Service cost	\$ 348,856
Interest on OPEB obligation	101,891
Difference between expected & actual expense	-
Benefits paid	(147,232)
Changes in assumptions	<u>428,413</u>
Changes in OPEB obligation	731,928
OPEB obligation - beginning of year	<u>4,335,188</u>
OPEB obligation - end of year	<u><u>\$ 5,067,116</u></u>

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 (1.16%) or one percentage point higher (3.16%) follows:

	<u>1% Decrease</u> <u>(1.16%)</u>	<u>Discount Rate</u> <u>(2.16%)</u>	<u>1% Increase</u> <u>(3.16%)</u>
Total OPEB liability	<u>\$ 5,732,304</u>	<u>\$ 5,067,116</u>	<u>\$ 4,487,828</u>

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 16. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

***Total OPEB Liability (TOL) (Continued)***

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 (6.5%) or one percentage point higher (8.5%) than the current healthcare cost trend rate follows:

	<u>1% Decrease (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Total OPEB liability	<u>\$ 4,330,394</u>	<u>\$ 5,067,116</u>	<u>\$ 5,964,936</u>

For the year ended June 30, 2022, the City recognized an OPEB expense of \$650,008. At June 30 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ (220,940)
Changes of assumptions	<u>1,350,337</u>	<u>(376,951)</u>
Total	<u>\$ 1,350,337</u>	<u>\$ (597,891)</u>

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

<b><u>Year Ended June 30:</u></b>	
2023	\$ 199,261
2024	199,261
2025	199,263
2026	238,801
2027	16,051
Thereafter	<u>(100,191)</u>
Total	<u>\$ 752,446</u>

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 16. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

***Total OPEB Liability (TOL) (Continued)***

The June 30, 2022, year-end OPEB cost is reported in the City's funds as follows:

<u>Functions/Programs</u>	<u>Expenses</u>
PRIMARY GOVERNMENT	
Governmental activities:	
General government	\$ 130,540
Public safety	221,443
Public service	92,610
Public welfare	156,952
Total governmental activities	<u>601,545</u>
Business-type activities:	
Water	43,589
Wastewater	34,110
Solid waste	33,255
Parking	8,547
Stormwater	10,878
Total business-type activities	<u>130,379</u>
Total primary government	<u>\$ 731,924</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 2021, with an estimate provided for fiscal year 2022. For fiscal year 2022, an estimated valuation was derived based on the 2021 actual costs and participants. As a result of this biennial valuation, we have marked the fields as "n/a" where actual financial data was not used to generate the estimate. As of July 1, 2021, 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:

1. Discount Rate: 2.16% for determining fiscal 2022 disclosure and estimated fiscal 2022 expense; 2.21% for determining fiscal 2021 liability and fiscal 2021 expense.
2. Inflation Rate: 2.5% long-term.
3. Expected Real Rate of Return on Assets: N/A
4. Health Care Claim and Contribution Trend Rates: 7.50% initial in fiscal 2022 and 4.5% ultimate in fiscal 2042.
5. Average Salary Increase: Updated from 1.50% in fiscal 2021 to 0.00% in fiscal 2022.

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 16. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

***Actuarial Methods and Assumptions (Continued)***

6. Retirement Rates: Based on actuarial valuation for statewide retirement systems as of June 30, 2021
7. Retiree Participation Rate: 35%
8. Lapse Rate: 15% per year
9. Marriage Assumption: For future retirees, 60% of participants are assumed to be married, with husbands 3 years older than wives

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

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

The medical trend rate table was reset in fiscal 2022.

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 17. 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, 2022, 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 OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 17. JOINT VENTURE AGREEMENTS (CONTINUED)**

**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.



CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 18. INTERFUND TRANSFERS AND ASSETS/LIABILITIES**

A summary of interfund transfers reported in the fund financial statements for the year ended June 30, 2022, follows:

		Transfers From				
		Governmental Funds				
		General Fund	American Rescue Plan Act	Capital Projects	Nonmajor Governmental	Total
Transfers To	General Fund	\$ -	\$ 131,139	\$ -	\$ 4,835,026	\$ 4,966,165
	SID Debt Service	2,077,709	-	-	-	2,077,709
	Capital projects	7,261	-	-	738,101	745,362
	Nonmajor Governmental	725,048	-	257,102	2,030,796	3,012,946
	Water Enterprise	-	843,241	-	-	843,241
	Nonmajor Enterprise	553,735	-	-	-	553,735
	Total	<u>\$ 3,363,753</u>	<u>\$ 974,380</u>	<u>\$ 257,102</u>	<u>\$ 7,603,923</u>	<u>\$ 12,199,158</u>

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.

General Fund transfers in from the American Rescue Plan Act fund covered general government services expenses as allowable under the revenue recovery federal grant terms. General Fund transfers in from nonmajor governmental funds were for health insurance expenses and to move available funding from the revolving loan fund. The available funding from the revolving loan fund was transferred to the SID Debt Service fund.

Capital projects funds transfers in from nonmajor governmental funds covered a portion of street reconstruction projects.

Nonmajor governmental funds transfers in from the General Fund financed special revenue fund expenses due to grant programs ending during the fiscal year and to move funding to the economic development loan fund.

Nonmajor governmental funds transfers in from Capital Projects funds returned available cash upon project completion.

Nonmajor governmental funds transfers in from other nonmajor governmental funds included gas tax funding financing project expenses in the arterial and collector fund, as well as funding for tax increment financing district debt payments.

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 18. INTERFUND TRANSFERS AND ASSETS/LIABILITIES (CONTINUED)**

Nonmajor enterprise funds transfers in from the General Fund financed landfill monitoring costs.

Water fund transfers in from the American Rescue Plan Act fund covered capital expenses for several infrastructure projects in accordance with federal grant terms.

A summary of advances and due from/to other funds at June 30, 2022, is as follows:

	Advances to other City funds	Advances from other City funds
Major Fund:		
SID Debt Service	\$ -	\$ 693,010
Nonmajor Governmental Fund:		
SID Revolving Debt Service	693,010	-
	\$ 693,010	\$ 693,010
	Due from other City funds	Due to other City funds
Major Funds:		
General fund	\$ 2,212,310	\$ -
SID Debt Service	-	1,109,264
Nonmajor Governmental Fund:		
G.O. Bonds	-	311,239
Internal Service Fund:		
Vehicle Maintenance	-	773,242
Medical Health Insurance	-	18,565
	\$ 2,212,310	\$ 2,212,310

Interfund balances reported as due from or due to other funds are usually a result of transfers for reporting purposes to cover negative cash balances within a fund that are anticipated to be covered by revenue in the fund in the future. These transfers are reversed as cash becomes available in a fund where cash previously had been in a deficit.

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 19. 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, 2022, 2021, and 2020.

**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.

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 20. 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 21. SOLID WASTE 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 \$1,175,032, which is its estimate of future landfill closure and post-closure care costs as of June 30, 2022.

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.

CITY OF BOZEMAN, MONTANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2022

**NOTE 21. SOLID WASTE LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS (CONTINUED)**

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:

<u>Condensed Statement of Net Position</u>	
Restricted cash and cash equivalents	\$ 131,659
Accrued interest	164
Capital assets, net of depreciation	758,973
Total assets	<u>\$ 890,796</u>
Current liabilities	\$ 19,804
Closure and post-closure care cost	1,175,032
Total liabilities	<u>1,194,836</u>
Restricted for debt service	<u>(304,040)</u>
Total net position	<u>(304,040)</u>
Total liabilities and net position	<u>\$ 890,796</u>
<u>Condensed Statement of Revenues, Expenses and Changes in Net Position</u>	
Operating revenues and expenses:	
Operating revenues	<u>\$ -</u>
Operating expenses	
Depreciation	18,425
Change in post closure cost estimate	(33,087)
Other operating	-
Total operating expenses	<u>(14,662)</u>
Operating profit	<u>14,662</u>
Non-operating revenues (expenses):	
Interest income	619
Interest expense	(3,953)
Transfers	359,000
Total non-operating revenues	<u>355,666</u>
Change in net position	370,328
Net position, beginning of year	(674,368)
Net position, end of year	<u>\$ (304,040)</u>

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 22. IMPACT FEES**

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 Waste Water Impact Fee Fund have recorded impact fee credits amounting to \$33,232, \$56,343, and \$129,042, respectively, for the fiscal year ending June 30, 2022. The Fire Impact Fee Fund does not have any outstanding credits. The following impact fee revenues were collected and expensed/expended during fiscal year 2022:

	Beginning Balances	Impact Fees	Other Income	Expenses, Expenditures, and Transfers	Ending Balances
Fire	\$ 3,813,371	\$ 615,771	\$ (109,009)	\$ (32,966)	\$ 4,287,167
Water	10,696,905	3,817,737	1,727,967	(960,689)	15,281,920
Waste water	7,847,593	2,295,758	15,582	(365,907)	9,793,026
Streets	8,005,408	8,426,720	12,167	(3,225,423)	13,218,872
Total	<u>\$ 30,363,277</u>	<u>\$ 15,155,986</u>	<u>\$ 1,646,707</u>	<u>\$ (4,584,985)</u>	<u>\$ 42,580,985</u>

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 23. POLLUTION REMEDIATION OBLIGATIONS**

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

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

The Montana Department of Environmental Quality (MDEQ) issued the Record of Decision (ROD) for the Bozeman Solvent Site (BSS) in August 2011. The Administrative Order of Consent (AOC) was finalized in January 2012. The ROD and AOC specifically delineate the remediation to be completed for the BSS. The AOC serves as the legal mechanism for the implementation of the selected remedies identified in the ROD. Though remediation is currently underway and may be completed relatively quickly, monitoring of the site will continue for a period of up to 30 years. Tasman Geosciences, Inc. serves as the contractor for the potentially liable parties (the City of Bozeman and CVS Pharmacy, Inc.). Based on the selected remedies identified in the ROD, Tasman has completed a long-term cost projection for the project in February 2016. The long-term cost projection was reviewed in September 2017 and, at that time, it was determined it was still an accurate projection. This cost projection includes all remediation and monitoring cost, as well as, the MDEQ cost recovery associated with the BSS. The long-term cost projection for the City is \$2,089,997 in remediation costs. Reduced by its insurer's reimbursement, the amount is \$782,927. This liability is recorded in the Waste Water 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.

CITY OF BOZEMAN, MONTANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**NOTE 23. POLLUTION REMEDIATION OBLIGATIONS (CONTINUED)**

**CMC Asbestos Bozeman CECRA Facility (Continued)**

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 24. COMMITMENTS**

The City entered into a contract to construct the Bozeman Public Safety Center. The contract commitment for the project is \$37,287,116. For the year ended June 30, 2022, the City had incurred \$35,129,852 towards the project, which is reported as construction in progress in the Statement of Net Position.

The City entered into various contracts for various road and streetscape projects. The contract commitments for the projects are \$12,671,825. For the year ended June 30, 2022, the City had incurred \$4,994,108 towards the projects.

The City entered into a contract to design Fire Station #2. The design contract commitment for the project is \$678,522. For the year ended June 30, 2022, the City had incurred \$278,972. The construction portion of the project will go out to bid in fiscal year 2023.

The City entered into contracts to design and construct the Library Renovation project. The contract commitments for design and construction total \$4,787,241. For the year ended June 30, 2022, the City had incurred \$582,878 towards the project, which have been paid for primarily from donations by the Bozeman Public Library Foundation.

The City entered into a contract for construction services for the Sourdough Water Transmission Main, Phase 2 project. The contract commitment for the project is \$4,105,304. For the year ended June 30, 2022, the City had incurred \$1,519,582 towards the project.

The City entered into contracts for design and construction services for the Solids Dewatering Building Expansion and Headwaters Building Improvements projects. The contracts commitments for the projects are \$2,922,244. For the year ended June 30, 2022, the City had incurred \$2,720,275 towards the projects.



**C. REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN  
MANAGEMENT DISCUSSION AND ANALYSIS**

CITY OF BOZEMAN, MONTANA  
 SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
 Year Ended June 30, 2022

GASB Statement No. 75 was implemented beginning in fiscal year 2018. This Statement requires supplementary information for 10-year schedules containing service cost, changes of benefit terms, if any, differences between expected and actual experience, changes of actuarial assumptions or other inputs, and benefit payments, as applicable to the Local Government's OPEB plan and method of calculating OPEB liability.

Assets are not accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4 to pay related benefits. The total OPEB liability and ratio of OPEB liability as a percentage of covered-employee payroll as of June 30, 2022 is determined as follows:

Total OPEB Liability	2022	2021	2020	2019	2018
Service cost	\$ 348,856	\$ 218,391	\$ 224,433	\$ 180,183	\$ 256,948
Interest	101,891	105,950	105,809	88,126	81,562
Assumption changes	428,413	1,270,632	86,881	225,374	(653,711)
Difference between expected and actual experience	-	(8,615)	-	(502,125)	431,737
Benefit payments	<u>(147,232)</u>	<u>(119,793)</u>	<u>(116,330)</u>	<u>(118,184)</u>	<u>(431,737)</u>
Net change in total OPEB liability	731,928	1,466,565	300,793	(126,626)	(315,201)
Total OPEB liability - beginning of year	<u>4,335,188</u>	<u>2,868,623</u>	<u>2,567,830</u>	<u>2,694,455</u>	<u>3,009,656</u>
Total OPEB liability - ending of year	<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	\$ 27,432,420	\$ 26,119,539	\$ 24,490,157	\$ 23,503,572	\$ 45,345,305
Total OPEB liability as a percentage of covered-employee payroll	18.47%	16.60%	11.71%	10.93%	5.94%

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

**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:

6/30/2022	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 PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**AND SCHEDULE OF CONTRIBUTIONS**  
**For the Last Ten Fiscal Years\***

<b>Schedule of Proportionate Share of the Net Pension Liability:</b>	<b>PERS</b>							
<b>As of Measurement Date</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Employer's proportion of the net pension liability (percentage)	0.8410%	0.8522%	0.8620%	0.8336%	1.0419%	1.0218%	0.9588%	0.91505%
Employer's net pension liability (amount)	\$ 15,249,847	\$ 22,483,506	\$ 18,018,037	\$ 17,399,265	\$ 20,291,988	\$ 17,404,143	\$ 13,403,285	\$ 11,401,613
State's net pension liability (amount)	\$ 4,507,680	\$ 7,096,303	\$ 5,867,557	\$ 5,822,595	\$ 266,967	\$ 212,659	\$ 164,637	\$ 139,231
<b>Total</b>	<b>\$ 19,757,527</b>	<b>\$ 29,579,809</b>	<b>\$ 23,885,594</b>	<b>\$ 23,221,860</b>	<b>\$ 20,558,955</b>	<b>\$ 17,616,802</b>	<b>\$ 13,567,922</b>	<b>\$ 11,540,844</b>
Employer's covered payroll	\$ 14,855,905	\$ 14,298,930	\$ 14,222,530	\$ 13,764,340	\$ 12,924,792	\$ 12,238,920	\$ 11,189,797	\$ 10,479,122
Employer's proportionate share as a percent of covered payroll	102.65%	157.24%	126.69%	126.41%	157.00%	142.20%	119.78%	108.80%
Plan fiduciary net position as a percent of total pension liability	79.91%	68.90%	73.85%	73.47%	73.75%	74.71%	78.40%	79.90%

\*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

<b>Schedule of Contributions:</b>	<b>PERS</b>							
<b>As of Reporting Date</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required DB contributions	\$ 1,411,242	\$ 1,302,862	\$ 1,239,718	\$ 1,223,234	\$ 1,161,210	\$ 1,081,810	\$ 1,022,996	\$ 922,084
Plan choice rate required contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,892	\$ 52,151
Contributions in relation to the contractually required contributions	\$ 1,411,242	\$ 1,302,862	\$ 1,239,718	\$ 1,223,234	\$ 1,161,210	\$ 1,081,810	\$ 1,051,888	\$ 974,235
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 15,910,277	\$ 14,855,905	\$ 14,298,930	\$ 14,222,530	\$ 13,764,340	\$ 12,924,792	\$ 12,238,920	\$ 11,189,797
Contributions as a percent of covered payroll	8.87%	8.77%	8.67%	8.60%	8.44%	8.37%	8.59%	8.71%

CITY OF BOZEMAN, MONTANA  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 AND SCHEDULE OF CONTRIBUTIONS (CONTINUED)  
 Year Ended June 30, 2022

Schedule of Proportionate Share of the Net Pension Liability:	FURS							
As of Measurement Date	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (percentage)	2.2620%	2.3217%	2.1955%	2.3663%	2.3492%	2.3705%	2.4336%	2.4192%
Employer's net pension liability (amount)	\$ 1,935,764	\$ 3,632,985	\$ 2,518,508	\$ 2,725,281	\$ 2,655,380	\$ 2,707,390	\$ 2,489,054	\$ 2,361,551
State's net pension liability (amount)	\$ 4,393,566	\$ 8,189,975	\$ 6,091,025	\$ 6,231,502	\$ 6,030,078	\$ 6,134,093	\$ 5,543,784	\$ 5,327,544
<b>Total</b>	<b>\$ 6,329,330</b>	<b>\$ 11,822,960</b>	<b>\$ 8,609,533</b>	<b>\$ 8,956,783</b>	<b>\$ 8,685,458</b>	<b>\$ 8,841,483</b>	<b>\$ 8,032,838</b>	<b>\$ 7,689,095</b>
Employer's covered payroll	\$ 4,162,698	\$ 4,052,989	\$ 3,807,151	\$ 3,726,746	\$ 3,511,860	\$ 3,338,041	\$ 3,270,451	\$ 3,142,481
Employer's proportionate share as a percent of covered payroll	46.50%	89.64%	66.15%	73.13%	75.61%	81.11%	76.11%	75.15%
Plan fiduciary net position as a percent of total pension liability	87.72%	75.34%	80.08%	79.03%	77.77%	75.48%	76.90%	76.71%

\*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule of Contributions:	FURS							
As of Reporting Date	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 612,173	\$ 595,510	\$ 596,564	\$ 524,670	\$ 548,518	\$ 504,303	\$ 477,250	\$ 478,776
Contributions in relation to the contractually required contributions	\$ 612,173	\$ 595,510	\$ 596,564	\$ 524,670	\$ 548,518	\$ 504,303	\$ 477,250	\$ 478,776
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 4,263,039	\$ 4,162,698	\$ 4,052,989	\$ 3,807,151	\$ 3,726,746	\$ 3,511,860	\$ 3,338,041	\$ 3,270,451
Contributions as a percent of covered payroll	14.36%	14.31%	14.72%	13.78%	14.72%	14.36%	14.30%	14.64%

CITY OF BOZEMAN, MONTANA  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 AND SCHEDULE OF CONTRIBUTIONS (CONTINUED)  
 Year Ended June 30, 2022

Schedule of Proportionate Share of the Net Pension Liability:	MPORS							
	2021	2020	2019	2018	2017	2016	2015	2014
As of Measurement Date								
Employer's proportion of the net pension liability (percentage)	2.9306%	2.9892%	2.8699%	2.9325%	3.0402%	3.0842%	2.9746%	3.0209%
Employer's net pension liability (amount)	\$ 5,327,439	\$ 7,311,248	\$ 5,712,381	\$ 5,022,189	\$ 5,408,979	\$ 5,552,007	\$ 4,920,638	\$ 4,746,933
State's net pension liability (amount)	\$ 10,828,332	\$ 14,746,046	\$ 11,632,402	\$ 10,266,345	\$ 11,024,418	\$ 11,020,975	\$ 9,969,680	\$ 9,589,371
<b>Total</b>	<b>\$ 16,155,771</b>	<b>\$ 22,057,294</b>	<b>\$ 17,344,783</b>	<b>\$ 15,288,534</b>	<b>\$ 16,433,397</b>	<b>\$ 16,572,982</b>	<b>\$ 14,890,318</b>	<b>\$ 14,336,304</b>
Employer's covered payroll	\$ 5,303,838	\$ 5,120,608	\$ 4,729,931	\$ 4,628,804	\$ 4,555,121	\$ 4,353,897	\$ 4,116,930	\$ 4,053,265
Employer's proportionate share as a percent of covered payroll	100.44%	142.78%	120.77%	108.50%	118.75%	127.52%	119.52%	117.11%
Plan fiduciary net position as a percent of total pension liability	75.76%	64.84%	68.84%	70.95%	68.34%	65.62%	66.90%	67.01%

\*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule of Contributions:	MPORS							
	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 810,351	\$ 763,261	\$ 732,880	\$ 684,296	\$ 692,318	\$ 655,143	\$ 637,789	\$ 596,791
Contributions in relation to the contractually required contributions	\$ 810,351	\$ 763,261	\$ 732,880	\$ 684,296	\$ 692,318	\$ 655,143	\$ 637,789	\$ 596,791
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 5,623,538	\$ 5,303,838	\$ 5,120,608	\$ 4,729,931	\$ 4,628,804	\$ 4,555,121	\$ 4,353,897	\$ 4,116,930
Contributions as a percent of covered payroll	14.41%	14.39%	14.31%	14.47%	14.96%	14.38%	14.65%	14.50%

CITY OF BOZEMAN, MONTANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN CHANGES  
Year Ended June 30, 2022

**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** – for PERS

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

**Refunds**

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

**Interest Credited To Member Accounts**

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

**Lump-Sum Payouts**

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

**Disabled PERS Defined Contribution (DC) Members**

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

CITY OF BOZEMAN, MONTANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN CHANGES (CONTINUED)  
Year Ended June 30, 2022

**CHANGE OF BENEFIT TERMS (CONTINUED)**

**2017 Legislative Changes – FURS:**

**Working Retiree Limitations – for FURS**

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

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

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

- a. 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:
  - i. Is not awarded service credit for the period of reemployment;
  - ii. Is refunded the accumulated contributions associated with the period of reemployment;
  - iii. Starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
  - iv. 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.

CITY OF BOZEMAN, MONTANA  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN CHANGES (CONTINUED)  
 Year Ended June 30, 2022

**CHANGE OF BENEFIT TERMS (CONTINUED)**

**2017 Legislative Changes – FURS (Continued):**

**Working Retiree Limitations** – for FURS (Continued)

**Second Retirement Benefit** – for FURS (Continued)

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

- b. 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:
  - i. Is awarded service credit for the period of reemployment;
  - ii. Starting the first month following termination of service, receives:
    1. The same retirement benefit previously paid to the member, and
    2. A second retirement benefit for the period of reemployment calculated based on the laws in effect as of the member's rehire date; and
  - iii. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA:
    1. On the initial retirement benefit in January immediately following second retirement, and
    2. On the second retirement benefit starting in January after receiving that benefit for at least 12 months.
- c. A member who returns to covered service is not eligible for a disability benefit

**Refunds**

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

**Interest Credited to Member Accounts**

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

**Lump-Sum Payouts**

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



CITY OF BOZEMAN, MONTANA  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN CHANGES (CONTINUED)  
 Year Ended June 30, 2022

**CHANGE OF BENEFIT TERMS (CONTINUED)**

**2017 Legislative Changes – MPORS:**

**Working Retiree Limitations – for MPORS**

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:
  - a. May not become an active member in the system; and
  - b. 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:
  - a. Must become an active member of the system;
  - b. Will stop receiving a retirement benefit from the system; and
  - c. 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:
  - a. Employer contributions and state contributions (if any) must be paid on all working retirees;
  - b. 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 – for MPORS**

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:
  - a. Is not awarded service credit for the period of reemployment;
  - b. Is refunded the accumulated contributions associated with the period of reemployment;
  - c. Starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
  - d. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a Guaranteed Annual Benefit Adjustment (GABA) in January immediately following second retirement.

CITY OF BOZEMAN, MONTANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN CHANGES (CONTINUED)  
Year Ended June 30, 2022

**CHANGE OF BENEFIT TERMS (CONTINUED)**

**2017 Legislative Changes – MPORS (Continued):**

**Second Retirement Benefit – for MPORS (Continued)**

2017 Legislative Changes:

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

**Refunds**

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

**Interest Credited to Member Accounts**

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

**Lump-sum payouts**

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

CITY OF BOZEMAN, MONTANA  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN CHANGES (CONTINUED)  
 Year Ended June 30, 2022

**CHANGES IN ACTUARIAL ASSUMPTIONS AND METHODS**

**Method and Assumptions used in Calculations of Actuarially Determined Contributions**

The following Actuarial Assumptions were adopted from the June 30, 2020 actuarial valuation:

	<b>PERS</b>	<b>FURS</b>	<b>MPORS</b>
General Wage Growth*	3.50%	3.50%	3.50%
Investment Rate of Return*	7.65%	7.65%	7.65%
*Includes inflation at	2.75%	2.75%	2.75%
Merit increase	0% to 6.8.47%	0% to 6.30%	0% to 6.60%
Asset valuation method	Four-year smoothed market	4-year smoothed market	4-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 pay, open	Level percentage of pay, open
Mortality (Healthy members)	For Males & Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year	For Males & Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year	For Males & Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year
Mortality (Disabled members)	For Males & Females: RP 2000 Combined Mortality Table, with no projections	For Males & Females: RP 2000 Combined Mortality Table	For Males & Females: RP 2000 Combined Mortality Table
Admin Expense as a % of Payroll	0.28%	0.17%	0.18%

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, 2020 valuation, were developed in the six year experience study for the period ending 2016.

CITY OF BOZEMAN, MONTANA  
SCHEDULE OF REVENUE, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL – GENERAL FUND  
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balance, July 1	\$ (841,840)	\$ 914,230	\$ 6,493,277	\$ 5,579,047
Resources (inflows):				
Taxes	17,919,638	17,919,638	18,023,178	103,540
Special assessments	-	-	931	931
Licenses and permits	364,300	364,300	420,415	56,115
Intergovernmental	8,848,932	8,848,932	8,816,807	(32,125)
Charges for services	4,111,159	4,111,159	4,523,191	412,032
Fines and forfeitures	1,062,000	1,062,000	993,493	(68,507)
Sale of assets	5,000	5,000	22,321	17,321
Interest on investments	80,000	80,000	36,552	(43,448)
Increase (decrease) in fair market value of investments	-	-	(289,699)	(289,699)
Transfers from other funds	3,709,677	6,896,650	4,966,165	(1,930,485)
Issuance of lease (as lessee)	-	-	19,833	19,833
Other	294,626	294,626	139,623	(155,003)
Amounts available for appropriation	<u>35,553,492</u>	<u>40,496,535</u>	<u>44,166,087</u>	<u>3,669,552</u>
Charges to appropriations (outflows):				
Current				
General government	9,736,605	9,779,017	9,140,826	638,191
Public safety	18,984,481	18,984,481	18,305,074	679,407
Public service	-	-	1,434	(1,434)
Public welfare	6,293,992	6,448,397	5,274,990	1,173,407
Other	1,543,457	2,110,457	2,022,115	88,342
Capital outlay	1,341,051	1,984,006	565,483	1,418,523
Debt service	52,292	52,292	47,807	4,485
Transfers to other funds	799,025	3,985,998	3,363,753	622,245
Total charges to appropriations	<u>38,750,903</u>	<u>43,344,648</u>	<u>38,721,482</u>	<u>4,623,166</u>
Budgetary fund balance, June 30	<u>\$ (3,197,411)</u>	<u>\$ (2,848,113)</u>	<u>\$ 5,444,605</u>	<u>\$ 8,292,718</u>

CITY OF BOZEMAN, MONTANA  
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
 AMERICA RESCUE PLAN ACT SPECIAL REVENUE FUND  
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Budgetary fund balance, July 1	\$ (3,075,100)	\$ (6,798,100)	\$ -	\$ 6,798,100
Resources (inflows):				
Taxes	-	-	-	-
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	6,032,500	6,032,500	1,013,635	(5,018,865)
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	8,368	8,368
Increase (decrease) in fair market value of investments	-	-	(206,290)	(206,290)
Transfers from other funds	-	-	-	-
Proceeds from long-term debt	-	-	-	-
Premium on bonds issued	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
Other	-	-	-	-
Amounts available for appropriation	<u>2,957,400</u>	<u>(765,600)</u>	<u>815,713</u>	<u>1,581,313</u>
Charges to appropriations (outflows):				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public service	-	-	-	-
Public welfare	-	-	-	-
Other	600,000	600,000	39,255	560,745
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Transfers to other funds	<u>11,217,620</u>	<u>11,217,620</u>	<u>974,380</u>	<u>10,243,240</u>
Total charges to appropriations	<u>11,817,620</u>	<u>11,817,620</u>	<u>1,013,635</u>	<u>10,803,985</u>
Budgetary fund balance, June 30	<u>\$ (8,860,220)</u>	<u>\$ (12,583,220)</u>	<u>\$ (197,922)</u>	<u>\$ 12,385,298</u>

CITY OF BOZEMAN, MONTANA  
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
 STREET IMPACT FEE SPECIAL REVENUE FUND  
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Budgetary fund balance, July 1	\$ -	\$ -	\$ 8,005,408	\$ 8,005,408
Resources (inflows):				
Taxes	-	-	-	-
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	5,727,830	5,727,830	8,426,720	2,698,890
Fines and forfeitures	-	-	-	-
Interest on investments	60,000	60,000	60,965	965
Increase (decrease) in fair market value of investments	-	-	(436,464)	(436,464)
Transfers from other funds	-	-	-	-
Proceeds from long-term debt	-	-	-	-
Premium on bonds issued	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
Other	1,000	1,000	387,666	386,666
Amounts available for appropriation	<u>5,788,830</u>	<u>5,788,830</u>	<u>16,444,295</u>	<u>10,655,465</u>
Charges to appropriations (outflows):				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public service	343,392	343,392	545,681	(202,289)
Public welfare	-	-	-	-
Other	-	-	-	-
Capital outlay	3,600,000	15,773,107	2,679,742	13,093,365
Debt service	-	-	-	-
Transfers to other funds	-	-	-	-
Total charges to appropriations	<u>3,943,392</u>	<u>16,116,499</u>	<u>3,225,423</u>	<u>12,891,076</u>
Budgetary fund balance, June 30	<u>\$ 1,845,438</u>	<u>\$ (10,327,669)</u>	<u>\$ 13,218,872</u>	<u>\$ 23,546,541</u>

CITY OF BOZEMAN, MONTANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY INFORMATION  
Year Ended June 30, 2022

	General Fund	American Rescue Plan Act	Street Impact Fees
	<u>          </u>	<u>          </u>	<u>          </u>
Sources/inflows of resources			
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$44,166,087	\$ 815,713	\$16,444,295
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.	(6,493,277)	-	(8,005,408)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(4,966,165)	-	-
The proceeds from the issuance of long-term debt or a lease are a budgetary resource but are a other financing source for financial reporting purposes	(19,833)	-	-
The proceeds from the sale of assets are budgetary resources but are regarded as a special item, rather than revenue, for financial reporting purposes	(22,321)	-	-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$32,664,491</u>	<u>\$ 815,713</u>	<u>\$ 8,438,887</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$38,721,482	\$ 1,013,635	\$ 3,225,423
Differences - budget to GAAP:			
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(3,363,753)	(974,380)	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$35,357,729</u>	<u>\$ 39,255</u>	<u>\$ 3,225,423</u>

#### **D. SUPPLEMENTAL INFORMATION**



**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

## NONMAJOR GOVERNMENTAL FUNDS

### **SPECIAL REVENUE FUNDS**

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

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

Fire Impact Fees Special Revenues – Accounts for the collection and expenditures associated with the fire impact fees.

City Planning Board – 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.

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

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

Drug Forfeitures – Accounts for monies received from fines and forfeitures of drug-related criminal prosecution, to be expended on drug law enforcement and education.

City-County Drug Forfeitures – Accounts for monies received from fines and forfeitures of drug-related criminal prosecution, from an inter-local agreement with the County, to be expended on drug law enforcement and education.

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

Tree Maintenance – Accounts for special assessment revenues levied, received, and expended for tree maintenance provided to specific property owners.

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 and rental revenues collected, and the operating and capital expenditures required to manage and maintain citywide parks and trails.

Community Transportation – Accounts for federal funding for highways, mass transit, and alternative transportation programs as defined by the Intermodal Surface Transportation Efficiency Act (ISTEA). Money is distributed on a per-capita basis.

Fire Department Equipment– Accounts for Public Safety mill levy tax revenues for fire department capital and equipment.

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.

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

## **SPECIAL REVENUE FUNDS (CONTINUED)**

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

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.

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

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

Street Lighting – Accounts for special assessment revenues levied, received, 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.

TIF N.E. Urban Renewal – In August of 2005, the City created an Urban Renewal Plan for the Northeast Urban section of Bozeman. This fund accounts for the revenue and expenditures associated with the district.

TIF N 7th Corridor - In August of 2005, the City created a Renewal Plan for the North 7th Avenue business district. This 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.

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.

## **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 Library and Transportation general obligation bonds.

Tax Increment Financing Bonds Debt Service Fund – Accounts for the debt service payments associated with the Tax Increment Urban Renewal Revenue Bonds issued as partial funding for the construction of a Downtown Intermodal Parking Facility.

## **PERMANENT FUNDS**

Perpetual Cemetery Care – Accounts for 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, 2022

	Special Revenue Funds				
	Street Maintenance	Departmental	City Planning Board	Health-Medical Insurance	Gas Tax Apportionment
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,246,807	\$ 2,210,433	\$ 658,528	\$ 840,504	\$ 1,162,164
Receivables:					
Property taxes	-	10,717	21,963	188,876	-
Accrued interest	2,702	2,243	-	1,015	1,408
Customers, net	2,242	740	113	-	-
Special assessments	105,946	-	-	-	-
Other governments	-	1,246	-	-	-
Advances to other city funds	-	-	-	-	-
Prepaid expenditures	-	235,875	-	-	-
Notes receivable	-	-	-	-	-
Restricted cash and cash equivalents	-	25,000	106,596	-	-
Total assets	<u>\$ 2,357,697</u>	<u>\$ 2,486,254</u>	<u>\$ 787,200</u>	<u>\$ 1,030,395</u>	<u>\$ 1,163,572</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 315,805	\$ 134,022	\$ 43,402	\$ -	\$ 101,447
Escheat property payable	678	-	-	-	-
Accrued employee benefits payable	-	-	222	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>316,483</u>	<u>134,022</u>	<u>43,624</u>	<u>-</u>	<u>101,447</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	-	275	549	5,101	-
Unavailable revenue-special assessments	77,224	-	-	-	-
Total deferred inflows of resources	<u>77,224</u>	<u>275</u>	<u>549</u>	<u>5,101</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	235,875	-	-	-
Restricted	1,963,990	206,886	743,027	1,025,294	1,062,125
Committed	-	1,889,319	-	-	-
Assigned	-	134,135	-	-	-
Unassigned	-	(114,258)	-	-	-
Total fund balances	<u>1,963,990</u>	<u>2,351,957</u>	<u>743,027</u>	<u>1,025,294</u>	<u>1,062,125</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,357,697</u>	<u>\$ 2,486,254</u>	<u>\$ 787,200</u>	<u>\$ 1,030,395</u>	<u>\$ 1,163,572</u>

(continued)

CITY OF BOZEMAN, MONTANA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 June 30, 2022

	Special Revenue Funds				
	Tree Maintenance	Fire Impact Fees	Downtown Improvement District	Building Inspection Fund	Economic Development Revolving Loan
<b>ASSETS</b>					
Cash and cash equivalents	\$ 676,785	\$ -	\$ 6,509,329	\$ 1,527,346	\$ -
Receivables:					
Property taxes	-	-	265,175	-	-
Accrued interest	819	5,224	7,926	1,867	-
Customers, net	-	-	-	-	643,970
Special assessments	10,338	-	3,022	-	-
Other governments	-	-	-	-	-
Advances to other city funds	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-
Notes receivable	-	-	-	-	381,056
Restricted cash and cash equivalents	-	4,282,688	-	-	-
Total assets	<u>\$ 687,942</u>	<u>\$ 4,287,912</u>	<u>\$ 6,785,452</u>	<u>\$ 1,529,213</u>	<u>\$ 1,025,026</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 18,495	\$ 745	\$ 3,009,833	\$ 118,610	\$ -
Escheat property payable	-	-	-	-	-
Accrued employee benefits payable	-	-	-	887	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>18,495</u>	<u>745</u>	<u>3,009,833</u>	<u>119,497</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	-	-	-	-	-
Unavailable revenue-special assessments	9,100	-	-	-	-
Total deferred inflows of resources	<u>9,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	660,347	4,287,167	3,775,619	1,409,716	1,025,026
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>660,347</u>	<u>4,287,167</u>	<u>3,775,619</u>	<u>1,409,716</u>	<u>1,025,026</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 687,942</u>	<u>\$ 4,287,912</u>	<u>\$ 6,785,452</u>	<u>\$ 1,529,213</u>	<u>\$ 1,025,026</u>

(continued)

CITY OF BOZEMAN, MONTANA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 June 30, 2022

	Special Revenue Funds			
	Community Housing	Street Arterial and Collector District	TIF N 7th Corridor	TIF N.E. Urban Renewal
<b>ASSETS</b>				
Cash and cash equivalents	\$ 699,304	\$ 3,875,428	\$ 2,150,843	\$ 718,534
Receivables:				
Property taxes	53,303	-	137,045	43,386
Accrued interest	852	4,716	2,620	868
Customers, net	-	-	-	-
Special assessments	-	19,458	-	-
Other governments	-	-	-	-
Advances to other city funds	-	-	-	-
Prepaid expenditures	-	-	-	-
Notes receivable	22,499	-	-	-
Restricted cash and cash equivalents	-	-	-	92,000
Total assets	<u>\$ 775,958</u>	<u>\$ 3,899,602</u>	<u>\$ 2,290,508</u>	<u>\$ 854,788</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 537,324	\$ 46,855	\$ 365,133	\$ 1,830
Escheat property payable	-	-	-	-
Accrued employee benefits payable	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>537,324</u>	<u>46,855</u>	<u>365,133</u>	<u>1,830</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	1,298	-	12,421	-
Unavailable revenue-special assessments	-	-	-	-
Total deferred inflows of resources	<u>1,298</u>	<u>-</u>	<u>12,421</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	3,852,747	1,912,954	852,958
Committed	237,336	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>237,336</u>	<u>3,852,747</u>	<u>1,912,954</u>	<u>852,958</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 775,958</u>	<u>\$ 3,899,602</u>	<u>\$ 2,290,508</u>	<u>\$ 854,788</u>

(continued)

CITY OF BOZEMAN, MONTANA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 June 30, 2022

	Special Revenue Funds				
	TIF Mandeville/ Wheat Dr.	TIFD South Boz Technology	Victim/Witness Advocate	Fire Department Equipment	Street Lighting
<b>ASSETS</b>					
Cash and cash equivalents	\$ 134,594	\$ 7,899	\$ 421,238	\$ 999,769	\$ 514,631
Receivables:					
Property taxes	8,516	15,840	-	42,382	-
Accrued interest	164	-	508	1,212	-
Customers, net	-	-	5,522	-	-
Special assessments	-	-	-	-	8,430
Other governments	-	-	-	-	-
Advances to other city funds	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-
Notes receivable	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	<u>\$ 143,274</u>	<u>\$ 23,739</u>	<u>\$ 427,268</u>	<u>\$ 1,043,363</u>	<u>\$ 523,061</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 26,081	\$ -	\$ 24,670
Escheat property payable	-	-	-	-	-
Accrued employee benefits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>26,081</u>	<u>-</u>	<u>24,670</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	-	-	-	1,091	-
Unavailable revenue-special assessments	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,091</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	143,274	23,739	401,187	-	498,391
Committed	-	-	-	1,042,272	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>143,274</u>	<u>23,739</u>	<u>401,187</u>	<u>1,042,272</u>	<u>498,391</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 143,274</u>	<u>\$ 23,739</u>	<u>\$ 427,268</u>	<u>\$ 1,043,363</u>	<u>\$ 523,061</u>

(continued)



CITY OF BOZEMAN, MONTANA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 June 30, 2022

	Special Revenue Funds				Total
	Park Land	Municipal Court Restitution	Parks and Trails District	Pole Yard TIF	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,250,374	\$ 24,933	\$ 2,444,552	\$ 130,605	\$ 29,204,600
Receivables:					
Property taxes	-	-	-	10,391	797,594
Accrued interest	1,523	-	2,980	-	38,647
Customers, net	-	-	-	-	652,587
Special assessments	-	-	62,391	-	209,585
Other governments	-	-	-	-	1,246
Advances to other city funds	-	-	-	-	-
Prepaid expenditures	-	-	-	-	235,875
Notes receivable	-	-	-	-	403,555
Restricted cash and cash equivalents	-	-	-	-	4,506,284
Total assets	<u>\$ 1,251,897</u>	<u>\$ 24,933</u>	<u>\$ 2,509,923</u>	<u>\$ 140,996</u>	<u>\$ 36,049,973</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 1,000	\$ 626,420	\$ -	\$ 5,371,672
Escheat property payable	-	23,828	-	-	24,506
Accrued employee benefits payable	-	-	-	-	1,109
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>24,828</u>	<u>626,420</u>	<u>-</u>	<u>5,397,287</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	-	-	-	-	20,735
Unavailable revenue-special assessments	-	-	-	-	86,324
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,059</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	235,875
Restricted	1,251,897	105	1,883,503	140,996	27,120,948
Committed	-	-	-	-	3,168,927
Assigned	-	-	-	-	134,135
Unassigned	-	-	-	-	(114,258)
Total fund balances	<u>1,251,897</u>	<u>105</u>	<u>1,883,503</u>	<u>140,996</u>	<u>30,545,627</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,251,897</u>	<u>\$ 24,933</u>	<u>\$ 2,509,923</u>	<u>\$ 140,996</u>	<u>\$ 36,049,973</u>

(continued)

CITY OF BOZEMAN, MONTANA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 June 30, 2022

	Debt Service Funds			
	SID Revolving	G.O. Bonds	TIF Bonds	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 766,881	127,854	\$ -	\$ 894,735
Receivables:				
Property taxes	-	237,609	-	237,609
Accrued interest	3,390	-	-	3,390
Customers, net	-	-	-	-
Special assessments	-	-	-	-
Other governments	-	-	-	-
Advances to other city funds	693,010	-	-	693,010
Prepaid expenditures	-	-	-	-
Notes receivable	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-
Total assets	<u>\$ 1,463,281</u>	<u>\$ 365,463</u>	<u>\$ -</u>	<u>\$ 1,828,744</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Escheat property payable	-	-	-	-
Accrued employee benefits payable	-	-	-	-
Due to other funds	-	311,239	-	311,239
Total liabilities	<u>-</u>	<u>311,239</u>	<u>-</u>	<u>311,239</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	-	6,193	-	6,193
Unavailable revenue-special assessments	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>6,193</u>	<u>-</u>	<u>6,193</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	1,463,281	48,031	-	1,511,312
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>1,463,281</u>	<u>48,031</u>	<u>-</u>	<u>1,511,312</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,463,281</u>	<u>\$ 365,463</u>	<u>\$ -</u>	<u>\$ 1,828,744</u>

(continued)

CITY OF BOZEMAN, MONTANA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 June 30, 2022

	Permanent Fund Perpetual Cemetery Care	Total Nonmajor Governmental Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$30,099,335
Receivables:		
Property taxes	-	1,035,203
Accrued interest	2,063	44,100
Customers, net	5,241	657,828
Special assessments	-	209,585
Other governments	-	1,246
Advances to other city funds	-	693,010
Prepaid expenditures	-	235,875
Notes receivable	-	403,555
Restricted cash and cash equivalents	1,696,078	6,202,362
Total assets	<u>\$ 1,703,382</u>	<u>\$39,582,099</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 19,278	\$ 5,390,950
Escheat property payable	-	24,506
Accrued employee benefits payable	-	1,109
Due to other funds	-	311,239
Total liabilities	<u>19,278</u>	<u>5,727,804</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue-property taxes	-	26,928
Unavailable revenue-special assessments	-	86,324
Total deferred inflows of resources	<u>-</u>	<u>113,252</u>
<b>FUND BALANCES</b>		
Nonspendable	1,684,104	1,919,979
Restricted	-	28,632,260
Committed	-	3,168,927
Assigned	-	134,135
Unassigned	-	(114,258)
Total fund balances	<u>1,684,104</u>	<u>33,741,043</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,703,382</u>	<u>\$39,582,099</u>

CITY OF BOZEMAN, MONTANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 Year Ended June 30, 2022

	Special Revenue Funds				
	City				
	Street Maintenance	Departmental	Planning Board	Health-Medical Insurance	Gas Tax Apportionment
<b>REVENUES</b>					
Taxes	\$ -	\$ 155,441	\$ 309,450	\$ 2,736,976	\$ -
Special assessments	18,159	-	-	-	-
Licenses and permits	57,264	-	-	-	-
Intergovernmental	29,264	734,164	164,197	-	1,734,520
Charges for services	7,646,055	24,745	1,326,387	-	-
Fines and forfeitures	-	-	-	-	-
Interest on investments	7,930	9,435	2,909	2,847	5,895
Increase (decrease) in fair market value of investments	(66,661)	(55,276)	-	(25,237)	(34,893)
Interest on loans receivable	-	-	-	-	-
Other	71,633	210,048	46,024	-	-
Total revenues	<u>7,763,644</u>	<u>1,078,557</u>	<u>1,848,967</u>	<u>2,714,586</u>	<u>1,705,522</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	143,677	2,532,115	-	-
Public safety	-	409,539	-	-	-
Public service	5,567,166	22	-	-	368,709
Public welfare	-	604,814	-	-	-
Other	-	143,000	-	-	-
Capital outlay	934,572	-	78,459	-	833,018
Debt service:					
Principal	223,117	65,167	-	-	-
Interest and fiscal fees	17,420	60,628	-	-	-
Total expenditures	<u>6,742,275</u>	<u>1,426,847</u>	<u>2,610,574</u>	<u>-</u>	<u>1,201,727</u>
Revenues over (under) expenditures	<u>1,021,369</u>	<u>(348,290)</u>	<u>(761,607)</u>	<u>2,714,586</u>	<u>503,795</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	382,922	188,183	-	-
Transfers out	(738,101)	(3,974)	-	(2,731,045)	(975,291)
Sale of capital assets	12,450	-	-	-	-
Issuance of long term debt	-	-	-	-	-
Total other financing sources (uses)	<u>(725,651)</u>	<u>378,948</u>	<u>188,183</u>	<u>(2,731,045)</u>	<u>(975,291)</u>
Net change in fund balance	295,718	30,658	(573,424)	(16,459)	(471,496)
FUND BALANCES, beginning of year	<u>1,668,272</u>	<u>2,321,299</u>	<u>1,316,451</u>	<u>1,041,753</u>	<u>1,533,621</u>
FUND BALANCES, end of year	<u>\$ 1,963,990</u>	<u>\$ 2,351,957</u>	<u>\$ 743,027</u>	<u>\$ 1,025,294</u>	<u>\$ 1,062,125</u>

(continued)

CITY OF BOZEMAN, MONTANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 Year Ended June 30, 2022

	Special Revenue Funds				
	Tree Maintenance	Fire Impact Fees	Downtown Improvement District	Building Inspection Fund	Economic Development Revolving Loan
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ 1,483,518	\$ -	\$ -
Special assessments	2,228	-	185,334	-	-
Licenses and permits	-	-	1,750	2,370,631	-
Intergovernmental	10,924	-	1,303	112,223	-
Charges for services	827,942	615,771	-	34	-
Fines and forfeitures	-	-	-	-	-
Interest on investments	3,098	19,733	25,380	15,277	72
Increase (decrease) in fair market value of investments	(20,322)	(128,742)	(195,406)	(45,850)	-
Interest on loans receivable	-	-	-	-	42,866
Other	28,034	-	-	-	-
Total revenues	<u>851,904</u>	<u>506,762</u>	<u>1,501,879</u>	<u>2,452,315</u>	<u>42,938</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	32,966	-	2,667,747	-
Public service	-	-	-	-	-
Public welfare	728,136	-	596,057	-	61,088
Other	-	-	-	-	-
Capital outlay	96,016	-	191,815	157,287	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal fees	-	-	-	-	-
Total expenditures	<u>824,152</u>	<u>32,966</u>	<u>787,872</u>	<u>2,825,034</u>	<u>61,088</u>
Revenues over (under) expenditures	<u>27,752</u>	<u>473,796</u>	<u>714,007</u>	<u>(372,719)</u>	<u>(18,150)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	467,027
Transfers out	-	-	(332,372)	(20,904)	(212,000)
Sale of capital assets	-	-	-	-	-
Issuance of long term debt	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(332,372)</u>	<u>(20,904)</u>	<u>255,027</u>
Net change in fund balance	27,752	473,796	381,635	(393,623)	236,877
FUND BALANCES, beginning of year	<u>632,595</u>	<u>3,813,371</u>	<u>3,393,984</u>	<u>1,803,339</u>	<u>788,149</u>
FUND BALANCES, end of year	<u>\$ 660,347</u>	<u>\$ 4,287,167</u>	<u>\$ 3,775,619</u>	<u>\$ 1,409,716</u>	<u>\$ 1,025,026</u>

(continued)

CITY OF BOZEMAN, MONTANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 Year Ended June 30, 2022

	Special Revenue Funds			
	Community Housing	Street Arterial and Collector District	TIF N 7th Corridor	TIF N.E. Urban Renewal
REVENUES				
Taxes	\$ 773,812	\$ -	\$ 1,485,671	\$ 378,117
Special assessments	-	4,146	-	-
Licenses and permits	-	-	-	-
Intergovernmental	673	-	699	186
Charges for services	-	1,545,607	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	3,070	12,954	22,677	3,087
Increase (decrease) in fair market value of investments	(20,997)	(116,359)	(64,621)	(21,574)
Interest on loans receivable	11	-	-	-
Other	-	953,851	-	37,220
Total revenues	<u>756,569</u>	<u>2,400,199</u>	<u>1,444,426</u>	<u>397,036</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public service	-	65,454	-	-
Public welfare	1,319,599	-	2,312,030	62,370
Other	-	-	-	-
Capital outlay	-	1,942,455	92,559	23,778
Debt service:				
Principal	-	-	-	40,085
Interest and fiscal fees	-	-	-	51,915
Total expenditures	<u>1,319,599</u>	<u>2,007,909</u>	<u>2,404,589</u>	<u>178,148</u>
Revenues over (under) expenditures	<u>(563,030)</u>	<u>392,290</u>	<u>(960,163)</u>	<u>218,888</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	975,291	257,102	-
Transfers out	-	-	(410,049)	-
Sale of capital assets	-	-	-	-
Issuance of long term debt	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>975,291</u>	<u>(152,947)</u>	<u>-</u>
Net change in fund balance	(563,030)	1,367,581	(1,113,110)	218,888
FUND BALANCES, beginning of year	<u>800,366</u>	<u>2,485,166</u>	<u>3,026,064</u>	<u>634,070</u>
FUND BALANCES, end of year	<u>\$ 237,336</u>	<u>\$ 3,852,747</u>	<u>\$ 1,912,954</u>	<u>\$ 852,958</u>

(continued)

CITY OF BOZEMAN, MONTANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 Year Ended June 30, 2022

	Special Revenue Funds				
	TIF Mandeville/ Wheat Dr.	TIFD South Boz Technology	Victim/Witness Advocate	Fire Department Equipment	Street Lighting
<b>REVENUES</b>					
Taxes	\$ 29,469	\$ 31,320	\$ -	\$ 614,723	\$ -
Special assessments	-	-	-	-	492,037
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	59,703	-	-
Interest on investments	616	30	2,060	3,817	1,732
Increase (decrease) in fair market value of investments	(4,043)	-	(12,649)	(30,019)	-
Interest on loans receivable	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>26,042</u>	<u>31,350</u>	<u>49,114</u>	<u>588,521</u>	<u>493,769</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	74,566	-	-
Public safety	-	-	-	-	-
Public service	-	-	-	-	422,391
Public welfare	3,519	-	-	-	-
Other	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal fees	-	-	-	-	-
Total expenditures	<u>3,519</u>	<u>-</u>	<u>74,566</u>	<u>-</u>	<u>422,391</u>
Revenues over (under) expenditures	<u>22,523</u>	<u>31,350</u>	<u>(25,452)</u>	<u>588,521</u>	<u>71,378</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(102,478)	-
Sale of capital assets	-	-	-	-	-
Issuance of long term debt	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(102,478)</u>	<u>-</u>
Net change in fund balance	22,523	31,350	(25,452)	486,043	71,378
FUND BALANCES, beginning of year	<u>120,751</u>	<u>(7,611)</u>	<u>426,639</u>	<u>556,229</u>	<u>427,013</u>
FUND BALANCES, end of year	<u>\$ 143,274</u>	<u>\$ 23,739</u>	<u>\$ 401,187</u>	<u>\$ 1,042,272</u>	<u>\$ 498,391</u>

(continued)

CITY OF BOZEMAN, MONTANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 Year Ended June 30, 2022

	Special Revenue Funds				Totals
	Park Land	Municipal Court Restitution	Parks and Trails District	Pole Yard TIF	
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ 140,996	\$ 8,139,493
Special assessments	-	-	12,000	-	713,904
Licenses and permits	-	-	-	-	2,429,645
Intergovernmental	-	-	20,087	-	2,808,240
Charges for services	-	-	5,059,628	-	17,046,169
Fines and forfeitures	-	-	-	-	59,703
Interest on investments	5,992	-	8,207	-	156,818
Increase (decrease) in fair market value of investments	(37,543)	-	(73,397)	-	(953,589)
Interest on loans receivable	-	-	-	-	42,877
Other	736,510	-	100,496	-	2,183,816
Total revenues	<u>704,959</u>	<u>-</u>	<u>5,127,021</u>	<u>140,996</u>	<u>32,627,076</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	2,750,358
Public safety	-	-	-	-	3,110,252
Public service	-	-	-	-	6,423,742
Public welfare	3,450	-	3,630,385	-	9,321,448
Other	-	-	-	-	143,000
Capital outlay	1,055,753	-	450,167	-	5,855,879
Debt service:					
Principal	-	-	-	-	328,369
Interest and fiscal fees	-	-	-	-	129,963
Total expenditures	<u>1,059,203</u>	<u>-</u>	<u>4,080,552</u>	<u>-</u>	<u>28,063,011</u>
Revenues over (under) expenditures	<u>(354,244)</u>	<u>-</u>	<u>1,046,469</u>	<u>140,996</u>	<u>4,564,065</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	2,270,525
Transfers out	-	-	-	-	(5,526,214)
Sale of capital assets	-	-	65	-	12,515
Issuance of long term debt	315,000	-	-	-	315,000
Total other financing sources (uses)	<u>315,000</u>	<u>-</u>	<u>65</u>	<u>-</u>	<u>(2,928,174)</u>
Net change in fund balance	<u>(39,244)</u>	<u>-</u>	<u>1,046,534</u>	<u>140,996</u>	<u>1,635,891</u>
FUND BALANCES, beginning of year	<u>1,291,141</u>	<u>105</u>	<u>836,969</u>	<u>-</u>	<u>28,909,736</u>
FUND BALANCES, end of year	<u>\$ 1,251,897</u>	<u>\$ 105</u>	<u>\$ 1,883,503</u>	<u>\$ 140,996</u>	<u>\$30,545,627</u>

(continued)



CITY OF BOZEMAN, MONTANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 Year Ended June 30, 2022

	Debt Service Funds			
	SID Revolving	G.O. Bonds	TIF Bonds	Totals
<b>REVENUES</b>				
Taxes	\$ -	\$ 3,444,526	\$ -	\$ 3,444,526
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	12,553	1,814	-	14,367
Increase (decrease) in fair market value of investments	(83,550)	-	-	(83,550)
Interest on loans receivable	10,662	-	-	10,662
Other	-	-	-	-
Total revenues	<u>(60,335)</u>	<u>3,446,340</u>	<u>-</u>	<u>3,386,005</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public service	-	-	-	-
Public welfare	-	-	-	-
Other	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	1,980,000	435,000	2,415,000
Interest and fiscal fees	-	1,474,088	305,922	1,780,010
Total expenditures	<u>-</u>	<u>3,454,088</u>	<u>740,922</u>	<u>4,195,010</u>
Revenues over (under) expenditures	<u>(60,335)</u>	<u>(7,748)</u>	<u>(740,922)</u>	<u>(809,005)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	742,421	742,421
Transfers out	(2,077,709)	-	-	(2,077,709)
Sale of capital assets	-	-	-	-
Issuance of long term debt	-	-	-	-
Total other financing sources (uses)	<u>(2,077,709)</u>	<u>-</u>	<u>742,421</u>	<u>(1,335,288)</u>
Net change in fund balance	<u>(2,138,044)</u>	<u>(7,748)</u>	<u>1,499</u>	<u>(2,144,293)</u>
FUND BALANCES, beginning of year	<u>3,601,325</u>	<u>55,779</u>	<u>(1,499)</u>	<u>3,655,605</u>
FUND BALANCES, end of year	<u>\$ 1,463,281</u>	<u>\$ 48,031</u>	<u>\$ -</u>	<u>\$ 1,511,312</u>

(continued)

CITY OF BOZEMAN, MONTANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 Year Ended June 30, 2022

	Permanent Fund Cemetery Perpetual Care	Total Nonmajor Governmental Funds
REVENUES		
Taxes	\$ -	\$11,584,019
Special assessments	-	713,904
Licenses and permits	-	2,429,645
Intergovernmental	-	2,808,240
Charges for services	97,453	17,143,622
Fines and forfeitures	-	59,703
Interest on investments	8,094	179,279
Increase (decrease) in fair market value of investments	(50,922)	(1,088,061)
Interest on loans receivable	-	53,539
Other	-	2,183,816
Total revenues	<u>54,625</u>	<u>36,067,706</u>
EXPENDITURES		
Current:		
General government	-	2,750,358
Public safety	-	3,110,252
Public service	-	6,423,742
Public welfare	-	9,321,448
Other	-	143,000
Capital outlay	-	5,855,879
Debt service:		
Principal	-	2,743,369
Interest and fiscal fees	-	1,909,973
Total expenditures	<u>-</u>	<u>32,258,021</u>
Revenues over (under) expenditures	<u>54,625</u>	<u>3,809,685</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	3,012,946
Transfers out	-	(7,603,923)
Sale of capital assets	-	12,515
Issuance of long term debt	-	315,000
Total other financing sources (uses)	<u>-</u>	<u>(4,263,462)</u>
Net change in fund balance	54,625	(453,777)
FUND BALANCES, beginning of year	<u>1,629,479</u>	<u>34,194,820</u>
FUND BALANCES, end of year	<u>\$ 1,684,104</u>	<u>\$33,741,043</u>

CITY OF BOZEMAN, MONTANA  
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL  
 SID DEBT SERVICE  
 Year Ended June 30, 2022

	SID Debt Service		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Special assessments	473,008	901,483	428,475
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	1,704	1,704
Fines and forfeitures	-	-	-
Interest on investments	28,345	14,046	(14,299)
Increase (decrease) in fair market value of investments	-	(78,498)	(78,498)
Loan repayment	-	-	-
Other	-	1,789	1,789
Total revenues	<u>501,353</u>	<u>840,524</u>	<u>339,171</u>
EXPENDITURES - BUDGET UNIT	<u>321,932</u>	<u>319,135</u>	<u>2,797</u>
Revenues over (under) expenditures	<u>179,421</u>	<u>521,389</u>	<u>341,968</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	3,186,973	2,077,709	(1,109,264)
Transfers out	-	-	-
Long-term debt issued	-	-	-
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>3,186,973</u>	<u>2,077,709</u>	<u>(1,109,264)</u>
Revenues and other sources over (under) expenditures	<u>\$ 3,366,394</u>	2,599,098	<u>\$ (767,296)</u>
FUND BALANCES, beginning of year		<u>1,804,144</u>	
FUND BALANCES, end of year		<u>\$ 4,403,242</u>	

CITY OF BOZEMAN, MONTANA  
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL  
 CONSTRUCTION CAPITAL PROJECTS  
 Year Ended June 30, 2022

	Construction Capital Projects		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Special assessments	-	-	-
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest on investments	84,000	153,158	69,158
Increase (decrease) in fair market value of investments	-	(238,877)	(238,877)
Loan repayment	-	-	-
Other	4,144,000	-	(4,144,000)
Total revenues	<u>4,228,000</u>	<u>(85,719)</u>	<u>(4,313,719)</u>
EXPENDITURES - BUDGET UNIT	<u>31,205,954</u>	<u>22,398,385</u>	<u>8,807,569</u>
Revenues over (under) expenditures	<u>(26,977,954)</u>	<u>(22,484,104)</u>	<u>4,493,850</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,850,825	745,362	(2,105,463)
Transfers out	-	(257,102)	(257,102)
Long-term debt issued	-	7,245,591	7,245,591
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>2,850,825</u>	<u>7,733,851</u>	<u>4,883,026</u>
Revenues and other sources over (under) expenditures	<u>\$ (24,127,129)</u>	<u>(14,750,253)</u>	<u>\$ 9,376,876</u>
FUND BALANCES, beginning of year		<u>24,078,408</u>	
FUND BALANCES, end of year		<u>\$ 9,328,155</u>	

CITY OF BOZEMAN, MONTANA  
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS  
 Year Ended June 30, 2022

	Special Revenue Funds					
	Street Maintenance			Departmental Special Revenues		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 129,408	\$ 155,441	\$ 26,033
Special assessments	21,100	18,159	(2,941)	-	-	-
Licenses and permits	18,000	57,264	39,264	-	-	-
Intergovernmental	-	29,264	29,264	495,735	734,164	238,429
Charges for services	7,041,170	7,646,055	604,885	10,000	24,745	14,745
Fines and forfeitures	-	-	-	67,000	-	(67,000)
Interest on investments	11,000	7,930	(3,070)	21,175	9,435	(11,740)
Increase (decrease) in fair market value of investments	-	(66,661)	(66,661)	-	(55,276)	(55,276)
Loan repayment	-	-	-	250	-	(250)
Other	25,000	71,633	46,633	103,200	210,048	106,848
Total revenues	<u>7,116,270</u>	<u>7,763,644</u>	<u>647,374</u>	<u>826,768</u>	<u>1,078,557</u>	<u>251,789</u>
EXPENDITURES - BUDGET UNIT	<u>8,059,112</u>	<u>6,742,275</u>	<u>1,316,837</u>	<u>1,180,236</u>	<u>1,426,847</u>	<u>(246,611)</u>
Revenues over (under) expenditures	<u>(942,842)</u>	<u>1,021,369</u>	<u>1,964,211</u>	<u>(353,468)</u>	<u>(348,290)</u>	<u>5,178</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	494,039	382,922	(111,117)
Transfers out	(738,101)	(738,101)	-	-	(3,974)	(3,974)
Long-term debt issued	-	-	-	-	-	-
Sale of capital assets	-	12,450	12,450	-	-	-
Total other financing sources (uses)	<u>(738,101)</u>	<u>(725,651)</u>	<u>12,450</u>	<u>494,039</u>	<u>378,948</u>	<u>(115,091)</u>
Revenues and other sources over (under) expenditures	<u>\$ (1,680,943)</u>	<u>295,718</u>	<u>\$ 1,976,661</u>	<u>\$ 140,571</u>	<u>30,658</u>	<u>\$ (109,913)</u>
FUND BALANCES, beginning of year		<u>1,668,272</u>			<u>2,321,299</u>	
FUND BALANCES, end of year		<u>\$ 1,963,990</u>			<u>\$ 2,351,957</u>	

(continued)

CITY OF BOZEMAN, MONTANA  
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 Year Ended June 30, 2022

	Special Revenue Funds					
	City Planning Board			Health-Medical Insurance		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ 286,198	\$ 309,450	\$ 23,252	\$ 2,743,208	\$ 2,736,976	\$ (6,232)
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	118,081	164,197	46,116	-	-	-
Charges for services	1,708,575	1,326,387	(382,188)	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	10,000	2,909	(7,091)	-	2,847	2,847
Increase (decrease) in fair market value of investments	-	-	-	-	(25,237)	(25,237)
Loan repayment	-	-	-	-	-	-
Other	50,500	46,024	(4,476)	-	-	-
Total revenues	<u>2,173,354</u>	<u>1,848,967</u>	<u>(324,387)</u>	<u>2,743,208</u>	<u>2,714,586</u>	<u>(28,622)</u>
EXPENDITURES - BUDGET UNIT	<u>3,383,246</u>	<u>2,610,574</u>	<u>772,672</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(1,209,892)</u>	<u>(761,607)</u>	<u>448,285</u>	<u>2,743,208</u>	<u>2,714,586</u>	<u>(28,622)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	243,930	188,183	(55,747)	-	-	-
Transfers out	-	-	-	(3,017,449)	(2,731,045)	286,404
Long-term debt issued	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>243,930</u>	<u>188,183</u>	<u>(55,747)</u>	<u>(3,017,449)</u>	<u>(2,731,045)</u>	<u>286,404</u>
Revenues and other sources over (under) expenditures	<u>\$ (965,962)</u>	<u>(573,424)</u>	<u>\$ 392,538</u>	<u>\$ (274,241)</u>	<u>(16,459)</u>	<u>\$ 257,782</u>
FUND BALANCES, beginning of year		<u>1,316,451</u>			<u>1,041,753</u>	
FUND BALANCES, end of year		<u>\$ 743,027</u>			<u>\$ 1,025,294</u>	

(continued)

CITY OF BOZEMAN, MONTANA  
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 Year Ended June 30, 2022

	Special Revenue Funds					
	Gas Tax Apportionment			Tree Maintenance		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	2,000	2,228	228
Licenses and permits	-	-	-	-	-	-
Intergovernmental	1,420,000	1,734,520	314,520	-	10,924	10,924
Charges for services	-	-	-	808,366	827,942	19,576
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	10,000	5,895	(4,105)	4,000	3,098	(902)
Increase (decrease) in fair market value of investments	-	(34,893)	(34,893)	-	(20,322)	(20,322)
Loan repayment	-	-	-	-	-	-
Other	-	-	-	6,000	28,034	22,034
Total revenues	<u>1,430,000</u>	<u>1,705,522</u>	<u>275,522</u>	<u>820,366</u>	<u>851,904</u>	<u>31,538</u>
EXPENDITURES - BUDGET UNIT	<u>1,884,547</u>	<u>1,201,727</u>	<u>682,820</u>	<u>1,039,280</u>	<u>824,152</u>	<u>215,128</u>
Revenues over (under) expenditures	<u>(454,547)</u>	<u>503,795</u>	<u>958,342</u>	<u>(218,914)</u>	<u>27,752</u>	<u>246,666</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(650,000)	(975,291)	(325,291)	-	-	-
Long-term debt issued	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>(650,000)</u>	<u>(975,291)</u>	<u>(325,291)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ (1,104,547)</u>	<u>(471,496)</u>	<u>\$ 633,051</u>	<u>\$ (218,914)</u>	<u>27,752</u>	<u>\$ 246,666</u>
FUND BALANCES, beginning of year		<u>1,533,621</u>			<u>632,595</u>	
FUND BALANCES, end of year		<u>\$ 1,062,125</u>			<u>\$ 660,347</u>	

(continued)

CITY OF BOZEMAN, MONTANA  
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 Year Ended June 30, 2022

	Special Revenue Funds					
	Fire Impact Fees Special Revenue			Downtown Improvement District		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 1,919,863	\$ 1,483,518	\$ (436,345)
Special assessments	-	-	-	185,100	185,334	234
Licenses and permits	-	-	-	2,000	1,750	(250)
Intergovernmental	-	-	-	57,059	1,303	(55,756)
Charges for services	511,181	615,771	104,590	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	20,000	19,733	(267)	20,000	25,380	5,380
Increase (decrease) in fair market value of investments	-	(128,742)	(128,742)	-	(195,406)	(195,406)
Loan repayment	-	-	-	-	-	-
Other	-	-	-	39,500	-	(39,500)
Total revenues	<u>531,181</u>	<u>506,762</u>	<u>(24,419)</u>	<u>2,223,522</u>	<u>1,501,879</u>	<u>(721,643)</u>
EXPENDITURES - BUDGET UNIT	<u>25,560</u>	<u>32,966</u>	<u>(7,406)</u>	<u>3,342,002</u>	<u>787,872</u>	<u>2,554,130</u>
Revenues over (under) expenditures	<u>505,621</u>	<u>473,796</u>	<u>(31,825)</u>	<u>(1,118,480)</u>	<u>714,007</u>	<u>1,832,487</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(332,448)	(332,372)	76
Long-term debt issued	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(332,448)</u>	<u>(332,372)</u>	<u>76</u>
Revenues and other sources over (under) expenditures	<u>\$ 505,621</u>	<u>473,796</u>	<u>\$ (31,825)</u>	<u>\$ (1,450,928)</u>	<u>381,635</u>	<u>\$ 1,832,563</u>
FUND BALANCES, beginning of year		<u>3,813,371</u>			<u>3,393,984</u>	
FUND BALANCES, end of year		<u>\$ 4,287,167</u>			<u>\$ 3,775,619</u>	

(continued)



CITY OF BOZEMAN, MONTANA  
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 Year Ended June 30, 2022

	Special Revenue Funds					
	Building Inspection Fund			Economic Development Revolving Loan Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	2,213,964	2,370,631	156,667	-	-	-
Intergovernmental	-	112,223	112,223	-	-	-
Charges for services	600	34	(566)	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	20,000	15,277	(4,723)	-	72	72
Increase (decrease) in fair market value of investments	-	(45,850)	(45,850)	-	-	-
Loan repayment	-	-	-	25,000	42,866	17,866
Other	-	-	-	-	-	-
Total revenues	<u>2,234,564</u>	<u>2,452,315</u>	<u>217,751</u>	<u>25,000</u>	<u>42,938</u>	<u>17,938</u>
EXPENDITURES - BUDGET UNIT	<u>2,993,425</u>	<u>2,825,034</u>	<u>168,391</u>	<u>31,000</u>	<u>61,088</u>	<u>(30,088)</u>
Revenues over (under) expenditures	<u>(758,861)</u>	<u>(372,719)</u>	<u>386,142</u>	<u>(6,000)</u>	<u>(18,150)</u>	<u>(12,150)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	467,027	467,027
Transfers out	-	(20,904)	(20,904)	-	(212,000)	(212,000)
Long-term debt issued	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(20,904)</u>	<u>(20,904)</u>	<u>-</u>	<u>255,027</u>	<u>255,027</u>
Revenues and other sources over (under) expenditures	<u>\$ (758,861)</u>	<u>(393,623)</u>	<u>\$ 365,238</u>	<u>\$ (6,000)</u>	<u>236,877</u>	<u>\$ 242,877</u>
FUND BALANCES, beginning of year		<u>1,803,339</u>			<u>788,149</u>	
FUND BALANCES, end of year		<u>\$ 1,409,716</u>			<u>\$ 1,025,026</u>	

(continued)

CITY OF BOZEMAN, MONTANA  
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 Year Ended June 30, 2022

	Special Revenue Funds					
	Community Housing			Parks and Trails District Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ 715,495	\$ 773,812	\$ 58,317	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	12,000	12,000
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	673	673	-	20,087	20,087
Charges for services	-	-	-	4,652,689	5,059,628	406,939
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	5,000	3,070	(1,930)	2,500	8,207	5,707
Increase (decrease) in fair market value of investments	-	(20,997)	(20,997)	-	(73,397)	(73,397)
Loan repayment	1,000	11	(989)	-	-	-
Other	-	-	-	-	100,496	100,496
Total revenues	<u>721,495</u>	<u>756,569</u>	<u>35,074</u>	<u>4,655,189</u>	<u>5,127,021</u>	<u>471,832</u>
EXPENDITURES - BUDGET UNIT	<u>1,367,440</u>	<u>1,319,599</u>	<u>47,841</u>	<u>5,140,522</u>	<u>4,080,552</u>	<u>1,059,970</u>
Revenues over (under) expenditures	<u>(645,945)</u>	<u>(563,030)</u>	<u>82,915</u>	<u>(485,333)</u>	<u>1,046,469</u>	<u>1,531,802</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Long-term debt issued	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	65	65
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65</u>	<u>65</u>
Revenues and other sources over (under) expenditures	<u>\$ (645,945)</u>	<u>(563,030)</u>	<u>\$ 82,915</u>	<u>\$ (485,333)</u>	<u>1,046,534</u>	<u>\$ 1,531,867</u>
FUND BALANCES, beginning of year		<u>800,366</u>			<u>836,969</u>	
FUND BALANCES, end of year		<u>\$ 237,336</u>			<u>\$ 1,883,503</u>	

(continued)

CITY OF BOZEMAN, MONTANA  
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 Year Ended June 30, 2022

	Special Revenue Funds					
	Street Arterial and Collector District			TIF N. 7th Corridor		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 1,191,563	\$ 1,485,671	\$ 294,108
Special assessments	3,500	4,146	646	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	37,927	699	(37,228)
Charges for services	1,530,189	1,545,607	15,418	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	7,000	12,954	5,954	10,000	22,677	12,677
Increase (decrease) in fair market value of investments	-	(116,359)	(116,359)	-	(64,621)	(64,621)
Loan repayment	-	-	-	-	-	-
Other	300,667	953,851	653,184	-	-	-
Total revenues	<u>1,841,356</u>	<u>2,400,199</u>	<u>558,843</u>	<u>1,239,490</u>	<u>1,444,426</u>	<u>204,936</u>
EXPENDITURES - BUDGET UNIT	<u>8,024,276</u>	<u>2,007,909</u>	<u>6,016,367</u>	<u>3,053,001</u>	<u>2,404,589</u>	<u>648,412</u>
Revenues over (under) expenditures	<u>(6,182,920)</u>	<u>392,290</u>	<u>6,575,210</u>	<u>(1,813,511)</u>	<u>(960,163)</u>	<u>853,348</u>
OTHER FINANCING SOURCES						
Transfers in	650,000	975,291	325,291	-	257,102	257,102
Transfers out	-	-	-	(408,550)	(410,049)	(1,499)
Long-term debt issued	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>650,000</u>	<u>975,291</u>	<u>325,291</u>	<u>(408,550)</u>	<u>(152,947)</u>	<u>255,603</u>
Revenues and other sources over (under) expenditures	<u><u>\$ (5,532,920)</u></u>	<u>1,367,581</u>	<u><u>\$ 6,900,501</u></u>	<u><u>\$ (2,222,061)</u></u>	<u>(1,113,110)</u>	<u><u>\$ 1,108,951</u></u>
FUND BALANCES, beginning of year		<u>2,485,166</u>			<u>3,026,064</u>	
FUND BALANCES, end of year		<u><u>\$ 3,852,747</u></u>			<u><u>\$ 1,912,954</u></u>	

(continued)

CITY OF BOZEMAN, MONTANA  
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 Year Ended June 30, 2022

	Special Revenue Funds					
	TIF N.E. Urban Renewal			TIF Mandeville/Wheat Dr.		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ 270,000	\$ 378,117	\$ 108,117	\$ 46,725	\$ 29,469	\$ (17,256)
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	1,354	186	(1,168)	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	3,000	3,087	87	-	616	616
Increase (decrease) in fair market value of investments	-	(21,574)	(21,574)	-	(4,043)	(4,043)
Loan repayment	-	-	-	-	-	-
Other	-	37,220	37,220	-	-	-
Total revenues	<u>274,354</u>	<u>397,036</u>	<u>122,682</u>	<u>46,725</u>	<u>26,042</u>	<u>(20,683)</u>
EXPENDITURES - BUDGET UNIT	<u>641,000</u>	<u>178,148</u>	<u>462,852</u>	<u>-</u>	<u>3,519</u>	<u>(3,519)</u>
Revenues over (under) expenditures	<u>(366,646)</u>	<u>218,888</u>	<u>585,534</u>	<u>46,725</u>	<u>22,523</u>	<u>(24,202)</u>
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Long-term debt issued	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ (366,646)</u>	<u>218,888</u>	<u>\$ 585,534</u>	<u>\$ 46,725</u>	<u>22,523</u>	<u>\$ (24,202)</u>
FUND BALANCES, beginning of year		<u>634,070</u>			<u>120,751</u>	
FUND BALANCES, end of year		<u>\$ 852,958</u>			<u>\$ 143,274</u>	

(continued)

CITY OF BOZEMAN, MONTANA  
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 Year Ended June 30, 2022

	Special Revenue Funds					
	TIFD South Boz Technology			Victim/Witness Advocate		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	\$ 31,320	\$ 31,320	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	70,000	59,703	(10,297)
Interest on investments	-	30	30	3,500	2,060	(1,440)
Increase (decrease) in fair market value of investments	-	-	-	-	(12,649)	(12,649)
Loan repayment	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>31,350</u>	<u>31,350</u>	<u>73,500</u>	<u>49,114</u>	<u>(24,386)</u>
EXPENDITURES - BUDGET UNIT	-	-	-	90,000	74,566	15,434
Revenues over (under) expenditures	<u>-</u>	<u>31,350</u>	<u>31,350</u>	<u>(16,500)</u>	<u>(25,452)</u>	<u>(8,952)</u>
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Long-term debt issued	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>31,350</u>	<u>\$ 31,350</u>	<u>\$ (16,500)</u>	<u>(25,452)</u>	<u>\$ (8,952)</u>
FUND BALANCES, beginning of year		<u>(7,611)</u>			<u>426,639</u>	
FUND BALANCES, end of year		<u>\$ 23,739</u>			<u>\$ 401,187</u>	

(continued)

CITY OF BOZEMAN, MONTANA  
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 Year Ended June 30, 2022

	Special Revenue Funds					
	Fire Department Equipment			Street Lighting		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ 572,396	\$ 614,723	\$ 42,327	\$ -	\$ -	\$ -
Special assessments	-	-	-	492,990	492,037	(953)
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	5,000	3,817	(1,183)	5,890	1,732	(4,158)
Increase (decrease) in fair market value of investments	-	(30,019)	(30,019)	-	-	-
Loan repayment	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>577,396</u>	<u>588,521</u>	<u>11,125</u>	<u>498,880</u>	<u>493,769</u>	<u>(5,111)</u>
EXPENDITURES - BUDGET UNIT	<u>80,000</u>	<u>-</u>	<u>80,000</u>	<u>546,096</u>	<u>422,391</u>	<u>123,705</u>
Revenues over (under) expenditures	<u>497,396</u>	<u>588,521</u>	<u>91,125</u>	<u>(47,216)</u>	<u>71,378</u>	<u>118,594</u>
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	-
Transfers out	-	(102,478)	(102,478)	(25,520)	-	25,520
Long-term debt issued	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(102,478)</u>	<u>(102,478)</u>	<u>(25,520)</u>	<u>-</u>	<u>25,520</u>
Revenues and other sources over (under) expenditures	<u>\$ 497,396</u>	<u>486,043</u>	<u>\$ (11,353)</u>	<u>\$ (72,736)</u>	<u>71,378</u>	<u>\$ 144,114</u>
FUND BALANCES, beginning of year		<u>556,229</u>			<u>427,013</u>	
FUND BALANCES, end of year		<u>\$ 1,042,272</u>			<u>\$ 498,391</u>	

(continued)

CITY OF BOZEMAN, MONTANA  
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 Year Ended June 30, 2022

	Special Revenue Funds					
	Park Land		Variance Positive (Negative)	Municipal Court Restitution		Variance Positive (Negative)
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	5,000	5,992	992	-	-	-
Increase (decrease) in fair market value of investments	-	(37,543)	(37,543)	-	-	-
Loan repayment	-	-	-	-	-	-
Other	50,000	736,510	686,510	-	-	-
Total revenues	<u>55,000</u>	<u>704,959</u>	<u>649,959</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES - BUDGET UNIT	<u>5,000</u>	<u>1,059,203</u>	<u>(1,054,203)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>50,000</u>	<u>(354,244)</u>	<u>(404,244)</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Long-term debt issued	-	315,000	315,000	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>315,000</u>	<u>315,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ 50,000</u>	<u>(39,244)</u>	<u>\$ (89,244)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCES, beginning of year		<u>1,291,141</u>			<u>105</u>	
FUND BALANCES, end of year		<u>\$ 1,251,897</u>			<u>\$ 105</u>	

(continued)

CITY OF BOZEMAN, MONTANA  
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 Year Ended June 30, 2022

	Special Revenue Funds					
	Pole Yard TIF			Total		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Taxes	\$ -	\$ 140,996	\$ 140,996	\$ 7,874,856	\$ 8,139,493	\$ 264,637
Special assessments	-	-	-	704,690	713,904	9,214
Licenses and permits	-	-	-	2,233,964	2,429,645	195,681
Intergovernmental	-	-	-	2,130,156	2,808,240	678,084
Charges for services	-	-	-	16,262,770	17,046,169	783,399
Fines and forfeitures	-	-	-	137,000	59,703	(77,297)
Interest on investments	-	-	-	163,065	156,818	(6,247)
Increase (decrease) in fair market value of investments	-	-	-	-	(953,589)	(953,589)
Loan repayment	-	-	-	26,250	42,877	16,627
Other	-	-	-	574,867	2,183,816	1,608,949
Total revenues	<u>-</u>	<u>140,996</u>	<u>140,996</u>	<u>30,107,618</u>	<u>32,627,076</u>	<u>2,519,458</u>
<b>EXPENDITURES - BUDGET UNIT</b>						
	-	-	-	40,885,743	28,063,011	12,822,732
Revenues over (under) expenditures	<u>-</u>	<u>140,996</u>	<u>140,996</u>	<u>(10,778,125)</u>	<u>4,564,065</u>	<u>15,342,190</u>
<b>OTHER FINANCING SOURCES</b>						
Transfers in	-	-	-	1,387,969	2,270,525	882,556
Transfers out	-	-	-	(5,172,068)	(5,526,214)	(354,146)
Long-term debt issued	-	-	-	-	315,000	315,000
Sale of capital assets	-	-	-	-	12,515	12,515
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,784,099)</u>	<u>(2,928,174)</u>	<u>855,925</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>140,996</u>	<u>\$ 140,996</u>	<u>\$(14,562,224)</u>	<u>1,635,891</u>	<u>\$16,198,115</u>
FUND BALANCES, beginning of year		<u>-</u>			<u>28,909,736</u>	
FUND BALANCES, end of year		<u>\$ 140,996</u>			<u>\$30,545,627</u>	

(continued)



CITY OF BOZEMAN, MONTANA  
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 Year Ended June 30, 2022

	Debt Service Funds					
	SID Revolving			G.O. Bonds		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 3,453,038	\$ 3,444,526	\$ (8,512)
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest on investments	5,000	12,553	7,553	-	1,814	1,814
Increase (decrease) in fair market value of investments	-	(83,550)	(83,550)	-	-	-
Loan repayment	5,000	10,662	5,662	-	-	-
Other	-	-	-	-	-	-
Total revenue	<u>10,000</u>	<u>(60,335)</u>	<u>(70,335)</u>	<u>3,453,038</u>	<u>3,446,340</u>	<u>(6,698)</u>
EXPENDITURES						
Other	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	1,980,000	1,980,000	-
Interest and fiscal fees	-	-	-	1,473,038	1,474,088	(1,050)
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,453,038</u>	<u>3,454,088</u>	<u>(1,050)</u>
Revenues over (under) expenditures	<u>10,000</u>	<u>(60,335)</u>	<u>(70,335)</u>	<u>-</u>	<u>(7,748)</u>	<u>(7,748)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(5,299,697)	(2,077,709)	3,221,988	-	-	-
Proceeds of long-term debt	-	-	-	-	-	-
Total other financing sources (uses)	<u>(5,299,697)</u>	<u>(2,077,709)</u>	<u>3,221,988</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ (5,289,697)</u>	<u>(2,138,044)</u>	<u>\$ 3,151,653</u>	<u>\$ -</u>	<u>(7,748)</u>	<u>\$ (7,748)</u>
FUND BALANCES, beginning of year		<u>3,601,325</u>			<u>55,779</u>	
FUND BALANCES, end of year		<u>\$ 1,463,281</u>			<u>\$ 48,031</u>	

(continued)

CITY OF BOZEMAN, MONTANA  
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 Year Ended June 30, 2022

	Debt Service Funds					Variance Positive (Negative)
	TIF Bonds			Total		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 3,453,038	\$ 3,444,526	\$ (8,512)
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest on investments	-	-	-	5,000	14,367	9,367
Increase (decrease) in fair market value of investments	-	-	-	-	(83,550)	(83,550)
Loan repayment	-	-	-	5,000	10,662	5,662
Other	-	-	-	-	-	-
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,463,038</u>	<u>3,386,005</u>	<u>(77,033)</u>
EXPENDITURES						
Other	-	-	-	-	-	-
Debt service:						
Principal	435,000	435,000	-	2,415,000	2,415,000	-
Interest and fiscal fees	305,923	305,922	1	1,778,961	1,780,010	(1,049)
Total expenditures	<u>740,923</u>	<u>740,922</u>	<u>1</u>	<u>4,193,961</u>	<u>4,195,010</u>	<u>(1,049)</u>
Revenues over (under) expenditures	<u>(740,923)</u>	<u>(740,922)</u>	<u>1</u>	<u>(730,923)</u>	<u>(809,005)</u>	<u>(78,082)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	740,923	742,421	1,498	740,923	742,421	1,498
Transfers out	-	-	-	(5,299,697)	(2,077,709)	3,221,988
Proceeds of long-term debt	-	-	-	-	-	-
Total other financing sources (uses)	<u>740,923</u>	<u>742,421</u>	<u>1,498</u>	<u>(4,558,774)</u>	<u>(1,335,288)</u>	<u>3,223,486</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>1,499</u>	<u>\$ 1,499</u>	<u>\$ (5,289,697)</u>	<u>(2,144,293)</u>	<u>\$ 3,145,404</u>
FUND BALANCES, beginning of year		<u>(1,499)</u>			<u>3,655,605</u>	
FUND BALANCES, end of year		<u>\$ -</u>			<u>\$ 1,511,312</u>	

(continued)

CITY OF BOZEMAN, MONTANA  
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 Year Ended June 30, 2022

	Permanent Fund		
	Cemetery Perpetual Care		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	40,000	97,453	57,453
Interest on investments	20,000	8,094	(11,906)
Increase (decrease) in fair market value of investments	-	(50,922)	(50,922)
Total revenues	<u>60,000</u>	<u>54,625</u>	<u>(5,375)</u>
EXPENDITURES - BUDGET UNIT	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>60,000</u>	<u>54,625</u>	<u>(5,375)</u>
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ 60,000</u>	54,625	<u>\$ (5,375)</u>
FUND BALANCES, beginning of year		<u>1,629,479</u>	
FUND BALANCES, end of year		<u>\$ 1,684,104</u>	

**COMBINING NONMAJOR PROPRIETARY FUNDS**

## **NONMAJOR PROPRIETARY 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.

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

CITY OF BOZEMAN, MONTANA  
 COMBINING STATEMENT OF NET POSITION  
 NONMAJOR PROPRIETARY FUNDS  
 June 30, 2022

	Business-type Activities Enterprise Funds			Total
	Solid Waste Fund	Parking Fund	Stormwater Fund	
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 381,867	\$ 1,474,846	\$ 2,062,585	\$ 3,919,298
Receivables:				
Accrued interest	622	2,473	2,505	5,600
Customers, net	491,986	113,676	154,948	760,610
Special assessments	347	-	147	494
Total current assets	<u>874,822</u>	<u>1,590,995</u>	<u>2,220,185</u>	<u>4,686,002</u>
Non-current assets				
Other assets:				
Restricted cash and investments	131,659	600,729	58,288	790,676
Total other assets	<u>131,659</u>	<u>600,729</u>	<u>58,288</u>	<u>790,676</u>
Property, plant and equipment, net				
Nondepreciable:				
Land	228,673	303,436	-	532,109
Construction in progress	-	-	429,170	429,170
Depreciable:				
Buildings	784,340	11,916,293	24,215	12,724,848
Other structures and improvements	2,155,300	-	-	2,155,300
Machinery and equipment	6,739,610	428,507	757,188	7,925,305
Vehicles	548,499	206,200	181,940	936,639
Infrastructure	118,081	47,058	6,719,594	6,884,733
Accumulated depreciation and amortization	(7,913,402)	(5,592,920)	(1,150,537)	(14,656,859)
Net property, plant and equipment	<u>2,661,101</u>	<u>7,308,574</u>	<u>6,961,570</u>	<u>16,931,245</u>
Total non current assets	<u>2,792,760</u>	<u>7,909,303</u>	<u>7,019,858</u>	<u>17,721,921</u>
Deferred outflows of resources				
Other post-employment benefits	63,536	15,033	19,286	97,855
Pension plan contributions	236,427	49,925	78,982	365,334
Total deferred outflows of resources	<u>299,963</u>	<u>64,958</u>	<u>98,268</u>	<u>463,189</u>
Total assets	<u>\$ 3,967,545</u>	<u>\$ 9,565,256</u>	<u>\$ 9,338,311</u>	<u>\$ 22,871,112</u>

(continued)

CITY OF BOZEMAN, MONTANA  
 COMBINING STATEMENT OF NET POSITION  
 NONMAJOR PROPRIETARY FUNDS (CONTINUED)  
 June 30, 2022

	Business-type Activities Enterprise Funds			Total
	Solid Waste Fund	Parking Fund	Stormwater Fund	
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable and accrued expenses	\$ 414,355	\$ 76,988	\$ 392,830	\$ 884,173
Compensated absences payable	100,359	16,671	49,502	166,532
Closure and post-closure care costs, current portion	310,773	-	-	310,773
Bonds and leases payable in one year	-	-	84,000	84,000
Total current liabilities	<u>825,487</u>	<u>93,659</u>	<u>526,332</u>	<u>1,445,478</u>
Noncurrent liabilities				
Closure and post-closure care costs	864,259	-	-	864,259
Revenue bonds due after one year	-	-	1,196,000	1,196,000
Compensated absences payable	42,393	-	-	42,393
Other post-employment health benefits	224,379	63,308	44,641	332,328
Net pension liability	940,699	198,641	314,255	1,453,595
Total noncurrent liabilities	<u>2,071,730</u>	<u>261,949</u>	<u>1,554,896</u>	<u>3,888,575</u>
Total liabilities	<u>2,897,217</u>	<u>355,608</u>	<u>2,081,228</u>	<u>5,334,053</u>
Deferred inflows of resources				
Other post-employment benefits	25,250	8,935	2,627	36,812
Pension deferrals	402,254	84,941	134,379	621,574
Total deferred inflows of resources	<u>427,504</u>	<u>93,876</u>	<u>137,006</u>	<u>658,386</u>
<b>NET POSITION</b>				
Net Investment in capital assets	2,661,101	7,308,574	5,739,858	15,709,533
Restricted for parking capital projects	-	130,316	-	130,316
Restricted for debt service	-	-	58,288	58,288
Unrestricted	(2,018,277)	1,676,882	1,321,931	980,536
Total net position	<u>642,824</u>	<u>9,115,772</u>	<u>7,120,077</u>	<u>16,878,673</u>
Total liabilities, deferred inflows and net position	<u>\$ 3,967,545</u>	<u>\$ 9,565,256</u>	<u>\$ 9,338,311</u>	<u>\$22,871,112</u>

CITY OF BOZEMAN, MONTANA  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 NONMAJOR PROPRIETARY FUNDS  
 Year Ended June 30, 2022

	Business-type Activities Enterprise Funds			Totals
	Solid Waste Fund	Parking Fund	Stormwater Fund	
OPERATING REVENUES	\$ 5,431,005	\$ 1,062,010	\$ 1,673,866	\$ 8,166,881
OPERATING EXPENSES				
Salaries and benefits	1,722,989	386,769	595,618	2,705,376
Materials and supplies	514,291	27,312	21,638	563,241
Repairs and maintenance	328,038	57,172	12,205	397,415
Utilities	643,268	39,887	4,806	687,961
Administrative charges	934,264	87,366	291,080	1,312,710
Other expenses	575,259	352,920	95,677	1,023,856
Depreciation and amortization	534,989	409,185	189,198	1,133,372
Changes in estimated closure and post- closure care costs	(33,087)	-	-	(33,087)
Total operating expenses	<u>5,220,011</u>	<u>1,360,611</u>	<u>1,210,222</u>	<u>7,790,844</u>
Operating income (loss)	<u>210,994</u>	<u>(298,601)</u>	<u>463,644</u>	<u>376,037</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest income	1,063	17,801	9,034	27,898
Net increase (decrease) in fair market value of investments	(15,420)	(60,845)	(61,927)	(138,192)
Interest expense	-	-	(33,538)	(33,538)
Other income	31,983	2,831	-	34,814
Intergovernmental income	27,387	5,783	9,149	42,319
Total non-operating revenues (expenses)	<u>45,013</u>	<u>(34,430)</u>	<u>(77,282)</u>	<u>(66,699)</u>
Income (loss) before contributions and transfers	256,007	(333,031)	386,362	309,338
Contributions of infrastructure - developers	-	-	997,563	997,563
Transfers in	359,000	-	194,735	553,735
Transfers out	-	-	-	-
Change in net position	<u>615,007</u>	<u>(333,031)</u>	<u>1,578,660</u>	<u>1,860,636</u>
NET POSITION, beginning of year	<u>27,817</u>	<u>9,448,803</u>	<u>5,541,417</u>	<u>15,018,037</u>
NET POSITION, end of year	<u>\$ 642,824</u>	<u>\$ 9,115,772</u>	<u>\$ 7,120,077</u>	<u>\$16,878,673</u>



CITY OF BOZEMAN, MONTANA  
 COMBINING STATEMENT OF CASH FLOWS -  
 NONMAJOR PROPRIETARY FUNDS  
 Year Ended June 30, 2022

	Solid Waste Fund	Parking Fund	Stormwater Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Non-cash investment activity	\$ (15,420)	\$ (60,845)	\$ (61,927)	\$ (138,192)
Receipts from customers	5,368,060	1,061,245	1,657,269	8,086,574
Receipts from others	54,473	2,831	-	57,304
Payments to suppliers	(2,690,188)	(434,677)	243,859	(2,881,006)
Payments to employees	(1,743,470)	(404,117)	(575,554)	(2,723,141)
Payments to internal service funds and administrative fees	(934,264)	(87,366)	(291,080)	(1,312,710)
Net cash flows from operating activities	<u>39,191</u>	<u>77,071</u>	<u>972,567</u>	<u>1,088,829</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers in	359,000	-	194,735	553,735
Receipts from grants and intergovernmental sources	27,387	5,783	9,149	42,319
Net cash flows from non-capital financing activities	<u>386,387</u>	<u>5,783</u>	<u>203,884</u>	<u>596,054</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	(101,825)	(66,666)	(391,376)	(559,867)
Principal paid on bonds, interfund loans, loans and leases	-	-	(82,000)	(82,000)
Interest paid on bonds, interfund loans, loans and leases	-	-	(33,538)	(33,538)
Net cash flows from capital and related financing activities	<u>(101,825)</u>	<u>(66,666)</u>	<u>(506,914)</u>	<u>(675,405)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	441	18,295	6,529	25,265
Net cash flows from investing activities	<u>441</u>	<u>18,295</u>	<u>6,529</u>	<u>25,265</u>
Net change in cash and investments	324,194	34,483	676,066	1,034,743
Cash and investments, beginning of year	189,332	2,041,092	1,444,807	3,675,231
Cash and investments, end of year	<u>\$ 513,526</u>	<u>\$ 2,075,575</u>	<u>\$ 2,120,873</u>	<u>\$ 4,709,974</u>

(continued)

CITY OF BOZEMAN, MONTANA  
 COMBINING STATEMENT OF CASH FLOWS -  
 NONMAJOR PROPRIETARY FUNDS (CONTINUED)  
 Year Ended June 30, 2022

	Solid Waste Fund	Parking Fund	Stormwater Fund	Total
Cash and investments classified as:				
Cash and investments	\$ 381,867	\$ 1,474,846	\$ 2,062,585	\$ 3,919,298
Restricted cash and investments	131,659	600,729	58,288	790,676
<b>Totals</b>	<b>\$ 513,526</b>	<b>\$ 2,075,575</b>	<b>\$ 2,120,873</b>	<b>\$ 4,709,974</b>
Noncash transactions: donated infrastructure	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 997,563</u>	<u>\$ 997,563</u>
RECONCILIATION OF OPERATING LOSS				
TO NET CASH FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ 210,994	\$ (298,601)	\$ 463,644	\$ 376,037
Adjustments to reconcile operating loss				
to net cash from operating activities:				
Depreciation and amortization	534,989	409,185	189,198	1,133,372
Non-cash fair market value increase (decrease) on investments	(15,420)	(60,845)	(61,927)	(138,192)
Change in estimated closure costs	(310,773)	-	-	(310,773)
Other income	31,983	2,831	-	34,814
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(62,945)	(765)	(16,597)	(80,307)
Other governments receivable	22,490	-	-	22,490
Increase (decrease) in:				
Accounts payable	(351,646)	42,614	378,185	69,153
Accrued employee benefits payable	25,538	1,063	15,664	42,265
Net pension liabilities	(46,019)	(18,411)	4,400	(60,030)
Total adjustments	<u>(171,803)</u>	<u>375,672</u>	<u>508,923</u>	<u>712,792</u>
<b>Net cash from operating activities</b>	<b>\$ 39,191</b>	<b>\$ 77,071</b>	<b>\$ 972,567</b>	<b>\$ 1,088,829</b>

**INTERNAL SERVICE FUND STATEMENTS**

## **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.

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 STATEMENT OF NET POSITION -  
 INTERNAL SERVICE FUNDS  
 Year Ended June 30, 2022

	Vehicle Maintenance Shop	Medical Health Insurance	Public Works Administration	Total
<b>ASSETS</b>				
Current assets				
Cash and equivalents	\$ -	\$ -	\$ 3,010,670	\$ 3,010,670
Customer receivables, net	919	19,391	3,553	23,863
Prepaid expenses	-	466,536	-	466,536
Total current assets	<u>919</u>	<u>485,927</u>	<u>3,014,223</u>	<u>3,501,069</u>
<b>NON-CURRENT ASSETS</b>				
Property, plant, and equipment				
Machinery and equipment	179,932	-	450,822	630,754
Vehicles	85,283	-	139,612	224,895
Buildings	1,424,215	-	121,905	1,546,120
Less: accumulated depreciation	<u>(830,495)</u>	<u>-</u>	<u>(355,124)</u>	<u>(1,185,619)</u>
Net property, plant, and equipment	<u>858,935</u>	<u>-</u>	<u>357,215</u>	<u>1,216,150</u>
Intangible right-of-use leased assets				
Leased building	-	-	423,122	423,122
Less: accumulated amortization	<u>-</u>	<u>-</u>	<u>(42,312)</u>	<u>(42,312)</u>
Net intangible right-of-use leased assets	<u>-</u>	<u>-</u>	<u>380,810</u>	<u>380,810</u>
Deferred outflows of resources				
Other post-employment benefits	22,833	-	67,826	90,659
Pension plan contributions	91,162	-	309,102	400,264
Total deferred outflows of resources	<u>113,995</u>	<u>-</u>	<u>376,928</u>	<u>490,923</u>
Total assets and deferred outflows of resources	<u>\$ 973,849</u>	<u>\$ 485,927</u>	<u>\$ 4,129,176</u>	<u>\$ 5,588,952</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	\$ 81,686	\$ 373	\$ 154,376	\$ 236,435
Compensated absences payable	21,169	-	239,850	261,019
Current portion lease obligations	-	-	70,968	70,968
Due to other city funds	<u>773,242</u>	<u>18,565</u>	<u>-</u>	<u>791,807</u>
Total current liabilities	<u>876,097</u>	<u>18,938</u>	<u>465,194</u>	<u>1,360,229</u>
Non-current liabilities				
Other post-employment health benefits	73,777	-	237,720	311,497
Lease obligations	-	-	335,175	335,175
Net pension liability	<u>339,079</u>	<u>-</u>	<u>1,202,722</u>	<u>1,541,801</u>
Total non-current liabilities	<u>412,856</u>	<u>-</u>	<u>1,775,617</u>	<u>2,188,473</u>
Total liabilities	<u>1,288,953</u>	<u>18,938</u>	<u>2,240,811</u>	<u>3,548,702</u>
Deferred inflows of resources				
Other post-employment health benefits	6,968	-	20,635	27,603
Pension deferrals	<u>155,928</u>	<u>-</u>	<u>565,931</u>	<u>721,859</u>
Total deferred inflows of resources	<u>162,896</u>	<u>-</u>	<u>586,566</u>	<u>749,462</u>
<b>NET POSITION</b>				
Net investment in capital assets	858,935	-	(48,928)	810,007
Unrestricted	<u>(1,336,935)</u>	<u>466,989</u>	<u>1,350,727</u>	<u>480,781</u>
Total net position	<u>(478,000)</u>	<u>466,989</u>	<u>1,301,799</u>	<u>1,290,788</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 973,849</u>	<u>\$ 485,927</u>	<u>\$ 4,129,176</u>	<u>\$ 5,588,952</u>

CITY OF BOZEMAN, MONTANA  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -  
 INTERNAL SERVICE FUNDS  
 Year Ended June 30, 2022

	Vehicle Maintenance Shop	Medical Health Insurance	Public Works Administration	Total
OPERATING REVENUES	\$ 1,639,483	\$ 5,363,959	4,888,587	\$11,892,029
OPERATING EXPENSES				
Salaries and benefits	678,158	-	2,451,767	3,129,925
Materials and supplies	822,861	-	53,968	876,829
Repairs and maintenance	30,112	-	11,350	41,462
Utilities	24,716	-	8,392	33,108
Administrative charges	207,438	-	321,646	529,084
Insurance claims	-	5,225,268	5,434	5,230,702
Other expenses	50,529	80,797	846,499	977,825
Depreciation	58,629	-	117,470	176,099
Total operating expenses	<u>1,872,443</u>	<u>5,306,065</u>	<u>3,816,526</u>	<u>10,995,034</u>
Operating income (loss)	<u>(232,960)</u>	<u>57,894</u>	<u>1,072,061</u>	<u>896,995</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest income	-	-	12,651	12,651
Interest expense	(1,976)	(200)	(5,486)	(7,662)
Increase (decrease) in fair market value of investments	-	-	(87,463)	(87,463)
Other income	124	-	14,000	14,124
Intergovernmental income	11,120	-	39,425	50,545
Total non-operating revenue (expenses)	<u>9,268</u>	<u>(200)</u>	<u>(26,873)</u>	<u>(17,805)</u>
Income before transfers	(223,692)	57,694	1,045,188	879,190
Transfers in	-	-	-	-
Change in net position	(223,692)	57,694	1,045,188	879,190
NET POSITION, beginning of year	<u>(254,308)</u>	<u>409,295</u>	<u>256,611</u>	<u>411,598</u>
NET POSITION, end of year	<u>\$ (478,000)</u>	<u>\$ 466,989</u>	<u>\$ 1,301,799</u>	<u>\$ 1,290,788</u>

CITY OF BOZEMAN, MONTANA  
 COMBINING STATEMENT OF CASH FLOWS -  
 INTERNAL SERVICE FUNDS  
 Year Ended June 30, 2022

	Vehicle Maintenance Shop	Medical Health Insurance	Public Works Administration	Total
<b>CASH FLOWS FROM OPERATIONS</b>				
Non-cash investment activity	\$ -	\$ -	\$ (87,463)	\$ (87,463)
Receipts from customers	1,642,146	5,360,894	4,885,034	11,888,074
Receipts from others	124	-	14,000	14,124
Operating loans from other City funds	181,664	(22,641)	-	159,023
Payments to suppliers	(945,822)	(80,424)	(1,063,243)	(2,089,489)
Payments to employees	(679,818)	(5,257,629)	(2,354,005)	(8,291,452)
Payments to Internal Service funds and administrative fees	(207,438)	-	(321,646)	(529,084)
Net cash flows from operating activities	<u>(9,144)</u>	<u>200</u>	<u>1,072,677</u>	<u>1,063,733</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Additions to property, plant and equipment	-	-	(84,247)	(84,247)
Principal paid on bonds, interfund loans, loans and leases	-	-	(31,986)	(31,986)
Interest paid on bonds, interfund loans, loans and leases	(1,976)	(200)	(5,486)	(7,662)
Net cash flows from capital and related financing activities	<u>(1,976)</u>	<u>(200)</u>	<u>(121,719)</u>	<u>(123,895)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Receipts from grants and intergovernmental sources	11,120	-	39,425	50,545
Transfers in	-	-	-	-
Net cash flows from non-capital and related financing activities	<u>11,120</u>	<u>-</u>	<u>39,425</u>	<u>50,545</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	-	-	12,651	12,651
Net increase (decrease) in cash and cash equivalents	-	-	1,003,034	1,003,034
CASH AND EQUIVALENTS, beginning of year	<u>-</u>	<u>-</u>	<u>2,007,636</u>	<u>2,007,636</u>
CASH AND EQUIVALENTS, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,010,670</u>	<u>\$ 3,010,670</u>
<b>NON-CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Building acquired through leasing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 423,122</u>	<u>\$ 423,122</u>

(continued)

CITY OF BOZEMAN, MONTANA  
 COMBINING STATEMENT OF CASH FLOWS -  
 INTERNAL SERVICE FUNDS (CONTINUED)  
 Year Ended June 30, 2022

	Vehicle Maintenance Shop	Medical Health Insurance	Public Works Administration	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (232,960)	\$ 57,894	\$ 1,072,061	\$ 896,995
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	58,629	-	117,470	176,099
Other income	125	-	15,552	15,677
Non-cash fair value increase (decrease) on investments	-	-	(87,463)	(87,463)
Changes in assets and liabilities:				
(Increase) decrease in:				
Other receivables				
Customer receivables	2,663	(3,065)	3,553	3,151
Prepaid expenses	-	(32,361)	(8,657)	(41,018)
Increase (decrease) in:				
Accounts payable	1,928	373	(73,785)	(71,484)
Due to other city funds	181,664	(22,641)	-	159,023
Compensated absences payable	(9,665)	-	73,307	63,642
Other post-employment health benefits	8,005	-	29,889	37,894
Net pension	(19,533)	-	(69,250)	(88,783)
Total adjustments	<u>223,816</u>	<u>(57,694)</u>	<u>616</u>	<u>166,738</u>
Net cash from operating activities	<u>\$ (9,144)</u>	<u>\$ 200</u>	<u>\$ 1,072,677</u>	<u>\$ 1,063,733</u>



**FIDUCIARY FUND STATEMENTS**

## FIDUCIARY FUNDS

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

CITY OF BOZEMAN, MONTANA  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION –  
 CUSTODIAL FUNDS  
 June 30, 2022

	Municipal Court Fund	Tourism Business Improvement District	Total of Custodial Funds
<b>ASSETS</b>			
Cash and investments	\$ 583,792	\$ 50,170	\$ 633,962
Customer receivables	2,692	-	2,692
	<u>\$ 586,484</u>	<u>\$ 50,170</u>	<u>\$ 636,654</u>
<b>LIABILITIES</b>			
Accounts payable	589,447	-	589,447
<b>NET POSITION</b>			
Restricted for other organization or individuals	(2,963)	50,170	47,207
Total liabilities and net position	<u>\$ 586,484</u>	<u>\$ 50,170</u>	<u>\$ 636,654</u>

CITY OF BOZEMAN, MONTANA  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –  
 CUSTODIAL FUNDS  
 Year Ended June 30, 2022

	Municipal Court Fund	Tourism Business Improvement District	Total of Custodial Funds
ADDITIONS			
Contributions			
Interest income	\$ -	\$ -	\$ -
DEDUCTIONS			
Miscellaneous	-	-	-
Change in net position	-	-	-
NET POSITION - Beginning of Year	(2,963)	50,170	47,207
NET POSITION - End of Year	<u>\$ (2,963)</u>	<u>\$ 50,170</u>	<u>\$ 47,207</u>

**PART III**

**STATISTICAL SECTION**

## Statistical Section

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 government's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	175
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	180
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.	193
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	202
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.	204

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

## **FINANCIAL TRENDS SECTION**

CITY OF BOZEMAN, MONTANA  
NET POSITION BY COMPONENT  
Past Ten Fiscal Years

	Fiscal Years									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 89,081,484	\$ 89,267,076	\$ 93,409,850	\$ 104,342,191	\$ 115,696,956	\$ 137,058,945	\$ 155,191,911	\$ 118,577,368	\$ 196,931,242	\$ 217,241,690
Restricted	27,255,029	35,621,803	41,755,126	42,829,320	41,583,992	36,522,195	21,202,050	69,208,376	68,458,112	55,321,501
Unrestricted	11,521,053	12,127,224	(5,137,642)	(3,923,466)	(4,839,467)	(5,514,909)	4,799,426	27,280,681	(31,383,436)	(15,708,281)
Total governmental activities	\$ 127,857,566	\$ 137,016,103	\$ 130,027,334	\$ 143,248,045	\$ 152,441,481	\$ 168,066,231	\$ 181,193,387	\$ 215,066,425	\$ 234,005,918	\$ 256,854,910
Business-type activities										
Net investment in capital assets	\$ 199,394,551	\$ 205,501,357	\$ 211,419,777	\$ 221,385,655	\$ 229,372,281	\$ 239,254,236	\$ 245,190,586	\$ 260,124,896	\$ 271,812,360	\$ 286,461,913
Restricted	3,098,125	3,372,927	4,977,984	4,990,635	8,866,951	13,070,517	12,671,931	12,307,565	14,839,596	29,337,941
Unrestricted	10,643,337	8,723,353	6,619,399	10,582,408	9,154,014	12,923,470	21,053,523	25,801,918	23,152,084	14,910,714
Total business-type activities	\$ 213,136,013	\$ 217,597,637	\$ 223,017,160	\$ 236,958,698	\$ 247,393,246	\$ 265,248,223	\$ 278,916,040	\$ 298,234,379	\$ 309,804,040	\$ 330,710,568
Primary government										
Net investment in capital assets	\$ 288,476,035	\$ 294,768,433	\$ 304,829,627	\$ 325,727,846	\$ 345,069,237	\$ 376,313,181	\$ 400,382,497	\$ 378,702,264	\$ 468,743,602	\$ 503,703,603
Restricted	30,353,154	38,994,730	46,733,110	47,819,955	50,450,943	49,592,712	33,873,981	81,515,941	83,297,708	84,659,442
Unrestricted	22,164,390	20,850,577	1,481,757	6,658,942	4,314,547	7,408,561	25,852,949	53,082,599	(8,231,352)	(797,567)
Total primary government net position	\$ 340,993,579	\$ 354,613,740	\$ 353,044,494	\$ 380,206,743	\$ 399,834,727	\$ 433,314,454	\$ 460,109,427	\$ 513,300,804	\$ 543,809,958	\$ 587,565,478



**CITY OF BOZEMAN, MONTANA**  
**CHANGES IN NET POSITION**  
**Past Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 7,373,368	\$ 6,989,830	\$ 7,417,644	\$ 8,058,925	\$ 9,415,702	\$ 9,896,366	\$ 10,310,075	\$ 9,854,245	\$ 11,517,404	\$ 12,352,494
Public Safety	14,340,301	15,297,088	17,023,578	18,391,357	17,689,004	18,637,422	19,699,377	20,664,687	22,698,030	22,442,450
Public Service	3,939,061	6,031,768	6,458,930	6,861,939	7,857,917	8,615,272	9,850,802	9,781,345	11,018,661	12,176,141
Public Welfare	6,518,822	7,417,158	7,579,653	7,994,697	9,210,264	9,476,010	9,658,817	10,354,632	13,429,890	16,211,729
Interest and Fiscal Fees	433,766	179,280	824,266	893,470	771,714	781,255	786,236	1,763,155	2,105,985	2,051,119
Total Governmental Activities Expenses	\$ 32,605,318	\$ 35,915,124	\$ 39,304,071	\$ 42,200,388	\$ 44,944,601	\$ 47,406,325	\$ 50,305,307	\$ 52,418,064	\$ 60,769,970	\$ 65,233,933
Business-Type Activities:										
Water	\$ 6,154,746	\$ 6,869,870	\$ 7,995,910	\$ 9,273,395	\$ 9,740,629	\$ 9,832,508	\$ 9,984,114	\$ 9,807,970	\$ 10,687,976	\$ 11,604,238
Waste Water	6,121,663	8,955,592	6,940,983	8,163,312	8,590,477	8,548,138	9,291,509	9,209,689	10,209,279	10,849,992
Solid Waste	2,475,680	6,958,209	3,308,441	4,570,884	4,262,650	4,535,865	4,739,710	4,665,613	4,991,829	5,220,011
Non-Major Activities	852,561	966,454	1,098,771	1,300,612	1,827,722	2,011,950	2,043,748	2,355,962	2,194,890	2,604,371
Total Business-Type Activities Expenses	\$ 15,604,650	\$ 23,750,125	\$ 19,344,105	\$ 23,308,203	\$ 24,421,478	\$ 24,928,461	\$ 26,059,081	\$ 26,039,234	\$ 28,083,974	\$ 30,278,612
Total Primary Government Expenses	\$ 48,209,968	\$ 59,665,249	\$ 58,648,176	\$ 65,508,591	\$ 69,366,079	\$ 72,334,786	\$ 76,364,388	\$ 78,457,298	\$ 88,853,944	\$ 95,512,545
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 1,966,966	\$ 2,453,015	\$ 1,947,445	\$ 2,530,474	\$ 2,683,016	\$ 3,139,427	\$ 3,777,184	\$ 3,546,689	\$ 4,380,033	\$ 5,472,678
Public Safety	3,219,231	3,290,573	3,211,911	3,347,859	3,175,257	2,234,994	4,158,560	4,020,453	4,260,366	4,317,541
Public Service	6,655,604	7,623,178	8,784,447	9,310,147	10,342,921	15,531,304	12,189,258	16,522,229	18,836,107	19,176,512
Public Welfare	1,593,212	613,322	1,097,845	1,213,526	1,414,394	1,593,025	1,724,864	1,567,557	5,294,909	6,833,910
Operating Grants and Contributions	406,239	457,354	2,254,052	2,494,244	2,715,986	3,021,400	5,419,871	7,622,415	12,156,812	7,707,580
Capital Grants and Contributions	844,935	4,762,416	2,960,051	5,018,559	2,667,352	7,651,008	6,593,221	15,429,642	4,518,830	12,153,695
Total Governmental Activities Program Revenues	\$ 14,686,187	\$ 19,199,858	\$ 20,255,751	\$ 23,914,809	\$ 22,998,926	\$ 33,171,158	\$ 33,862,958	\$ 48,708,985	\$ 49,447,057	\$ 55,661,916
Business-Type Activities:										
Charges for Services:										
Water	\$ 9,585,939	\$ 9,842,699	\$ 9,969,058	\$ 11,935,016	\$ 11,166,944	\$ 12,915,454	\$ 11,438,495	\$ 11,913,879	\$ 13,970,784	\$ 15,431,185
Waste Water	8,560,438	8,852,738	9,008,247	9,283,600	9,668,524	10,686,506	10,445,185	10,671,361	11,691,165	12,684,974
Solid Waste	2,532,676	2,725,465	2,953,414	2,617,243	3,613,721	3,926,123	4,228,099	4,631,523	4,969,868	5,431,005
Non-Major Activities	644,672	872,325	891,379	3,207,605	2,172,399	2,282,839	2,308,182	2,457,485	2,525,782	2,735,876
Operating Grants and Contributions	-	9,596	123,439	134,946	169,509	134,523	83,264	104,868	243,536	1,511,436
Capital Grants and Contributions:	156,123	5,898,923	6,385,418	11,287,654	7,774,707	9,944,719	8,324,760	13,312,504	5,427,166	13,064,462
Total Business-Type Activities Program Revenues	\$ 21,479,848	\$ 28,201,746	\$ 29,330,955	\$ 38,466,064	\$ 34,565,804	\$ 39,890,164	\$ 36,827,985	\$ 43,091,620	\$ 38,828,301	\$ 50,858,938
Total Primary Government Program Revenues	\$ 36,166,035	\$ 47,401,604	\$ 49,586,706	\$ 62,380,873	\$ 57,564,730	\$ 73,061,322	\$ 70,690,943	\$ 91,800,605	\$ 88,275,358	\$ 106,520,854

**CITY OF BOZEMAN, MONTANA**  
**CHANGES IN NET POSITION (CONTINUED)**  
**Past Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Net (Expense) / Revenue</b>										
Governmental Activities	\$ (17,919,131)	\$ (16,715,266)	\$ (19,048,320)	\$ (18,285,579)	\$ (21,945,675)	\$ (14,235,167)	\$ (16,442,349)	\$ (3,709,079)	\$ (11,322,913)	\$ (9,572,017)
Business-Type Activities	5,875,198	4,060,921	9,986,850	15,157,861	10,144,326	14,961,703	10,768,904	17,052,386	10,744,327	20,580,326
<b>Total Primary Government Net Expense</b>	<b>\$ (12,043,933)</b>	<b>\$ (12,654,345)</b>	<b>\$ (9,061,470)</b>	<b>\$ (3,127,718)</b>	<b>\$ (11,801,349)</b>	<b>\$ 726,536</b>	<b>\$ (5,673,445)</b>	<b>\$ 13,343,307</b>	<b>\$ (578,586)</b>	<b>\$ 11,008,309</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes										
Property Taxes	\$ 16,429,959	\$ 17,561,022	\$ 20,203,718	\$ 21,234,288	\$ 21,708,812	\$ 22,532,724	\$ 23,823,994	\$ 28,308,301	\$ 27,115,391	\$ 29,432,001
Unrestricted Grants and Contributions	6,342,884	7,436,419	7,699,711	7,992,180	8,372,625	6,171,297	4,658,177	4,859,238	4,956,187	5,099,529
Investment Earnings	243,744	355,790	403,152	519,637	554,870	64,058	1,490,286	1,604,365	428,653	652,534
Increase (decrease) in fair market value of investments	-	-	-	-	-	-	-	-	-	(2,337,888)
Miscellaneous	-	293,884	374,966	418,215	1,317,137	2,320,536	1,009,437	1,128,061	(1,722,976)	520,517
Gain (Loss) on sale of assets	1,765	236,688	-	123,934	(71,335)	28,861	167,291	16,862	20,072	(15,735)
Transfers	(10,000)	(10,000)	(410,016)	1,218,036	(742,999)	(758,084)	(475,000)	(546,353)	(534,921)	(1,396,976)
<b>Total Governmental Activities</b>	<b>\$ 23,008,352</b>	<b>\$ 25,873,803</b>	<b>\$ 28,271,531</b>	<b>\$ 31,506,290</b>	<b>\$ 31,139,110</b>	<b>\$ 30,359,392</b>	<b>\$ 30,674,185</b>	<b>\$ 35,370,474</b>	<b>\$ 30,262,406</b>	<b>\$ 31,953,982</b>
Business-Type Activities:										
Unrestricted Grants and Contributions	\$ 508,912	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	-	-	304,231	3,389	1,010,849	846,331	38,987	321,644
Increase (decrease) in fair market value of investments	-	-	-	-	-	-	-	-	-	(1,613,219)
Miscellaneous	-	-	-	-	1,256,284	2,529,824	362,631	518,162	233,508	219,770
ARRA Debt Forgiveness	-	390,700	-	-	-	-	-	-	-	-
Gain (Loss) on sale of assets	-	-	-	-	(2,013,292)	10,005	(172,428)	4,012	17,918	1,031
Transfers	10,000	10,000	380,347	(1,218,036)	742,999	758,084	475,000	546,353	534,921	1,396,976
<b>Total Business-Type Activities</b>	<b>518,912</b>	<b>400,700</b>	<b>380,347</b>	<b>(1,218,036)</b>	<b>290,222</b>	<b>3,301,302</b>	<b>1,676,052</b>	<b>1,914,858</b>	<b>825,334</b>	<b>326,202</b>
<b>Total Primary Government</b>	<b>23,527,264</b>	<b>26,274,503</b>	<b>28,651,878</b>	<b>30,288,254</b>	<b>31,429,332</b>	<b>33,660,694</b>	<b>32,350,237</b>	<b>37,285,332</b>	<b>31,087,740</b>	<b>32,280,184</b>
<b>Restatement of Beginning Net Position</b>										
Governmental Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,104,680)	\$ 2,211,643	\$ -	\$ 467,027
Business-Type Activities	-	-	-	-	-	-	1,222,861	351,095	-	-
<b>Total Primary Government</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 118,181</b>	<b>\$ 2,562,738</b>	<b>\$ -</b>	<b>\$ 467,027</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 5,089,221	\$ 9,158,537	\$ 9,223,211	\$ 13,220,711	\$ 9,193,435	\$ 16,124,225	\$ 13,127,156	\$ 33,873,038	\$ 18,939,493	\$ 22,381,965
Business-Type Activities	6,394,110	4,461,621	10,367,197	13,939,825	10,434,548	18,263,005	13,667,817	19,318,339	11,569,661	20,906,528
<b>Total Primary Government</b>	<b>\$ 11,483,331</b>	<b>\$ 13,620,158</b>	<b>\$ 19,590,408</b>	<b>\$ 27,160,536</b>	<b>\$ 19,627,983</b>	<b>\$ 34,387,230</b>	<b>\$ 26,794,973</b>	<b>\$ 53,191,377</b>	<b>\$ 30,509,154</b>	<b>\$ 43,288,493</b>

CITY OF BOZEMAN, MONTANA  
 FUND BALANCE - GOVERNMENT FUNDS  
 Past Ten Fiscal Years  
*(modified accrual basis of accounting)*

	Fiscal Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Assigned	\$ 7,327,375	\$ 6,420,760	\$ 6,061,965	\$ 5,541,841	\$ 6,402,882	\$ 7,739,020	\$ 7,739,582	\$ 8,110,313	\$ 9,313,580	\$ 8,708,695
Unassigned	-	193,534	-	979,258	87,274	(274,252)	-	1,030,550	(130,315)	(107,076)
Total general fund	<u>\$ 7,327,375</u>	<u>\$ 6,614,294</u>	<u>\$ 6,061,965</u>	<u>\$ 6,521,099</u>	<u>\$ 6,490,156</u>	<u>\$ 7,464,768</u>	<u>\$ 7,739,582</u>	<u>\$ 9,140,863</u>	<u>\$ 9,183,265</u>	<u>\$ 8,601,619</u>
All Other Governmental										
Nonspendable	\$ 1,193,530	\$ 1,269,557	\$ 2,061,790	\$ 1,426,575	\$ 1,533,338	\$ 1,623,816	\$ 1,735,591	\$ 1,796,174	\$ 1,884,479	\$ 1,919,979
Restricted	26,061,499	19,927,526	12,546,935	39,856,356	38,938,127	34,403,744	23,129,241	65,273,723	61,818,904	55,582,529
Committed	851,322	3,075,505	3,088,936	3,528,263	3,901,694	3,856,238	4,279,091	4,328,163	3,621,644	3,168,927
Assigned	-	229,602	-	7,425,398	7,259,749	1,868,485	1,293,436	578,852	96,473	134,135
Unassigned	456,669	(184,101)	(97,173)	914,535	107,103	(42,648)	8,731,534	(125,584)	662,773	(312,180)
Total all other governmental funds	<u>\$ 28,563,020</u>	<u>\$ 24,318,089</u>	<u>\$ 17,600,488</u>	<u>\$ 53,151,127</u>	<u>\$ 51,740,011</u>	<u>\$ 41,709,635</u>	<u>\$ 39,168,893</u>	<u>\$ 71,851,328</u>	<u>\$ 68,084,273</u>	<u>\$ 60,493,390</u>

**CITY OF BOZEMAN, MONTANA**  
**CHANGES IN FUND BALANCES - GOVERNMENT FUNDS**  
**Past Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Taxes	\$ 16,540,972	\$ 17,385,371	\$ 20,404,236	\$ 21,303,074	\$ 21,682,667	\$ 22,553,972	\$ 23,788,018	\$ 28,321,349	\$ 26,973,106	\$ 29,607,197
Special assessments	1,752,615	2,011,944	1,578,855	1,265,954	1,163,275	1,137,103	1,116,925	1,390,355	1,676,909	1,616,318
Licenses and permits	1,629,744	1,784,282	1,827,842	2,112,090	2,092,673	2,541,727	2,392,081	2,524,368	2,902,616	2,850,060
Intergovernmental	7,586,007	8,208,770	8,562,937	8,920,424	8,956,044	9,419,104	10,488,662	12,600,824	15,297,152	12,638,682
Charges for service	8,806,969	9,656,123	10,629,791	12,283,683	13,743,830	17,885,529	16,987,622	20,142,910	24,847,833	30,095,236
Fines and forfeitures	1,394,652	1,411,162	1,305,166	1,253,705	1,256,525	1,240,154	1,234,324	1,199,601	1,168,880	1,053,196
Interest on investments	239,778	329,086	370,305	479,699	520,690	34,709	1,439,743	1,343,201	155,647	452,369
Increase (decrease) in fair market value of investments	-	-	-	-	-	-	-	-	-	(2,337,889)
Loan repayment	157,069	63,980	94,989	38,552	31,837	25,827	31,695	44,930	38,276	53,539
Other	394,677	287,089	363,274	415,646	1,307,668	2,313,097	995,553	1,790,144	1,766,620	2,712,894
<b>Total revenues</b>	<b>38,502,483</b>	<b>41,137,807</b>	<b>45,137,395</b>	<b>48,072,827</b>	<b>50,755,209</b>	<b>57,151,222</b>	<b>58,474,623</b>	<b>69,357,682</b>	<b>74,827,039</b>	<b>78,741,602</b>
<b>Expenditures</b>										
General government	7,276,839	6,138,575	6,594,474	7,318,539	7,643,886	8,268,285	8,782,078	9,280,183	10,449,026	11,891,184
Public safety	13,822,691	14,637,886	15,086,695	16,485,549	16,812,131	17,602,966	18,005,944	19,598,592	19,778,375	22,104,511
Public service	2,805,612	3,498,770	3,786,283	3,840,405	4,422,771	4,955,559	5,774,783	5,376,499	5,868,383	6,977,080
Public welfare	6,216,387	6,678,347	7,366,955	7,245,425	7,654,059	7,975,354	8,339,885	9,046,331	11,690,142	14,598,944
Other	15,776	1,046,712	1,113,340	418,431	506,169	655,532	728,642	665,517	3,500,760	2,204,370
Capital outlay	2,782,435	8,053,456	9,905,333	9,337,470	12,468,020	18,420,501	19,106,110	24,265,809	32,608,736	30,801,575
Debt service										
Principal	1,826,126	1,482,142	1,121,593	1,345,250	1,422,555	1,500,687	1,635,369	6,639,947	3,188,603	2,969,165
Interest & Fiscal Fees	445,736	380,950	824,266	893,470	771,714	718,597	786,238	1,763,155	2,105,985	2,051,119
<b>Total expenditures</b>	<b>35,191,602</b>	<b>41,916,838</b>	<b>45,798,939</b>	<b>46,884,539</b>	<b>51,701,305</b>	<b>60,097,481</b>	<b>63,159,049</b>	<b>76,636,033</b>	<b>89,190,010</b>	<b>93,597,948</b>
Excess of revenues over (under) expenditures	3,310,881	(779,031)	(661,544)	1,188,288	(946,096)	(2,946,259)	(4,684,426)	(7,278,351)	(14,362,971)	(14,856,346)
<b>Other Financing Sources (Uses)</b>										
Proceeds from borrowing	-	-	-	-	-	-	-	-	-	-
Transfers in	4,291,417	3,103,787	4,816,671	6,483,413	3,950,059	4,394,277	4,202,825	8,867,568	5,976,400	10,802,182
Transfers out	(4,454,505)	(3,113,787)	(5,197,018)	(5,496,492)	(4,693,058)	(5,152,361)	(4,677,825)	(9,413,920)	(6,511,321)	(12,199,158)
Issuance of debt	1,203,279	10,012,647	5,619,361	47,406	234,702	1,103,586	2,859,598	41,878,844	10,501,000	7,045,000
Premium on Bonds Issued	-	-	-	-	-	-	-	-	649,009	515,591
Issuance of lease (as lessee)	-	-	-	-	-	-	-	-	-	19,833
Sales of capital assets	2,775	243,092	64,855	227,984	43,277	35,144	33,898	29,567	23,744	34,836
<b>Total other financing sources (uses)</b>	<b>1,042,966</b>	<b>10,245,739</b>	<b>5,303,869</b>	<b>1,262,311</b>	<b>(465,020)</b>	<b>380,646</b>	<b>2,418,496</b>	<b>41,362,059</b>	<b>10,638,832</b>	<b>6,218,284</b>
<b>Extraordinary items</b>										
Net change in fund balances	\$ 4,353,847	\$ 9,466,708	\$ 4,642,325	\$ 2,450,599	\$ (1,411,116)	\$ (2,565,613)	\$ (2,265,930)	\$ 34,083,708	\$ (3,724,139)	\$ (8,638,062)
Debt service as a percentage of noncapital expenditures	7.0%	5.5%	5.4%	6.0%	5.6%	5.3%	5.5%	16.0%	9.4%	8.0%

**REVENUE CAPACITY SECTION**

CITY OF BOZEMAN, MONTANA  
 ASSESSED VALUE OF TAXABLE PROPERTY  
 Past Ten Fiscal Years

<u>Fiscal Year Ended June 30,</u>	<u>Residential Property</u>	<u>Commercial &amp; Industrial Property</u>	<u>Other Property</u>	<u>Total Taxable Assessed Value **</u>	<u>Total Direct Tax Rate</u>	<u>Total Market Value *</u>	<u>Assessed Taxable Value ** as a Percentage of Total Market Value</u>
2013	46,606,560	31,625,880	4,993,560	83,226,000	166.75	3,176,282,865	2.620%
2014	47,956,720	32,542,060	5,138,220	85,637,000	173.08	3,386,295,608	2.529%
2015	50,978,520	31,641,840	5,273,640	87,894,000	188.76	3,598,269,877	2.443%
2016	50,899,738	29,864,642	5,799,800	86,564,180	210.16	5,698,588,679	1.519%
2017	52,777,954	30,966,657	6,013,815	89,758,426	205.30	5,870,738,906	1.529%
2018	56,952,419	37,199,199	7,043,156	101,194,775	187.33	6,745,351,312	1.500%
2019	58,712,093	38,348,553	7,260,771	104,321,416	191.24	6,981,943,409	1.494%
2020	70,588,175	46,105,567	8,729,455	125,423,197	188.45	8,596,253,775	1.459%
2021	72,903,489	47,617,844	9,015,783	129,537,117	169.48	8,875,762,356	1.459%
2022	87,432,389	57,107,580	10,812,534	155,352,503	154.12	10,724,564,866	1.449%

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

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

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

\*\* Includes tax-exempt property

CITY OF BOZEMAN, MONTANA  
CITY TAXABLE MARKET AND TAXABLE VALUES  
Past Ten Fiscal Years

Fiscal Year Ended <u>June 30,</u>	<u>Taxable Market Value</u>	<u>Full Taxable Value</u>	<u>Incremental Value for All Tax Increment Districts</u>	<u>Net Taxable Value (excludes Tax Increment Districts Incremental Values)</u>	<u>Taxable Value for Open Space Purposes</u>
2013	3,176,282,865	86,934,533	3,708,138	83,226,395	n/a *
2014	3,386,295,608	89,650,917	4,013,561	85,637,356	85,615,328
2015	3,598,269,877	92,081,322	4,186,781	87,894,541	90,735,030
2016	5,698,588,679	90,787,797	4,223,617	86,564,180	91,973,923
2017	5,870,738,906	94,102,761	4,344,335	89,758,426	93,212,816
2018	6,745,351,312	106,224,806	5,030,031	101,194,775	105,727,520
2019	6,981,943,409	109,713,782	5,392,366	104,321,416	191,152,592
2020	8,596,253,775	133,582,036	8,158,839	125,423,197	133,391,037
2021	8,875,762,356	137,983,427	8,446,310	129,537,117	137,765,762
2022	10,724,564,866	166,838,141	11,485,638	155,352,503	164,979,565

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

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

\* No certified value available, first certification available for FY2014

## CITY OF BOZEMAN, MONTANA TAX INCREMENT DISTRICT TAXABLE VALUATION DETAIL Past Ten Fiscal Years

Fiscal Year Ended June 30,	BOZEMAN DOWNTOWN			NORTHEAST URBAN RENEWAL DISTRICT			BOZEMAN MIDTOWN*		
	Base Taxable	Incremental Taxable	Total Taxable	Base Taxable	Incremental Taxable	Total Taxable	Base Taxable	Incremental Taxable	Total Taxable
2013	1,328,695	2,396,293	3,724,988	423,054	150,217	573,271	2,886,997	1,084,216	3,971,213
2014	1,328,695	2,586,963	3,915,658	423,054	172,608	595,662	2,886,997	1,193,297	4,080,294
2015	1,328,695	2,718,220	4,046,915	423,054	190,579	613,633	2,886,997	1,225,604	4,112,601
2016	1,328,695	2,898,551	4,227,246	423,054	214,470	637,524	2,886,997	1,055,385	3,942,382
2017	1,328,695	3,068,902	4,397,597	423,054	193,281	616,335	3,473,127	1,003,546	4,476,673
2018	1,328,695	3,769,917	5,098,612	423,054	223,765	646,819	3,507,723	948,746	4,456,469
2019	1,328,695	4,159,996	5,488,691	423,054	229,047	652,101	3,507,723	982,574	4,490,297
2020	1,328,695	5,987,410	7,316,105	423,054	457,274	880,328	3,507,723	1,714,155	5,221,878
2021	1,328,695	6,247,663	7,576,358	423,054	477,252	900,306	3,507,723	1,707,571	5,215,294
2022	1,328,695	7,893,562	9,222,257	423,054	636,368	1,059,422	3,507,723	2,589,893	6,097,616

Fiscal Year Ended June 30,	NORTH PARK URBAN RENEWAL**			BOZEMAN TECHNOLOGY			POLE YARD URBAN RENEWAL***		
	Base Taxable	Incremental Taxable	Total Taxable	Base Taxable	Incremental Taxable	Total Taxable	Base Taxable	Incremental Taxable	Total Taxable
2013				-	-	-	-	-	-
2014				417	-	417	-	-	-
2015				417	3	420	-	-	-
2016				417	-	417	-	-	-
2017				417	-	417	-	-	-
2018				417	-	417	-	-	-
2019	244,332	20,749	265,081	417	-	417	-	-	-
2020	244,332	-	244,332	417	-	417	-	-	-
2021	244,332	13,824	258,156	417	-	417	-	-	-
2022	244,332	53,750	298,082	417	56,410	417	1,137,056	255,655	1,392,711

Fiscal Year Ended June 30,	TOTAL		
	Base Taxable	Incremental Taxable	Total Taxable
2007	1,833,875	884,321	2,718,196
2008	8,478,593	1,139,674	9,618,267
2009	8,478,593	1,444,974	9,923,567
2010	7,948,797	3,058,473	11,007,270
2011	7,948,797	3,659,385	11,608,182
2012	7,948,797	4,197,954	12,146,751
2013	4,638,746	3,630,726	8,269,472
2014	4,639,163	3,952,868	8,592,031
2015	4,639,163	4,134,406	8,773,569
2016	4,639,163	4,168,406	8,807,569
2017	5,225,293	4,265,729	9,491,022
2018	5,259,889	4,942,428	10,202,317
2019	5,504,221	5,392,366	10,896,587
2020	5,504,221	8,158,839	13,663,060
2021	5,504,221	8,446,310	13,950,531
2022	6,641,277	11,485,638	18,126,915

Source: Based on information provided by Gallatin County and Montana Department of Revenue  
Note: Property is assessed by the State Department of Revenue every two years.

\*Previously North 7th Corridor

\*\*New district created in FY19

\*\*\*New district created in FY22



CITY OF BOZEMAN, MONTANA  
 DOWNTOWN BOZEMAN IMPROVEMENT DISTRICT &  
 COMPARISON TO CITY TAXABLE VALUE  
 Past Ten Fiscal Years

Fiscal Year Ended <u>June 30,</u>	Downtown Bozeman Improvement District			City Taxable Value (Excluding ALL tax increment district valuations)	The District's Incremental Taxable Value as Percentage of <u>City's Taxable Value</u>
	<u>Taxable Market Value of Property in the District</u>	<u>Taxable Value of Property in the District</u>	<u>Incremental Taxable Value</u>		
2013	142,099,662	3,724,988	2,396,293	83,226,395	2.88%
2014	153,063,721	3,915,658	2,586,963	85,367,356	3.03%
2015	190,128,511	4,046,915	2,718,220	87,894,541	3.09%
2016	259,138,001	4,227,246	2,898,551	86,564,180	3.35%
2017	265,793,431	4,397,597	3,068,902	89,758,426	3.42%
2018	297,005,720	5,098,612	3,769,917	101,194,775	3.73%
2019	319,728,707	5,488,691	4,159,996	104,321,416	3.99%
2020	447,565,041	7,316,105	5,987,410	125,423,197	4.77%
2021	465,530,358	7,576,358	6,247,663	129,537,117	4.82%
2022	580,867,055	9,222,257	7,893,562	155,352,503	5.08%

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

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

**CITY OF BOZEMAN, MONTANA**  
**PROPERTY TAX LEVIES FOR TAX INCREMENT/URBAN RENEWAL DISTRICTS**  
**Past Ten Fiscal Years**

<b>Taxing Entity</b>	<b>Fiscal Year</b>									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Statewide School Equalization	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Gallatin County Operating and Bond	87.40	88.38	89.55	99.77	100.41	91.23	98.87	91.17	99.09	93.48
Open Space Bond	4.89	4.90	4.95	5.03	5.85	5.13	4.69	3.90		3.74
County-Wide School	96.47	101.28	99.94	106.85	105.39	99.67	102.44	96.45	96.74	91.29
Bozeman High School District	71.81	73.16	72.97	76.76	77.25	73.10	108.95	92.77	97.61	84.86
Bozeman Elementary School District	131.45	145.25	143.70	151.15	154.81	146.92	142.63	125.90	121.74	101.99
City of Bozeman	166.75	173.08	188.76	210.16	205.30	187.33	191.24	187.70	169.53	152.12
<b>TOTAL</b>	<b>598.77</b>	<b>626.05</b>	<b>639.87</b>	<b>689.72</b>	<b>689.01</b>	<b>643.38</b>	<b>688.82</b>	<b>637.89</b>	<b>624.71</b>	<b>567.48</b>
<b>Exempt from Tax Increment</b>										
University Millage	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Gallatin Conservation District	0.98	0.97	0.95	1.05	1.01	0.89	0.91	0.77		
County-Wide Planning	2.39	2.39	2.35	2.39	2.39	2.48	2.50	2.22	1.48	2.18

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

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

CITY OF BOZEMAN, MONTANA  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 Past Ten Fiscal Years  
*(rate per \$1,000 of assessed value)*

Fiscal Year Ended <u>June 30.</u>	Basic <u>Rate</u>	General Obligation Debt <u>Service</u>	Total Direct Tax <u>Rate</u>	Bozeman School <u>District</u>	Gallatin <u>County</u>	State of <u>Montana</u>
2013	158.38	8.37	166.75	203.26	215.10	46.00
2014	164.83	8.25	173.08	218.41	221.00	46.00
2015	177.52	11.24	188.76	216.67	215.78	46.00
2016	194.51	15.65	210.16	227.91	241.69	46.00
2017	190.17	15.13	205.30	232.06	241.69	46.00
2018	173.92	13.41	187.33	220.02	223.33	46.00
2019	178.22	13.02	191.24	251.58	206.00	46.00
2020	162.82	25.63	188.45	218.67	191.52	46.00
2021	140.73	28.75	169.48	219.35	195.83	46.00
2022	131.89	22.23	154.12	186.85	188.51	46.00

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

**CITY OF BOZEMAN, MONTANA  
PRINCIPAL PROPERTY TAX PAYERS  
Current Year and Ten Years Ago**

<u>Taxpayer</u>	<u>2022</u>			<u>2013</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Total Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Plato MT I Propco LLC	1,155,293	1	0.74%			
GKT Bozeman Gateway LLC & Harry Daum - Gallatin Mall	623,384	2	0.40%	508,230	5	0.61%
Bozeman Apartment Group LLC	566,231	3	0.36%			
Springs VII at Bozeman LLC	560,417	4	0.36%			
Cannery District Partners LLC	546,620	5	0.35%			
REVESCO (USA) Properties of Bozeman LP	543,525	6	0.35%			
NB Stadium View DST	507,025	7	0.33%			
Bridger Peaks Holding LLC	503,577	8	0.32%			
Etha Hotel LLC	490,057	9	0.32%	339,009	8	0.41%
J & D Family Limited Partnership	479,342	10	0.31%			
Stone Ridge Partners LLC	460,240	11	0.30%			
3705 Galloway (Bozeman) LLC	457,351	12	0.29%	440,095	6	0.53%
Crestview Lake LLC	397,252	13	0.26%			
Costco Wholesale Corporation	388,538	14	0.25%			
Bridge Embassy House LP	360,519	15	0.23%			
Bozeman Health Deaconess Hospital	355,114	16	0.23%			
G25 Holdings LLC	352,905	17	0.23%			
State of Montana	332,967	18	0.21%			
Bozeman Main & 15th Ave Shopping Center	330,488	19	0.21%			
Radiant Properties Bozeman LLC	323,406	20	0.21%			
Westlake George E	305,099	21	0.20%			
University Square Bozeman Shopping Center	300,665	22	0.19%			
Bozeman Hotel Group LLC	294,885	23	0.19%			
First Security Bank	294,039	24	0.19%			
	282,549	25	0.18%	342,184	7	0.41%
Northwestern Corp Transmission & Distribution				3,476,581	1	4.18%
Qwest Corporation				974,616	2	1.17%
Bresnan Communications				973,911	3	1.17%
Verizon Wireless				543,977	4	0.65%
Highgate Bozeman LLC				321,938	9	0.39%
BVI/HJSI Bozeman LLC				308,067	10	0.37%
<b>Total</b>	<b>\$ 11,211,488</b>		<b>7.22%</b>	<b>\$ 8,228,608</b>		<b>9.89%</b>
<b>Total City Taxable Assessed Value</b>	<b>\$ 155,352,503</b>			<b>\$ 83,226,000</b>		

Source: Gallatin County Treasurer

CITY OF BOZEMAN, MONTANA  
 PRINCIPAL PROPERTY TAX PAYERS IN  
 DOWNTOWN BOZEMAN IMPROVEMENT DISTRICT  
 Current Year and Prior Year

		2022			2021		
		Total Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Total Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
<u>Taxpayer</u>	<u>Business</u>						
ETHA Hotel LLC	Property Investor/Developer	479,342	1	5.20%	320,008	2	4.22%
G25 Holdings LLC	Property Investor/Developer	332,967	2	3.61%	329,206	1	4.35%
First Security Bank	Bank	282,549	3	3.06%	257,915	3	3.40%
106 East Babcock LLC	Multi Tenant Commercial/Residential Building	192,174	4	2.08%			
5 West LLC	Multi Tenant Commercial/Residential Building	185,489	5	2.01%	167,052	4	2.20%
104 East Main LLC	Multi Tenant Commercial/Residential Building	161,377	6	1.75%			
Downtown Group LLC	Business Support Services	150,146	7	1.63%	108,936	10	1.44%
Osborne Building LLC	Multi Tenant Commercial/Residential Building	149,770	8	1.62%			
Moose Point LP	Commercial Property Developer	142,399	9	1.54%	127,363	6	1.68%
F&H, LLC	Property Investor/Developer	136,985	10	1.49%	141,830	5	1.87%
777 Building	Multi Tenant Office Retail Building	133,640	11	1.45%	121,198	8	1.60%
M & J Cowdrey LLC	Property Investor/Developer	121,258	12	1.31%	110,165	9	1.45%
	Total	<u>\$ 2,468,096</u>		<u>21.56%</u>	<u>\$ 1,683,673</u>		<u>22.22%</u>
Total Downtown BID Taxable Assessed Value		<u>\$ 9,222,257</u>			<u>\$ 7,576,358</u>		

CITY OF BOZEMAN, MONTANA  
 PROPERTIES IN THE BOZEMAN MIDTOWN URBAN RENEWAL DISTRICT  
 Current Year and Prior Year

<u>Property Type/Property Tax Classification</u>	<u>2021/2022</u>		<u>2020/2021</u>	
	<u>Assessed Value</u>	<u>Taxable Value</u>	<u>Taxable Value</u>	<u>Rank</u>
3 agricultural land	\$ 16,897	\$ 903	\$ 15,701	\$ 840
4 residential	41,516,680	556,166	30,048,793	401,331
4 commercial	286,476,924	5,414,414	248,196,606	4,690,928
8 business equipment	3,463,777	51,957	3,593,100	53,897
9 pipelines and non-elec. generating property of elec. Utility	387,383	46,487	407,869	48,946
13 electrical generation and telecommunication	461,501	27,689	322,520	19,352
	<u>\$ 332,323,162</u>	<u>\$ 6,097,616</u>	<u>\$ 282,584,589</u>	<u>\$ 5,215,294</u>

Source: Montana Department of Revenue

CITY OF BOZEMAN, MONTANA  
TOP TEN LARGEST TAX PAYERS IN  
BOZEMAN MIDTOWN URBAN RENEWAL DISTRICT  
Current Year and Prior Year

<u>2021/2022</u>				<u>2020/2021</u>		
<u>Taxpayer</u>	<u>Taxable Value</u>	<u>Percentage of District Taxable Value</u>	<u>Rank</u>	<u>Taxpayer</u>	<u>Taxable Value</u>	<u>Percentage of District Taxable Value</u>
Westlake, George	\$ 300,665	3.26%	1	Walmart Stores Inc.	\$ 231,524	4.44%
TCIP Partnership	264,335	2.87%	2	TCIP Partnership	231,375	4.44%
Walmart Stores Inc.	247,136	2.68%	3	Buffalo Ventures	202,857	3.89%
Grantree Hotels LP	219,618	2.38%	4	Grantree Hotels LP	195,254	3.74%
Buffalo Ventures LLC	213,835	2.32%	5	Westlake, George	178,653	3.43%
Bozeman Hospitality LLC	169,344	1.84%	6	Murdoch Family LP	157,935	3.03%
Murdoch Family LP	164,113	1.78%	7	Bozeman Hospitality LLC	144,021	2.76%
Oak Street Partnership	146,997	1.59%	8	Oak Street Partnership	132,968	2.55%
Gallatin Hospitality LLC	117,399	1.27%	9	Universal Athletic Services Inc.	112,226	2.15%
Universal Athletic Services Inc.	112,693	1.22%	10	Gallatin Hospitality LLC	105,134	2.02%
	<u>\$ 1,956,135</u>	<u>21.21%</u>			<u>\$ 1,691,947</u>	<u>32.44%</u>
Total Midtown URD Taxable Value	<u>\$ 9,222,257</u>			Total Midtown URD Taxable Value	<u>\$ 5,215,294</u>	

Source: Gallatin County Treasurer

CITY OF BOZEMAN, MONTANA  
PROPERTY TAX LEVIES AND COLLECTIONS  
Past 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
2013	13,878,293	13,633,347	98.24%	204,212	13,837,559	99.71%
2014	14,821,724	14,482,502	97.71%	227,481	14,709,983	99.25%
2015	16,590,871	16,559,270	99.81%	31,601	16,590,871	100.00%
2016	18,191,892	18,009,556	99.00%	74,809	18,084,364	99.41%
2017	18,338,501	18,069,230	98.53%	100,003	18,169,233	99.08%
2018	18,956,357	18,791,653	99.13%	59,070	18,850,723	99.44%
2019	19,950,675	19,940,784	99.95%	9,891	19,950,675	100.00%
2020	23,589,506	23,381,671	99.12%	207,835	23,589,506	100.00%
2021	21,454,058	21,017,696	97.97%	62,741	21,080,436	98.26%
2022	23,793,072	23,777,644	99.94%	-	23,777,644	99.94%

Source: Gallatin County  
City Manager's Final Adopted Budget



CITY OF BOZEMAN, MONTANA  
 WATER SOLD BY TYPE OF CUSTOMER  
 Past Ten Fiscal Years  
*(in hundreds of cubic feet "HCF")*

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Type of Customer</b>										
Residential	1,513,986	1,433,833	1,385,140	1,493,192	1,601,439	1,623,881	1,556,249	1,546,308	1,788,984	1,612,932
Government	59,589	52,448	53,165	51,923	56,956	75,001	54,270	103,536	73,416	82,308
MSU	233,484	213,698	210,107	208,618	225,394	217,967	238,968	178,368	171,840	199,080
Commercial	638,337	607,444	599,193	610,741	620,761	618,398	627,116	506,868	590,076	578,688
<b>Total</b>	<b>2,445,396</b>	<b>2,307,423</b>	<b>2,247,605</b>	<b>2,364,474</b>	<b>2,504,550</b>	<b>2,535,247</b>	<b>2,476,603</b>	<b>2,335,080</b>	<b>2,624,316</b>	<b>2,473,008</b>
Total direct rate per 1,000 HCF	\$2,955.66	\$3,053.40	\$3,105.14	\$3,175.41	\$ 3,256.72	\$ 3,337.92	\$ 3,508.94	\$ 3,757.07	\$ 3,697.72	\$ 4,001.23

Source: City of Bozeman Finance Department

CITY OF BOZEMAN, MONTANA  
WATER AND SEWER RATES  
Past Ten Fiscal Years

<b>Fiscal Year Ended June 30,</b>	<b>Water</b>		<b>Sewer</b>	
	<b>Monthly Base Rate</b>	<b>Rate per 1,000 Gallons</b>	<b>Monthly Base Rate</b>	<b>Rate per 1,000 Gallons</b>
2013	\$ 14.65	\$ 22.95	\$ 16.55	\$ 27.42
2014	\$ 14.65	\$ 22.95	\$ 17.56	\$ 29.10
2015	\$ 14.65	\$ 22.95	\$ 17.56	\$ 29.10
2016	\$ 15.02	\$ 23.53	\$ 18.09	\$ 29.98
2017	\$ 15.39	\$ 24.11	\$ 18.63	\$ 30.87
2018	\$ 15.70	\$ 24.60	\$ 19.01	\$ 31.50
2019	\$ 16.17	\$ 25.33	\$ 19.58	\$ 32.45
2020	\$ 16.17	\$ 25.33	\$ 19.58	\$ 32.45
2021	\$ 16.17	\$ 25.33	\$ 19.58	\$ 32.45
2022	\$ 16.17	\$ 25.33	\$ 19.58	\$ 32.45

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

Sources: City of Bozeman, Montana Commission Resolution 4327  
City of Bozeman, Montana Commission Resolution 4328  
City of Bozeman, Montana Commission Resolution 4454  
City of Bozeman, Montana Commission Resolution 4626 & 4627  
City of Bozeman, Montana Commission Resolution 4819 & 4820  
City of Bozeman, Montana Commission Resolution 4927 & 4928  
City of Bozeman, Montana Commission Resolution 5065 & 5066  
City of Bozeman, Montana Commission Resolution 5273 & 5274

## DEBT CAPACITY

## CITY OF BOZEMAN, MONTANA RATIOS OF OUTSTANDING DEBT BY TYPE Past Ten Fiscal Years

Fiscal Year Ended	Governmental Activities							Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Bond Premiums	Notes Payable	Capital Leases	Sports Park Loan Payable	Special Assessment Bonds	Tax Increment Financing Bonds	Water Revenue Bonds	Wastewater State of MT RLF Loans	Stormwater Revenue Bond	Capital Leases				
2013	2,445,000		1,198,823	149,892		1,659,500	5,195,000	13,751,878	22,501,119	-	-	46,901,212	5.56%	\$ 1,210.26	
2014	11,685,000		1,086,396	94,176		1,185,500	5,015,000	18,140,000	21,025,565	-	-	58,231,637	6.83%	\$ 1,498.50	
2015	16,320,000	262,425	963,274	295,912		890,500	4,825,000	17,365,000	19,972,565	229,750	434,598	61,559,024	7.25%	\$ 1,477.65	
2016	15,570,000	248,967	884,844	249,501		662,500	4,630,000	16,567,000	18,930,565	1,440,430	363,749	59,547,556	7.01%	\$ 1,371.91	
2017	14,710,000	235,509	902,500	270,492		501,000	4,425,000	15,760,000	17,856,000	1,367,430	290,538	56,318,469	6.13%	\$ 1,244.61	
2018	13,835,000	222,051	763,588	463,535		406,000	5,018,931	19,107,497	16,368,000	1,292,430	214,887	57,691,919	5.80%	\$ 1,238.13	
2019	12,940,000	208,593	937,009	651,453	1,700,000	171,500	5,338,811	21,001,000	15,229,000	1,520,000	183,591	59,880,957	5.71%	\$ 1,233.84	
2020	45,445,000	3,778,566	781,079	404,043	1,700,000	139,500	4,733,238	19,791,000	14,057,000	1,442,000	71,077	92,342,503	7.22%	\$ 1,853.11	
2021	43,240,000	4,198,474	609,577	310,270	1,637,117	3,948,216	10,763,655	18,547,000	24,582,587	1,362,000	10,585	109,209,481	7.84%	\$ 2,049.23	
2022	47,990,000	4,484,963	750,632	630,917	1,571,950	3,764,217	10,288,570	17,267,000	27,932,231	1,280,000	-	115,960,480	6.82%	\$ 2,125.96	

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

CITY OF BOZEMAN, MONTANA  
 RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
 Past Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding				Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Bond Premiums	Tax Increment Financing District Bonds	Total		
2013	2,445,000		5,195,000	7,640,000	9.2%	\$ 197.15
2014	11,685,000		5,015,000	16,700,000	19.5%	\$ 429.75
2015	16,320,000	262,425	4,825,000	21,145,000	24.1%	\$ 507.56
2016	15,570,000	428,967	4,630,000	20,200,000	23.3%	\$ 465.38
2017	14,710,000	235,509	4,425,000	19,135,000	21.3%	\$ 422.87
2018	13,835,000	222,051	4,926,931	18,761,931	18.5%	\$ 402.65
2019	12,940,000	208,593	5,338,811	18,278,811	17.5%	\$ 376.63
2020	45,445,000	3,785,489	4,733,238	50,178,238	40.0%	\$ 1,006.97
2021	43,240,000	4,198,474	10,763,655	54,003,655	41.7%	\$ 1,013.33
2022	47,990,000	4,484,963	10,288,570	58,278,570	37.5%	\$ 1,068.45

Source: City Manager's Final Adopted Budget

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

CITY OF BOZEMAN, MONTANA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

	Debt Outstanding as of June 30, 2022	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
<u>Overlapping Bonded Indebtedness</u>			
Gallatin County:			
Various issues outstanding	\$ 21,190,000	37%	\$ 7,869,658
Bozeman School District #7:			
Various issues outstanding	<u>\$ 177,227,316</u>	<u>62%</u>	<u>\$ 109,739,250</u>
Subtotal overlapping debt			\$ 117,608,908
<u>City of Bozeman, Montana</u>			
Direct Debt	<u>\$ 64,707,309</u>	<u>100%</u>	<u>\$ 64,707,309</u>
Total Direct & Overlapping Debt			<u>182,316,217</u>

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

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

Sources:

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

**CITY OF BOZEMAN, MONTANA  
LEGAL DEBT MARGIN INFORMATION  
Past Ten Fiscal Years**

	<b>Fiscal Years</b>									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt limit*	76,450,000	84,657,000	84,500,000	142,464,717	147,500,000	168,633,783	174,548,585	214,906,344	221,894,059	268,114,122
Total net debt applicable to limit	\$ (10,648,215)	\$ (19,066,072)	\$ (23,557,111)	\$ (22,245,812)	\$ (21,044,501)	\$ (20,709,105)	\$ (21,947,366)	\$ (56,981,426)	\$ (64,707,309)	\$ (69,481,249)
Legal debt margin	<u>\$ 65,801,785</u>	<u>\$ 65,590,928</u>	<u>\$ 60,942,889</u>	<u>\$ 120,218,905</u>	<u>\$ 126,455,499</u>	<u>\$ 147,924,678</u>	<u>\$ 152,601,219</u>	<u>\$ 157,924,918</u>	<u>\$ 157,186,750</u>	<u>\$ 198,632,874</u>
Total net debt applicable to the limit as a percentage of debt limit	13.9%	22.5%	27.9%	15.6%	14.3%	12.3%	12.6%	26.5%	29.2%	25.9%

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

Source: City Manager's Final Adopted Budget

CITY OF BOZEMAN, MONTANA  
 PLEDGED REVENUE COVERAGE  
 Past Ten Fiscal Years

Fiscal Year Ended June 30.	Water Revenue Bonds					Special Assessment Bonds			
	Utility Service Charges	Less: Operating Expenses	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage
			Principal	Interest			Principal	Interest	
2013	7,806,922	(4,364,506)	(502,000)	(163,250)	2,777,166	820,090	(650,975)	(103,198)	65,917
2014	7,871,386	(4,405,464)	(751,000)	(429,438)	2,285,484	1,054,483	(474,000)	(73,760)	506,723
2015	7,748,913	(4,973,926)	(775,000)	(538,425)	1,461,562	586,116	(295,000)	(50,070)	241,046
2016	8,414,870	(6,176,752)	(798,000)	(515,010)	925,108	705,143	(228,000)	(39,343)	437,800
2017	9,281,821	(6,589,396)	(822,000)	(490,890)	1,379,535	558,988	(161,500)	(30,335)	367,153
2018	10,157,888	(6,494,121)	(1,141,000)	(530,881)	1,991,886	506,819	(95,000)	(23,221)	388,598
2019	9,396,171	(6,525,730)	(1,176,000)	(578,954)	1,115,487	518,351	(234,500)	(18,740)	265,111
2020	9,852,377	(6,848,489)	(1,210,000)	(587,350)	1,206,538	775,230	(32,000)	(26,434)	716,796
2021	11,027,542	(6,878,458)	(1,244,000)	(552,156)	2,352,928	975,387	(192,284)	(135,114)	647,989
2022	11,613,448	(7,868,703)	(1,280,000)	(515,842)	1,948,903	901,483	(183,999)	(135,136)	582,348

Fiscal Year Ended June 30.	Waste Water Revenue Bonds				
	Utility Service Charges	Less: Operating Expenses	Debt Service		Coverage
			Principal	Interest	
2012	6,385,404	(3,784,420)	(883,000)	(857,842)	860,142
2013	6,916,226	(3,947,821)	(1,465,227)	(847,778)	655,400
2014	7,204,486	(5,895,751)	(1,084,854)	(660,771)	(436,890)
2015	7,631,117	(3,914,454)	(1,053,000)	(632,268)	2,031,395
2016	7,927,692	(5,139,029)	(1,042,000)	(552,269)	1,194,394
2017	8,566,893	(5,496,164)	(1,074,565)	(545,267)	1,450,897
2018	8,876,017	(5,158,989)	(1,104,000)	(513,009)	2,100,019
2019	9,336,007	(6,348,468)	(1,139,000)	(479,859)	1,368,680
2020	9,441,675	(6,592,798)	(1,172,000)	(446,064)	1,230,813
2021	9,926,730	(6,329,624)	(1,760,000)	(581,214)	1,255,892
2022	10,389,216	(6,607,192)	(1,951,000)	(729,704)	1,101,320



CITY OF BOZEMAN, MONTANA  
DEBT SERVICE REQUIREMENTS AND COVERAGE  
FOR TAX INCREMENT DISTRICTS  
Past Ten Fiscal Years

**DOWNTOWN IMPROVEMENT DISTRICT**

<b>Fiscal Year Ended June 30.</b>	<b>Revenues Available for Debt Service</b>	<b>Annual Debt Service Payment</b>	<b>Coverage</b>
2013	1,497,572	425,088	3.52
2014	1,644,960	423,088	3.89
2015	1,853,725	425,888	4.35
2016	2,066,749	423,288	4.88
2017	2,160,187	425,488	5.08
2018	2,430,377	422,288	5.76
2019	2,150,531	423,573	5.08
2020	1,803,534	447,987	4.03
2021	1,847,752	332,448	5.56
2022	1,483,518	332,372	4.46

**NORTHEAST URBAN RENEWAL DISTRICT**

<b>Revenues Available for Debt Service</b>	<b>Annual Debt Service Payment</b>	<b>Coverage</b>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
149,580	92,000	1.63
164,252	95,000	1.73
289,196	92,000	3.14
470,096	92,000	5.11
397,037	92,000	4.32

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

**MIDTOWN IMPROVEMENT DISTRICT**

<b>Fiscal Year Ended June 30.</b>	<b>Revenues Available for Debt Service</b>	<b>Annual Debt Service Payment</b>	<b>Coverage</b>
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	1,118,930	401,893	2.78
2022	1,701,529	408,550	4.16

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

CITY OF BOZEMAN, MONTANA  
SUMMARY OF OUTSTANDING SIDs  
Current Fiscal Year

As of June 30, 2022

Bond Issue	Original Amount	Maturity Date	Bonds Outstanding	Cash Balance	Assessments Outstanding	Delinquent Assessments
SID 674	\$ 494,000	7/1/2024	\$ 73,500	\$ 12,107	\$ 48,612	\$ 326
SID 747	4,001,000	7/1/2040	3,690,717	8,742	2,954,834	4,871
TOTAL	<u>\$ 4,495,000</u>		<u>\$ 3,764,217</u>	<u>\$ 20,848</u>	<u>\$ 3,003,446</u>	<u>\$ 5,197</u>

CITY OF BOZEMAN, MONTANA  
REVOLVING FUND BALANCE AND BOND SECURED THEREBY  
Past Ten Fiscal Years

<b>Fiscal Year Ended June 30.</b>	<b>Revolving Fund Cash Balance</b>	<b>Principal Amount of Debt</b>
2013	2,443,769	1,803,029
2014	2,474,971	1,317,226
2015	2,948,129	1,295,224
2016	2,924,604	1,120,708
2017	2,874,013	1,040,533
2018	2,903,817	916,503
2019	3,020,315	643,983
2020	2,173,692	1,537,286
2021	2,555,927	1,152,898
2022	766,881	766,510

CITY OF BOZEMAN, MONTANA  
SPECIAL IMPROVEMENT DISTRICT ASSESSMENT BILLING AND COLLECTIONS  
Past Ten Fiscal Years

<u>Fiscal Year</u>	<u>Assessment Billing</u>	<u>Total Annual Collections</u>
2013	741,886	820,090
2014	676,613	1,054,484
2015	538,697	586,116
2016	543,351	705,143
2017	528,622	558,988
2018	505,481	506,819
2019	476,212	518,351
2020	642,408	703,796
2021	594,719	649,643
2022	578,154	599,831

## DEMOGRAPHIC AND ECONOMIC INFORMATION

CITY OF BOZEMAN, MONTANA  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 Past Ten Fiscal Years

<b>Fiscal Year Ended June 30.</b>	<b>Population</b>	<b>Estimated Annual % Change in Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Median Age (years)</b>	<b>Residents (25 &amp; over) with Bachelors Degree or Higher Schooling</b>	<b>Pre K-12 School Enrollment</b>	<b>Unemployment Rate</b>
2013	38,753	1.6%	\$ 843,399,480	\$ 25,608	27.1	55.4%	5,994	4.3%
2014	38,860	0.3%	\$ 852,165,042	\$ 26,427	26.8	53.3%	6,216	3.5%
2015	41,660	6.7%	\$ 849,198,410	\$ 26,335	27.3	53.6%	6,294	2.9%
2016	43,405	4.0%	\$ 849,682,100	\$ 26,350	27.5	54.4%	6,533	2.8%
2017	45,250	4.1%	\$ 918,565,430	\$ 26,506	27.7	56.5%	6,770	2.8%
2018	46,596	2.9%	\$ 993,940,022	\$ 28,748	27.9	55.6%	6,908	2.8%
2019	48,532	4.0%	\$1,047,804,618	\$ 29,097	28	56.9%	7,015	3.8%
2020	49,831	2.6%	\$1,279,025,432	\$ 30,268	28	56.8%	7,152	4.5%
2021	53,293	6.5%	\$1,393,673,190	\$ 32,865	28	58.7%	6,893	3.2%
2022	54,545	2.3%	\$1,700,066,144	\$ 36,526	29	63.1%	7,308	2.1%

## Sources:

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

CITY OF BOZEMAN, MONTANA  
 PRINCIPAL EMPLOYERS FOR GALLATIN COUNTY  
 Current Year and Ten Years Ago

June 2022		June 2013	
Private Employers By Class	Employer Class Size	Private Employers By Class	Employer Class Size
Bozeman Deaconess Hospital	9	Bozeman Deaconess Hospital	9
Oracle America	7	Oracle America	7
Kenyon Noble Lumber & Hardware	7	Wal-Mart	7
Town Pump Convenience Stores	7	Albertson's	6
Wal Mart	7	Bridger Bowl	6
Zoot Enterprises	6	Community Food Co-Op	6
Albertson's	6	Costco	6
Target	6	First Security Bank	6
Bridger Bowl	6	First Student	6
Community Food Co-Op	6	Gibson Guitar	6
Costco	6	Kenyon Noble Lumber & Hardware	6
Glacier Bancorp	6	Martel Construction	6
First Student	6	McDonalds	6
McDonalds	6	Murdoch's Ranch & Home Supply	6
Murdoch's Ranch & Home Supply	6	Ressler Motor	6
Ressler Motors	6	Rosauers	6
Rosauers Food & Drug	6	Target	6
Town & Country Foods	6	Town & Country Foods	6
UPS	6	Town Pump Convenience Stores	6
Williams Plumbing & Heating	6	Zoot Enterprises	6
<b>Public Employers By Class</b>		<b>Public Employers By Class</b>	
	<b>Employer Class Size</b>		<b>Employer Class Size</b>
Montana State University	9	Montana State University	9
Belgrade School District	8	School District #7	9
Bozeman School District	8	Belgrade School District	8
Gallatin County	8	City of Bozeman	7
City of Bozeman	7	Department of Agriculture	7
		Gallatin County	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  
 Past Ten Fiscal Years

	Fiscal Years									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
City Commission	2.10	2.10	2.10	2.10	2.10	0.10	2.10	2.10	2.10	2.10
City Manager	8.00	5.00	5.00	6.00	6.00	9.00	9.00	9.00	9.00	9.00
Municipal Court	8.50	8.50	9.00	8.50	8.50	9.50	9.50	9.60	9.98	11.23
City Attorney	7.00	7.00	9.00	10.20	10.20	10.70	10.70	11.70	12.70	12.70
Administrative Services	-	19.00	21.00	21.50	23.50	-	-	-	-	-
Human Resources						4.00	5.00	5.00	5.00	5.00
Finance *	11.00	-	-	-	-	12.50	13.50	13.50	15.00	14.00
Information Technology *	6.00	-	-	-	-	6.00	7.00	7.00	7.00	8.00
Community Development	9.00	8.00	12.60	11.60	13.00	13.00	14.25	15.25	15.25	18.25
Facilities Management	3.50	3.50	3.50	3.50	3.50	4.50	5.00	5.00	6.00	7.00
<b>Total General Government</b>	<b>55.10</b>	<b>53.10</b>	<b>62.20</b>	<b>63.40</b>	<b>66.80</b>	<b>69.30</b>	<b>76.05</b>	<b>78.15</b>	<b>82.03</b>	<b>87.28</b>
Public Safety										
Police Department	72.75	72.75	72.25	71.70	72.70	72.70	74.55	75.55	76.95	80.95
Fire Department	43.75	45.75	45.00	46.00	46.00	46.00	47.00	50.00	50.00	50.00
Building Inspection	10.55	12.55	14.00	18.50	18.50	19.50	19.75	19.75	19.75	19.75
Parking	4.50	5.50	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
<b>Total Public Safety</b>	<b>131.55</b>	<b>136.55</b>	<b>137.25</b>	<b>142.20</b>	<b>143.20</b>	<b>144.20</b>	<b>147.30</b>	<b>151.30</b>	<b>152.70</b>	<b>156.70</b>
Public Services										
Public Services Administration / Engineering	10.00	12.00	6.58	10.25	11.50	11.50	16.25	18.25	22.25	26.25
Streets	17.62	18.62	16.20	18.85	19.85	21.85	21.35	22.30	22.30	22.30
Storm Water	1.00	1.00	4.00	6.25	6.50	7.50	7.50	8.50	9.50	9.50
Water Conservation							2.25	3.00	3.00	3.00
Water Treatment Plant	9.77	11.27	12.75	10.50	10.50	10.00	10.00	10.00	10.00	10.00
Water Operations	15.62	15.62	17.33	14.45	14.45	14.50	14.50	15.70	15.65	16.65
Wastewater Operations	10.25	11.25	13.09	13.30	14.05	12.00	12.50	13.55	14.55	14.55
Wastewater Plant	16.37	17.47	15.50	14.75	14.75	15.00	15.00	16.00	16.00	16.00
Solid Waste Collection/Recycling	15.74	15.74	15.90	15.15	16.15	17.15	17.15	18.75	19.75	19.75
Vehicle Maintenance	5.00	5.00	5.00	6.50	6.50	7.50	7.50	8.50	8.50	9.50
<b>Total Public Services</b>	<b>101.37</b>	<b>107.97</b>	<b>106.35</b>	<b>110.00</b>	<b>114.25</b>	<b>117.00</b>	<b>124.00</b>	<b>134.55</b>	<b>141.50</b>	<b>147.50</b>
Public Welfare										
Cemetery (numerous short terms)	3.33	3.33	4.90	5.04	5.04	4.75	4.25	4.25	4.55	4.55
Parks (numerous short terms)	11.77	11.77	15.40	14.51	14.51	14.90	18.00	18.00	19.75	19.75
Forestry	4.60	4.60	5.95	5.65	6.65	5.20	6.00	6.00	6.65	6.65
Library	21.56	23.11	23.41	26.02	28.02	28.02	28.02	28.02	26.53	26.53
Recreation (numerous short terms)	15.83	16.83	16.83	23.55	24.26	23.41	24.80	24.80	21.90	21.90
Economic Development	2.00	4.00	3.50	3.50	3.50	2.00	2.00	3.00	3.00	3.00
Sustainability		1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	3.00
<b>Total Public Welfare</b>	<b>59.09</b>	<b>65.14</b>	<b>71.49</b>	<b>79.77</b>	<b>83.48</b>	<b>79.78</b>	<b>84.57</b>	<b>85.57</b>	<b>83.88</b>	<b>85.38</b>
<b>Total of all Funds</b>	<b>347.11</b>	<b>362.76</b>	<b>377.29</b>	<b>395.37</b>	<b>407.73</b>	<b>410.28</b>	<b>431.92</b>	<b>449.57</b>	<b>460.11</b>	<b>476.86</b>

Source: City Manager's Final Adopted Budget

\* Administrative Services was created in fiscal year 2014 and consists of Finance, Information Technology and Human Resources

**CITY OF BOZEMAN, MONTANA**  
**OPERATING INDICATORS BY FUNCTION / PROGRAM**  
**Past Ten Fiscal Years**

	<b>Fiscal Year Ended June 30,</b>									
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Finance</b>										
SID Statements	16,200	16,424	16,506	16,893	17,200	17,463	18,185	18,552	18,895	19,655
Utility Bills	138,000	155,000	162,000	166,000	169,000	172,000	168,280	176,263	180,720	205,092
Accounts Payable Checks Processed	12,519	10,453	11,098	11,000	11,800	12,350	11,762	11,800	12,488	10,543
<b>Police</b>										
Number of Officers	63	63	61	60	61	60	60	60	60	60
Calls for Service	47,361	48,542	46,290	47,400	48,200	47,136	50,548	48,099	48,560	69,857
Arrests	2,096	2,165	2,195	2,078	2,427	2,314	2,618	2,017	2,118	1,936
Misdemeanor Citations Issued - includes traffic	5,205	6,045	6,169	6,390	5,886	4,940	5,430	4,800	4,058	4,012
Traffic Stops	10,629	8,210	7,757	7,482	7,900	7,675	9,600	8,410	8,736	8,062
Traffic Crashes	1,320	1,469	1,601	1,792	1,850	1,958	1,840	1,813	1,351	1,452
<b>Fire*</b>										
Fires, Hazardous Conditions & Rupture/Explosions	309	340	296	349	445	564	522	340	304	319
Emergency Medical Services/Rescue	1,941	2,051	2,032	2,424	3,062	3,320	3,073	3,154	3,005	2,716
Service Calls	145	212	202	244	334	438	406	239	170	311
<b>Building Inspection</b>										
Commercial Permits:										
Number	1,305	1,165	1,560	1,628	1,731	883	768	702	707	548
Value (Millions)	69.64	\$44.50	\$98.02	\$164.47	\$65	\$216	\$249	\$302	\$237	\$201
Residential Permits:										
Number	2,338	2,911	2,836	3,937	3,905	3,222	2,307	2,094	2,674	1,947
Value (Millions)	146.32	\$130.68	\$191.97	\$200	\$130	\$340	\$311	\$176	\$233	\$479
<b>Water</b>										
New Service Main Taps	41	57	70	60	72	65	101	96	100	60
Meter Replacement/Repair	113	479	1006	978	1500	994	1042	528	1273	1285
Water Main Breaks/Repairs	4	7	5	7	6	7	5	11	14	9
<b>Wastewater</b>										
Main Line Flushing (in Miles)	47	30	90	50	30.9	50	37.5	48	33.3	73.7
New Infrastructure TV (in Miles)	2.6	2	8	2.6	9.9	7	2.8	3.3	7.4	6.77
New Service Taps	17	37	44	20	30	30	56	25	34	19
<b>Solid Waste Collection &amp; Recycling</b>										
Residential Accounts	7,470	7,869	8,369	8,878	9,695	10,384	10,884	11,321	11,841	12,317
Commercial Customers	265	258	265	461	449	515	573	566	520	612
Recycling Customers	1,135	1,601	2,100	2,663	3,386	3,854	4,434	4,867	5,526	6,025
Annual Tonnage Collected: Collections Program	10,695	10,960	11,457	11,691	12,490	17,657	18,880	19,815	19,955	21,369
<b>Vehicle Maintenance</b>										
Work Orders Processed	1,646	1,717	1,549	1,453	1,509	2,592	2,392	2,057	3,718	1,802
Gallons of Oil Disposed	8,640	8,740	8,969	7,395	6,475	5,007	5,522	4,900	5,787	2,925
<b>Parks</b>										
Park Reservations	350	400	400	400	400	425	493	423	912	1,433

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

\*Statistics are based on calendar year

CITY OF BOZEMAN, MONTANA  
CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM  
Past Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units (Cars)*	20	20	22	21	21	22	21	21	24	20
Patrol Units (Motorcycles)	4	4	2	3	3	3	3	3	3	3
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Fire Trucks	6	7	7	7	7	7	7	7	7	7
Streets										
Street & Alley Mileage	256	259	262	266	267	271	275	280	282	286
Lane Miles Painted	37	35	49	50	50	52	48	53	51	51
Number of Signs Installed/Repaired	669	798	600	600	600	708	394	1107	1270	273
Water										
Water Mains (Miles)	264.61	267.28	268.57	274.89	276.92	283.95	286.68	297.10	299.52	304.53
Fire Hydrants	2,388	2,406	2,419	2,511	2,573	2,618	2,668	2,758	2,782	2,835
Wastewater										
Sanitary Sewers (Miles)	210.22	211.51	212.53	219.14	224.28	234.64	236.04	239.00	242.43	254.14
Number of Manholes	4,154	4,185	4,219	4,360	4,492	4,614	4,677	4,828	5,023	5,051
Solid Waste										
Number of Collection Vehicles	8	8	8	8	8	8	8	6	6	8
Number of Roll-off Trucks	4	4	4	4	4	5	5	5	5	5
Number of Recycling Trucks	1	2	2	2	2	2	2	2	2	2
Number of Compost Collection Trucks	2	2	2	2	2	1	1	1	1	1
Parks										
Formal Turf Acres	125	125	126	140	140	172	192	192	192	196.3
Natural Parkland Acres	220	220	220	220	220	323	343	388	413	413
Miles of Trails	55	61	63	63	63	63	65	65	65	71.1

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

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

**PART IV**

**SINGLE AUDIT SECTION**

CITY OF BOZEMAN, MONTANA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended June 30, 2022

<b>FEDERAL GRANTOR</b>	<b>Assistance Listing Number</b>	<b>Pass Through Grantors Number</b>	<b>Grant Award</b>	<b>Total Revenue</b>	<b>Federal Awards Expended</b>	<b>Awards to Subrecipients</b>
<u>U.S. Department of Agriculture</u> Cooperative Forestry Assistance	10.664	FHE-21-101	\$ 290,000	\$ 285,584	\$ 285,584	\$ -
<u>U.S. Department of Justice</u> Passed through Gallatin County: Edward Byrne Memorial Justice Assistance Grant Program: Missouri River Drug Task Force	16.738	2990-000-42-420142-000-400-790	72,716	72,716	72,716	-
Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	16.589	2018-WR-AX-0002	523,712	26,301	26,301	-
Drug Court Discretionary Grant Program: Implementation	16.585	2017-VV-BX-0006	400,000	35,199	35,199	-
Bullet-Proof Vest Program	16.607	N/A	8,788	8,788	8,788	-
COVID-19 Coronavirus Emergency Supplemental Funding	16.034	2020-VD-BX-1066	60,489	17,193	13,252	-
Total U.S. Department of Justice			<u>1,065,705</u>	<u>160,197</u>	<u>156,256</u>	<u>-</u>
<u>Office of National Drug Control Policy</u> Passed through the University of Baltimore: Combating Opioid Overdose through Community-level Intervention Initiative (COOCLI)	95.007	G1999ONDCP06A	27,646	13,823	13,823	-
<u>U.S. Department of the Treasury</u> COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	12,767,081	1,013,635	1,013,635	35,000
Passed through the State of Montana: COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	2,554,895	1,110,307	1,110,307	-
Total U.S. Department of Treasury			<u>15,321,976</u>	<u>2,123,942</u>	<u>2,123,942</u>	<u>35,000</u>
<u>U.S. Department of Transportation</u> Passed through MT Dept. of Transportation: Highway Traffic Safety State and Community Highway Safety	20.600	00-03-09-02	1,173	1,173	1,173	-
National Priority Safety Programs	20.616	00-03-09-02	1,635	1,635	1,635	-
Passed through Historical Society: Historic Preservation Grants in Aid	15.904	N/A	6,000	6,000	6,000	-
Total U.S. Department of Transportation			<u>8,808</u>	<u>8,808</u>	<u>8,808</u>	<u>-</u>
Total Federal Financial Assistance			<u>\$ 16,714,135</u>	<u>\$ 2,592,354</u>	<u>\$ 2,588,413</u>	<u>\$ 35,000</u>

CITY OF BOZEMAN, MONTANA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2022

**NOTE 1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes federal award activity of the City under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a select portion of the operations of the City, it is not intended to, and does not present, the financial position, changes in net assets, or cash flows of the City.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

The Schedule has been prepared on the accrual basis of accounting, which is the method of accounting used for the financial statements. Such expenditures are recognized following Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule present adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3. INDIRECT COST RATE**

The City has elected not to use the optional 10 percent de minimis indirect cost rate allowed by Uniform Guidance.

**NOTE 4. MATCHING**

The City has not expended matching contributions during the year ended June 30, 2022.

**NOTE 5. LOAN AND LOAN GUARANTEES**

The City has no direct loan guarantees at June 30, 2022.

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*

Honorable Mayor, City Commissioners, and City Manager of the  
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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Bozeman, Montana (the City), as of and for the year ended June 30, 2022, which collectively comprise the City's basic financial statements and have issued our report thereon, dated December 19, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Bozeman's internal control over financial reporting (internal control) as a basis for designing the 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of Bozeman's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

*Anderson Zurmuehlen & Co., P.C.*

Bozeman, Montana  
December 19, 2022





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

Honorable Mayor, City Commissioners, and City Manager of the  
City of Bozeman, Montana

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Bozeman, Montana (the City)'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Bozeman, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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.

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.

*Anderson Zurmuehlen & Co., P.C.*

Bozeman, Montana  
December 19, 2022

CITY OF BOZEMAN, MONTANA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended June 30, 2022

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
Material weakness 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)?	No

**Identification of Major Programs:**

21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds	
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

CITY OF BOZEMAN, MONTANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2022

**Section II – Financial Statement Findings**

None Reported.

**Section III – Federal Award Finding and Questioned Costs**

None Reported.

**Status of Prior Year Financial Statement Findings:**

None Reported.

**Status of Prior Year Federal Award Findings and Questioned Costs:**

None Reported.



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