

Memorandum

REPORT TO: City Commission

FROM: Melissa Hodnett, Finance Director
Janeen Hathcock, Senior Audit Manager, Eide Bailly

SUBJECT: Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2024 and Audit Results

MEETING DATE: January 14, 2025

AGENDA ITEM TYPE: Finance

RECOMMENDATION: **Consider the Motion:** *I move to approve the Fiscal Year 2024 Annual Comprehensive Financial Report and the accompanying Letter of Governance.*

STRATEGIC PLAN: 7.5. Funding and Delivery of City Services: Use equitable and sustainable sources of funding for appropriate City services, and deliver them in a lean and efficient manner.

BACKGROUND:

Section 2-7-503 MCA requires that a financial report be prepared for every fiscal year. This statute also requires a biannual audit of this report - including the accounts, financial records, and transactions of all administrative departments of the City - by independent certified public accountants selected by the City Commission. The City Commission and City Administration have historically believed that an annual audit provides a higher level of financial assurance and fiscal integrity than a biannual audit, and this intention is expressed in Section 5.09 of the City Charter. This policy, along with the State legal reporting requirement, has been followed for fiscal year 2024, and the clean unmodified opinion expressed by the audit firm of Eide Bailey LLC (EB) has been included in the accompanying Annual Comprehensive Financial Report (ACFR). The ACFR of the CITY OF BOZEMAN, MONTANA for the fiscal year ended JUNE 30, 2024 is hereby submitted to the Commission.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are 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.

The ACFR is presented in four sections, beginning with an Introduction Section. This contains the letter of transmittal of the ACFR, the City's organization chart, and certificates of achievement. The Financial Section includes the report of the independent auditors, Management's Discussion and Analysis (MD&A) which provides an overview of the City's financial performance over the fiscal year, the basic and fund financial statements, and the accompanying note disclosures to the financial statements. The basic financial statements provide a summary of the government wide funds and include the Statement of Net Position and the Statement of Activities. The accompanying fund financial statements provide financial detail of the governmental funds, the proprietary funds, and the fiduciary funds, as well as the combining individual funds financial statements for the nonmajor governmental and proprietary funds and the internal service funds. The Statistical Section contains selected financial and demographic information on a multi-year basis. The Single Audit section is an addition to the financial audit that the City undertakes in conformance with the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits. The results of the 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, are contained in the City's single audit report.

UNRESOLVED ISSUES: None

ALTERNATIVES: N/A

FISCAL EFFECTS: An unmodified or "clean" audit opinion on the City's financial statements is viewed favorably by investment analysts and strengthens the City's ability to issue bonds or other debt at a lower interest cost.

Attachments:

[City of Bozeman 2024 Governance Letter.pdf](#)

[FY 2024 City of Bozeman ACFR_12.20.2024.pdf](#)

Report compiled on: December 20, 2024