



City Commission Agenda

for

December 15, 2009

Please Note: The City Commission agenda format allows citizens to speak on each issue prior to Commission action. We encourage your participation. Please keep your remarks concise and to the topic under consideration.

CALL TO ORDER: 7:00 P.M.

PLEDGE OF ALLEGIANCE

ROLL CALL

NEIGHBORHOOD COUNCILS

1. Swearing In Ceremony
2. Miscellaneous reports and announcements.

PUBLIC HEARINGS

3. CDBG & HOME Grant/Consolidated Plan Community Needs. Action: Conduct public hearing. (**Presented by: Chris Imhoff**)
4. Ordinance 3047, Repealing Title 8, Chapter 7, of the Official Code of the City of Great Falls. Action: Conduct public hearing and adopt or deny Ord. 3047. (**Presented by: Commissioner Bronson**)

OLD BUSINESS

NEW BUSINESS

5. 2008-2009 Comprehensive Annual Financial Report (CAFR) with Independent Auditor's Report. Action: Accept/reject Report. (**Presented by: Coleen Balzarini**)
6. Transfer B.A.S.E. Funds to the Central Montana Defense Alliance (operating under the Great Falls Area Chamber of Commerce). Action: Authorize or deny transfer of funds. (**Presented by: Greg Doyon**)
7. Revolving Loan Fund Agreement Between the City and Great Falls Development Authority. Action: Approve or not approve Agreement. (**Presented by: Coleen Balzarini**)

ORDINANCES/RESOLUTIONS

8. Res. 9873, to Levy and assess the cost of removal and disposal of nuisance weeds on property addressed as 2217 7th Avenue North. Action: Adopt or deny Res. 9873. (**Presented by: Coleen Balzarini**)

CONSENT AGENDA *The Consent Agenda is made up of routine day-to-day items that require Commission action. Items may be pulled from the Consent Agenda for separate discussion/vote by any Commissioner.*

9. Minutes, December 1, 2009, Commission meeting.
10. Total Expenditures of \$1,380,917 for the period of November 19 through December 9, 2009, to include claims over \$5000, in the amount of \$1,085,158.

11. Contracts list.
12. Approve Final Payment for the 3rd, 4th, and 5th Avenues North Water Main Replacement to Phillips Construction, LLC, and the State Miscellaneous Tax Fund in the amount of \$7,043.32.
13. Approve Change Order No. 1 in the amount of \$1,950.11 and Final Payment in the amount of \$13,261.16 to James Talcott Construction, Inc. and the State Miscellaneous Tax Fund in the amount of \$133.95 for the Water Treatment Plant Backwash Clarifier Modifications.
14. Approve Change Order #1 in the amount of \$56,072.81 and final payment in the amount of \$71,956.43 to ABC Roofing and the State Miscellaneous Tax Division in the amount of \$726.83 for the Civic Center Re-roof project.

Action: Approve Consent Agenda or remove items for further discussion and approve remaining items.

BOARDS & COMMISSIONS

15. Appointments, Great Falls Planning Advisory Board. Reappoint John Harding, Ron Kinder, and William Roberts for three-year terms through December 31, 2012.
16. Appointments, Mansfield Center for the Performing Arts Advisory Board. Reappoint Rick Tryon and two new members to three-year terms through December 31, 2012.
17. Appointments, Park and Recreation Board. Reappoint Russell Motschenbacher and three new members to three-year terms through December 31, 2012.
18. Appointment, Police Commission. Appoint one member to fill the remainder of a three-year term through June 30, 2012.
19. Appointment, Electric City Power Board of Directors. Reappoint Lee Ebeling and George Golie for six-year terms through December 31, 2015.
20. Miscellaneous reports and announcements.

CITY MANAGER

21. Miscellaneous reports and announcements.

PETITIONS AND COMMUNICATIONS *(Public comment on any matter that is not on the agenda of the meeting and that is within the jurisdiction of the City Commission. Please keep your remarks to a maximum of 5 minutes)*

22. Miscellaneous reports and announcements.

CITY COMMISSION

23. Miscellaneous reports and announcements.

MOTION TO ADJOURN



Item: CDBG & HOME Grant/Consolidated Plan Community Needs Public Hearing

From: Community Development Department

Initiated By: Chris Imhoff, CDBG/HOME Administrator

Presented By: Chris Imhoff, CDBG/HOME Administrator

Action Requested: Conduct public hearing

Public Hearing:

1. Mayor conducts public hearing, calling three times each for opponents and proponents.
2. Mayor closes public hearing.

Suggested Motion: No action required.

Staff Recommendation:

Staff recommends the City Commission conduct the Consolidated Plan community needs public hearing required for the Community Development Block Grant and HOME Grant programs.

Background:

Significant Impacts

A forum to obtain public input regarding the needs of the community is required by the U.S. Department of Housing & Urban Development in order for the City to secure federal grant dollars.

Citizen Participation

The Citizen Participation Plan, adopted by the City Commission on January 6, 2009, stipulates a public hearing to allow citizens, especially lower income citizens, the opportunity to speak of the needs of the community, and to make recommendations to the City Commission of the use of the Community Development Block Grant and the HOME Grant funds to help address issues and eliminate needs.

Purpose

The purpose of this Consolidated Plan community needs public hearing is to allow the citizens, especially lower income citizens of Great Falls, an opportunity to advise the City Commission of the community's issues. Ideas are encouraged regarding how federal grant funds can be used to address these issues and help eliminate needs.

This hearing is not meant to be a format for agencies to lobby for their respective Community Development Block Grant or HOME Grant funding applications. Instead, individuals are encouraged to speak to housing and non-housing community development issues in the City, and especially the effect of these issues on low and moderate income persons.

Project Work Scope

See attachment

Evaluation and Selection Process

The Commission will be asked to give consideration to citizen comments received during this public hearing when determining funding priorities for the Community Development Block Grant Program and the HOME Grant Program and in allocating the 2010/2011 Community Development Block Grant and HOME Grant funds.

Conclusion

The public hearing provides citizens an important opportunity to identify before the City Commission, community development needs particularly those impacting low to moderate income households in Great Falls.

Fiscal Impact: Conducting the public hearing is a pre-condition for the city receiving its annual allocation of HUD CDBG and HOME grant funds.

Alternatives: The hearing is a required for the city to be awarded 2010-2011 CDBG and HOME funding.

Attachments/Exhibits: 2010-2011 CDBG/HOME Allocation and 2010-2015 Consolidated Plan Schedule

**2010–2011 CDBG/HOME Allocation and
2010–2015 Consolidated Plan Schedule**

Application available on City web site	11/17/09
CDBG/HOME Application Workshop	12/3/09
City Commission conducts Needs Public Hearing	12/15/09
City Commission sets CDBG funding priorities	1/5/10
Pre-deadline review of applications	1/15/10
City Commission appoints Community Development Council (CDC) members	1/19/10
Funding application deadline (3 pm)	1/22/10
CDC Orientation Meeting	2/4/10
CDC reviews applications and develops funding recommendations for CDBG public service, housing, economic development and public facility project applications	2/8–3/4/10
CDC presents funding recommendations for CDBG project applications at Commission work session/meeting	3/16/10
Staff makes funding recommendations for all other project applications	3/16/10
City Commission accepts funding recommendations for inclusion in 2010–2015 Consolidated Plan and sets date for Proposed Plan Public Hearing	3/16/10
Proposed 2010–2015 Consolidated Plan complete and available for review	3/18/10
30 day comment period for Proposed 2010–2015 Consolidated Plan	3/18–4/16/10
Public Hearing on Proposed 2010–2015 Consolidated Plan	4/20/10
Commission approves 2010–2015 Consolidated Plan	5/4/10
Submit 2010–2015 Consolidated Plan to HUD (due 5/15/10)	5/6/10



Item: Ordinance 3047, Repealing Title 8, Chapter 7, of the OCCGF

Initiated By: Great Falls City Commission (Based on discussion held at the Commission Agenda Meeting November 24, 2009)

Presented By: Commissioner Bronson

Action Requested: Conduct public hearing and adopt Ordinance 3047

Public Hearing:

1. Mayor conducts public hearing, calling three times each for opponents and proponents.
2. Mayor closes public hearing and asks the will of the Commission.

Suggested Motion:

1. Commissioner moves:

"I move the City Commission (adopt/deny) Ordinance 3047.

2. Mayor calls for a second, discussion, and calls for the vote.
-

Recommendation: That the City Commission conduct a public hearing and adopt Ordinance 3047.

Background: The Montana Legislature has adopted what is commonly referred to as the "Montana Clean Indoor Air Act," Mont. Code Ann. §§ 50-40-101 through -115 ["the Act]," which is designed to protect the public health and welfare by prohibiting smoking in enclosed public places and places of employment. The Montana Department of Public Health and Human Services has adopted regulations to carry out the purposes and intent of the Act. The focus of the Act, and regulations adopted pursuant to the Act, is avoidance of smoke in enclosed public places.

In 1999, the Great Falls City Commission adopted its own smoking ordinance, following extensive public discussion. The ordinance was incorporated in Title 8, Chapter 7, of the Official Code of the City of Great Falls. In the late fall of 2006, the Great Falls City Commission adopted Ordinance 2956, which largely repealed most of Title 8, Chapter 7, as

being in conflict with or inconsistent with several provisions of the Act, which had been substantially amended by the 2005 Montana Legislature.

As part of Ordinance 2956, the Commission adopted language prohibiting smoking within a minimum distance of twenty feet from entrances, exits, windows that open, and ventilation intakes that serve an enclosed area where smoking is prohibited, so as to ensure that tobacco smoke does not enter the area through entrances, exits, open windows, or other means. Much of the reasoning behind the so-called “twenty-foot rule” was to provide relief to parties entering and exiting the south entrance of the Civic Center, near the offices of the Great Falls Municipal Court.

Based on presentations to the City Commission at the Work Session held November 17, 2009, the Commission is concerned that provisions of the current ordinance may be duplicative of state law and regulation, to the extent that public health authorities are already empowered under the Act to sanction parties that allow infiltration of smoke into enclosed public places, regardless of the distance between the origin of the smoke and the entrances, exits, open windows, and ventilation intakes serving an otherwise enclosed public area. Furthermore, the Commission is also concerned that enforcement of the current provisions of Title 8, Chapter 7, may be problematic, in that the ordinance cannot be enforced in certain instances where the twenty-foot distance requirement extends beyond the property of the owner of an enclosed place, and that a uniform distance requirement is otherwise unrealistic in certain instances.

For these reasons, the Commission proposes repeal of the existing ordinance. In making this proposal, the Commission is not expressing opposition to the Montana Clean Indoor Air Act or the regulations adopted in conformance with the Act; rather, there is an expectation that state law and regulations will be enforced appropriately. Furthermore, it is anticipated that even if the local ordinance is repealed, owners of enclosed public places will be free to adopt such policies as they deem necessary not only to be in compliance with state law, but as they may find appropriate to address concerns with smoking immediately outside their premises. For example: businesses with sufficient property immediately outside enclosed buildings could adopt and enforce their own 20-foot rule if they so choose. They could also adopt a more stringent rule if that is their desire and if such adoption is practical. Conversely, businesses that do not have that much property immediately outside of their entrances or exits will not have to be concerned that they will be subject to enforcement of a rule that is impractical given their circumstances. They will, however, still be subject to state law, and they will have to be careful not to allow smoke infiltration in to their building.

The Commission also anticipates separately directing the City Manager to adopt a policy continuing the 20-foot distance rule for the Civic Center, and possibly other city-owned buildings as well.

Alternatives: The City Commission could choose to deny Ordinance 3047.

Attachment: Ordinance 3047

ORDINANCE 3047

AN ORDINANCE REPEALING TITLE 8, CHAPTER 7, OF THE OFFICIAL CODE OF THE CITY OF GREAT FALLS

WHEREAS, the Montana Legislature has adopted what is commonly referred to as the “Montana Clean Indoor Air Act,” Mont. Code Ann. §§ 50-40-101 through -115 [“the Act],” which is designed to protect the public health and welfare by prohibiting smoking in enclosed public places and places of employment; and

WHEREAS, the Montana Department of Public Health and Human Services has adopted regulations to carry out the purposes and intent of the Act; and

WHEREAS, the focus of the Act and regulations adopted pursuant to the Act is avoidance of smoke in enclosed public places; and

WHEREAS, in 2006, the Great Falls City Commission largely repealed most of Title 8, Chapter 7, of the Official Code of the City of Great Falls, dealing with smoking in public places, as being in conflict with or inconsistent with several provisions of the Act; and

WHEREAS, in 2006, the Great Falls City Commission adopted Ordinance 2956, which prohibits smoking within a minimum distance of twenty feet from entrances, exits, windows that open, and ventilation intakes that serve an enclosed area where smoking is prohibited, so as to ensure that tobacco smoke does not enter the area through entrances, exits, open windows, or other means; and

WHEREAS, much of the reasoning behind the so-called “twenty-foot rule” was to provide relief to parties entering and exiting the south entrance of the Civic Center, near the offices of the Great Falls Municipal Court; and

WHEREAS, the provisions of the ordinance are duplicative of state law and regulation, to the extent that public health authorities are empowered under the Act to sanction parties that allow infiltration of smoke into enclosed public places, regardless of the distance between the origin of the smoke and the entrances, exits, open windows, and ventilation intakes serving an otherwise enclosed public area; and

WHEREAS, the Great Falls City Commission finds that enforcement of the current provisions of Title 8, Chapter 7, is also problematic, in that the ordinance cannot be enforced in certain instances where the twenty-foot distance requirement extends beyond the property of the owner of an enclosed place; and that a uniform distance requirement is otherwise unrealistic in certain instances.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA:

That the provisions of Title 8, Chapter 7, of the Official Code of the City of Great Falls, are hereby repealed.

APPROVED by the City Commission on first reading December 1, 2009.

PASSED, APPROVED AND ADOPTED by the City Commission of the City of Great Falls, Montana, on second reading December 15, 2009.

Dona R. Stebbins, Mayor

ATTEST:

Lisa Kunz, City Clerk

(Seal of the City)

APPROVED FOR LEGAL CONTENT:

Chad Parker, Acting City Attorney

State of Montana)
County of Cascade : ss
City of Great Falls)

I, Lisa Kunz, City Clerk of the City of Great Falls, Montana, do hereby certify that I did post, as required by law and as prescribed and directed by the City Commission, Ordinance 3047 in three places within the limits of said City to-wit:

On the Bulletin Board, first floor, Civic Center Building;
On the Bulletin Board, first floor, Cascade County Court House;
On the Bulletin Board, Great Falls Public Library

(Seal of the City)

Lisa Kunz, City Clerk



Item: Audit Report, FY 2008-2009
From: Fiscal Services Department
Initiated By: Judy D Gusick, Staff Accountant
Presented By: Coleen Balzarini, Fiscal Services Director
Action Requested: Accept Comprehensive Annual Financial Report with Independent Auditor's Report

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (accept/reject) the FY 2008-2009 Comprehensive Annual Financial Report (CAFR), inclusive of the Special Emphasis, and authorize staff to submit the related reports to other government agencies and financial institutions as necessary.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Staff Recommendation: Staff recommends the City Commission accept the FY 2008-2009 Comprehensive Annual Financial Report (CAFR), inclusive of the Special Emphasis, and authorize staff to submit the related reports to other government agencies and financial institutions as necessary.

Background: The City's Audit Committee received a copy of the FY 2008-2009 CAFR, the Independent Auditor's report, responses to the GFOA's (Government Finance Officers Association) comments on the FY 2007-2008 CAFR and a brief summary of the FY 2008-2009 audit and FY 2008-2009 Special Emphasis review on December 8, 2009. The Audit Committee recommends the City Commission accept the CAFR and annual Independent Auditor's report.

Along with the FY 2008-2009 Audit Report, the City's auditors (Junkermier, Clark, Campanella, Stevens, P.C., Certified Public Accountants) issued a separate Audit Management Letter. The letter comments on any internal control recommendations related to the operations of the City that **could** adversely affect the City's ability to record, process, summarize, and report financial data. The attached document notes that the auditors' have no recommendations for FY 2008-2009.

The FY 2008-2009 CAFR will be submitted to the Government Finance Officers Association's (GFOA) Certificate of Achievement Program for review. The prior year's CAFR was submitted and subsequently awarded the Certificate of Achievement for Excellence in Financial Reporting. The City has received this certification every year since FY 1993-1994. It is anticipated the FY 2008-2009 CAFR will meet requirements to receive the certification as well, since all comments and recommendations made by GFOA for improvement of presentation were implemented in the FY 2008-2009 CAFR.

Special Emphasis Review: Each Fiscal Year the City of Great Falls Audit Committee selects an area of the City's operations for a Special Emphasis Review. The focus is more in depth than the annual City wide audit and designed to provide a more detailed analysis of the selected area. The FY 2008-2009 Special Emphasis reviewed the Electric Utility Fund. Previous Special Emphasis Reviews are as follows:

FY 2008	Electric Utility Fund
FY 2007	None
FY 2006	Cash procedures for all departments
FY 2005	Electric Utility Fund
FY 2004	Electric Utility Fund
FY 2003	GASB 34 Reporting Model
FY 2002	Swimming Pool operations follow-up

Other areas that have been reviewed in the years prior to 2001 are Parking, Golf Courses, Sanitation, and Fairgrounds operations while under City management.

Concurrences: The City's Audit Committee, comprised of one City Commissioner, the Mayor, one citizen, the City Manager, and the Fiscal Services Director recommend approval of the FY 2008-2009 CAFR, responses to the Audit Management letter recommendations as presented, the Special Emphasis audit as presented, and authorize staff to submit the report to other governmental and financial agencies as required.

Fiscal Impact: The City's Bond ratings, the ability of the City to issue new debt, City eligibility for Federal Grants as well as not being in compliance with State of Montana Statutes are all affected by the CAFR and related reports.

Attachments/Exhibits: City of Great Falls 2008-2009 CAFR and Audit Management Recommendations.

City of Great Falls, Montana



Fiscal Year 2009
Comprehensive Annual Financial Report
July 1, 2008 - June 30, 2009

Comprehensive Annual Financial Report

City of Great Falls, Montana

Fiscal Year 2009

July 1, 2008 – June 30, 2009



**Prepared by the
City of Great Falls Fiscal Services Department
Coleen Balzarini, Fiscal Services Director**



**City of Great Falls, Montana
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009**

Table of Contents

	Page
Introductory Section	
Letter of Transmittal	1
GFOA Certificate of Achievement	4
Organizational Chart.....	5
List of Elected and Appointed Officials	6
Financial Section	
Independent Auditors’ Report	7
Management’s Discussion and Analysis.....	9
Basic Financial Statements	18
Government-wide Financial Statements:	
Statement of Net Assets	19
Statement of Activities.....	20
Fund Financial Statements:	
Balance Sheet – Governmental Funds	22
Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds	23
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities – Governmental Funds	25
Statement of Net Assets – Proprietary Funds	26
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	28
Statement of Cash Flows – Proprietary Funds	30
Statement of Fiduciary Net Assets – Fiduciary Funds	34
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	35
Notes to Financial Statements	36
Required Supplementary Information.....	74
Actuarial Valuation of Postretirement Benefits.....	75
Budgetary Comparison Schedule – General Fund	76
Budgetary Comparison Schedule – Special Revenue Funds.....	77
Notes to Budgetary Comparison Schedule.....	79
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds	80
Combining Balance Sheet – Nonmajor Governmental Funds	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	89
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual – Nonmajor Governmental Funds.....	96

**City of Great Falls, Montana
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009**

Table of Contents

Financial Section (continued)	Page
Nonmajor Enterprise Funds	114
Combining Statement of Net Assets – Nonmajor Enterprise Funds	115
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Nonmajor Enterprise Funds	117
Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	119
Internal Service Funds.....	123
Combining Statement of Net Assets – Internal Service Funds	124
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds	127
Combining Statement of Cash Flows – Internal Service Funds.....	130
Private Purpose Trust Funds	136
Combining Statement of Fiduciary Net Assets – Private Purpose Trust Funds.....	137
Statement of Changes in Fiduciary Net Assets – Private Purpose Trust Funds	138
Agency Funds.....	139
Combining Statement of Fiduciary Net Assets – Agency Funds.....	140
Combining Statement of Changes in Assets and Liabilities – Agency Funds	141
Statistical Section	
Statistical Section Table of Contents	143
Changes in Net Assets – Last Three Fiscal Years.....	144
Net Assets by Component – Last Three Fiscal Years.....	146
Fund Balances, Governmental Funds – Last Ten Fiscal Years.....	147
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years.....	148
Taxable Assessed and Market Value of Taxable Property – Last Ten Fiscal Years.....	149
Property Tax Mills Direct and Overlapping Governments – Last Ten Fiscal Years	150
Principal Taxpayers – Current Year and Nine Years Ago.....	151
Property Tax Levies and Collections – Last Ten Fiscal Years	152
Special Improvement Districts Outstanding	153
Statement of Changes in Fund Balances of the Revolving Fund – Last Ten Fiscal Years	154
Special Improvement District Revolving Fund – Last Ten Fiscal Years.....	155
Special Improvement District Assessment Billings and Collections – Last Ten Fiscal Years	156
Special Assessment Billings and Collections – Last Ten Fiscal Years.....	157
Urban Renewal Tax Increment – Historical Statement of Revenues, Expenditures and Changes in Fund Balances – Last Ten Fiscal Years.....	158
Major Water, Sanitary Sewerage and Storm Drain System Users	159
Current Water Rate Structure	160
Historic Water System Connections – Last Nine Fiscal Years.....	161

**City of Great Falls, Montana
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009**

Table of Contents

Statistical Section (continued)	Page
Water System Historical Operating Results and Revenue Bond Covenant Coverage – Last Ten Fiscal Years with Following Fiscal Year Projection.....	162
Current Sanitary Sewerage Rate Structure.....	163
Historical Sewerage System Connections – Last Ten Fiscal Years.....	164
Sanitary Sewerage System Historical Operating Results and Revenue Bond Covenant Coverage – Last Ten Fiscal Years with Following Fiscal Year Projection.....	165
Current Storm Drain Land Use Classifications and Standard Monthly Service Charges	166
Historical Storm Drainage System Accounts – Last Nine Fiscal Years	167
Storm Drain System Historical Operating Results and Revenue Bond Coverage – Last Ten Fiscal Years	168
Green Fees and Memberships – Golf Courses – Last Ten Fiscal Years with Following Fiscal Year Projection	169
Current Golf Courses Rates	170
Golf Courses Historical Operating Results and Revenue Bond Coverage – Last Ten Fiscal Years with Following Fiscal Year Projection.....	171
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	172
Ratios of Net General Bonded Debt Outstanding and Legal Debt Margin Information – Last Ten Fiscal Years	173
Computation of Direct and Overlapping General Obligation Debt	174
Demographic Statistics – Last Ten Fiscal Years	175
Major Employers – Current Year and Nine Years Ago.....	176
Full-Time Equivalent City Government Employees by Function/Program – Last Ten Fiscal Years.....	177
Operating Indicators by Function/Program – Last Ten Years	178
Capital Asset Statistics by Function/Program – Last Ten Years	179
 Single Audit Section	
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.....	181
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	183
Schedule of Expenditures of Federal Awards.....	185
Notes to Schedule of Expenditures of Federal Awards	187
Schedule of Findings and Questioned Costs.....	188
Independent Auditors’ Report on Compliance and on Internal Control Over Financial Reporting – Status of Prior Year Comments	189



Introductory Section







P.O. Box 5021, 59403-5021

December 9, 2009

Citizens of the City of Great Falls
Honorable Mayor and City Commission
City of Great Falls, Montana

I am pleased to submit the Comprehensive Annual Financial Report of the City of Great Falls, Montana for the fiscal year ended June 30, 2009. The Fiscal Services Department staff is responsible for preparing this report. Montana statutes state that local governments must file a financial report with the Montana Department of Administration within six months of the end of a fiscal year. This report is published to fulfill that requirement for the fiscal year ended June 30, 2009. Management is responsible for the content of the report, the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures. It is believed that the data presented is accurate in all material aspects, presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. This belief is based on a comprehensive system of internal controls 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. All disclosures necessary for the readers to gain maximum understanding of the City's financial affairs have been included.

Junkermier, Clark, Campanella, Stevens, P. C., have issued an unqualified ("clean") opinion on the City of Great Falls' financial statements for the fiscal year ended June 30, 2009. The independent auditor's report is located at the front of the financial section of this report (page 7).

Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in combination with it. The City of Great Falls' MD&A can be found immediately following the report of the independent auditors (page 9).

PROFILE OF GOVERNMENT

The City of Great Falls, incorporated in 1888, operates under the Commission-Manager form of government. The Mayor and four City Commissioners are elected at large, by popular vote, on a non-partisan basis. The Mayor serves a two-year term, while Commissioners serve four-year terms. The City Manager is appointed by the City Commission and is in turn responsible for all other City employees. The city became a charter form of government in accordance with the Constitution of Montana effective July 1, 1986. This charter entitles the city to all the powers of a self-governing charter city not prohibited by the Montana Constitution, the charter, or specific provisions of Montana law. The self-governing powers of the city shall be liberally construed. Every reasonable doubt as to the existence of a power or authority of the city shall be resolved in favor of the existence of that power or authority.

Services provided by the City of Great Falls include police, fire, planning, library, street repair and maintenance, water, sanitary sewer, storm drain, sanitation, electricity, and community and economic development. Great Falls has nine neighborhood councils comprised of five members each. Members are elected to two-year terms. The elections are held in conjunction with the City general election. Neighborhood council members must be residents of their designated districts. The councils act in an advisory capacity to the City Commission, the City Manager, and to other City advisory bodies. The Municipal Court Judge is also an elected position with a four-year term of office.

The City has had an audit committee since fiscal year 1992. Members include the Mayor, a City Commissioner, the City Manager, the City Fiscal Services Director, and one private citizen. During the annual audit, committee members are kept apprised of the audit schedules' progression and any special events that may come to light during the audit. Committee members may make suggestions for additional information to be included in the letter of transmittal or the statistical section.

Montana statutes require the Commission to approve and adopt by resolution the budget by the later of the second Monday in August or 45 calendar days after receiving certified taxable values from the Montana Department of Revenue. The legal spending limits of the City of Great Falls are established at the fund level. Funds with appropriated budgets are the General Fund, special revenue funds, debt service funds, capital project funds, enterprise funds, and internal service funds.

GREAT FALLS AND CASCADE COUNTY ECONOMIC OUTLOOK

The base economy of Great Falls is predominantly agricultural, medical services, and military. The job sector for Great Falls is diversified with 5% of the workforce in wholesale trade, 18% in health services, 17% in government, 13% in accommodations, 17% in retail trade and 7% in financial activities. The economic downturn over the past year has created a challenging environment for cities and towns across the country. Fortunately, Great Falls has not experienced the significant revenue declines requiring deep service cuts as experienced by other Montana communities. The fiscal year 2009 unemployment rate of 4.4% compares favorably to the fiscal year 2000 rate of 5.1%. The Great Falls Development Authority is working to create an industrial park with mixed use possibilities in the area of River Drive North and 18th Avenue North. The purpose of this park is to have "shovel ready" sites for heavy industrial development. Cascade County, City of Great Falls and Great Falls Development Authority are participating in the Malmstrom Air Force Base (MAFB) Joint Land Use Study (JLUS). The purpose of the JLUS is to ensure that only compatible development occurs near MAFB in the accident potential zones and areas impacted by high noise. This process will study the need to protect MAFB's operational capacity.

MAJOR INITIATIVES FOR FISCAL YEAR 2010

The City Manager has set eight operating directives for the City of Great Falls departments. They are 1) Focus on maintaining efficient and effective core services; 2) Protect the City's investment in personnel; 3) Foster interdepartmental collaboration and long range planning in order to avoid significant increases in operating costs; 4) Avoid overextending city programs and services that cannot be financially supported; 5) Explore privatization of services, public/private partnerships, and outside sources such as grant funding to reduce operating and debt costs; 6) Work toward establishing necessary fund reserves; 7) Eliminate programs, services, or policies that cannot be financially supported within reason or could be better performed by another entity; 8) Plan ahead for capital purchases and develop a maintenance program to preserve the assets.

ACCOMPLISHMENTS IN FISCAL YEAR 2009

The City saw the reduction of indebtedness by paying the South Parking Ramp loan and N.E.W. Economic Development loan with the Great Falls Development Authority in full. A new tax increment district (West Bank Urban Renewal) and issuance of related debt was established. The City qualified for and financed the issuance of bonds funded through the American Recovery and Reinvestment Act (ARRA) of 2009 for water infrastructure improvements. The water rights of the City were reviewed and updated. The City approved an Emergency Medical Services contract with Great Falls Emergency Services to improve the EMS system serving the community. The City is continuing a program to annex properties that are either wholly surrounded by city property, or who are receiving city utility services in order to accurately reflect our service area and as a "fairness" issue.

LONG-TERM FINANCIAL PLANNING

As permitted by Section 7-6-4034, MCA, a balance Designated for Cash Flow shall be considered adequate at 17% (2 mo./12 mo.) of annual appropriations in tax levy supported funds (General, Library, and Planning); for other operating funds of the City for seasonal operations; and for all other operating funds. Such balances designated for cash flow shall be used to meet extended revenue cycles, meet short term economic difficulties, respond to unique opportunities, provide for one-time expenditures, and respond to emergency and disaster situations. The balances shall not be available to meet recurring operating expenses. The City should live within its means. All agencies supported by the resources of this City must function within the limits of the financial resources identified or available specifically to them.

RELEVANT FINANCIAL POLICIES

The City's long-term capital debt policy sets the parameters for issuing debt and provides guidance in the timing and structuring of long-term debt commitments. A separate policy issued for special improvement districts (SIDS) financing was adopted by the City Commission on November 20, 1990. The City may use debt financing for one-time capital improvement projects, unusual equipment purchases, and under the following circumstances: a) When the project is included in the City's five-year capital improvement program and is in conformance with the City's general plan. b) When the project is not included in the City's five-year capital improvement program, but it is an emerging critical need whose timing was not anticipated in the five-year capital improvement program or it is a project mandated immediately by state or federal requirements. c) When the project's useful life, or the projected service life of the equipment will be equal to or exceed the term of the financing. d) When there are designated revenues sufficient to service the debt, whether from project revenues, other specified and reserved resources, or infrastructure cost sharing revenues. e) Debt financing (other than tax and revenue anticipation notes) is not considered appropriate for any recurring purpose such as current operating and maintenance expenditures.

AWARDS

Comprehensive Annual Financial Report Certificate of Achievement: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Great Falls, Montana for its comprehensive annual financial report for the fiscal year ended June 30, 2008. This was the fifteenth consecutive year that the government has achieved this prestigious award (fiscal years ended 1994-2008). In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must fairly reflect the financial condition of the city and satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate for the year ended June 30, 2009.

Popular Annual Financial Report Certificate of Achievement: The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to City of Great Falls for its Popular Annual Financial Report for the fiscal year ended June 30, 2008. This was the third consecutive year that the government has achieved this prestigious award (fiscal years ended 2006-2008). The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

Distinguished Budget Presentation Award: The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Great Falls, Montana for its annual budget for the fiscal year beginning July 1, 2008. This was the eighteenth consecutive year that the government has achieved this prestigious award (fiscal years beginning 1991-2008). In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

ACKNOWLEDGMENTS

Preparation of this report required the cooperative efforts of many City personnel; in particular, I would like to thank Melissa Kinzler, Assistant Fiscal Services Director, and the Accounting Division of the Fiscal Services Department. Their dedication to preparing this document each year is sincerely appreciated.

Respectively submitted,

/S/

Coleen Balzarini
Fiscal Services Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Great Falls
Montana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



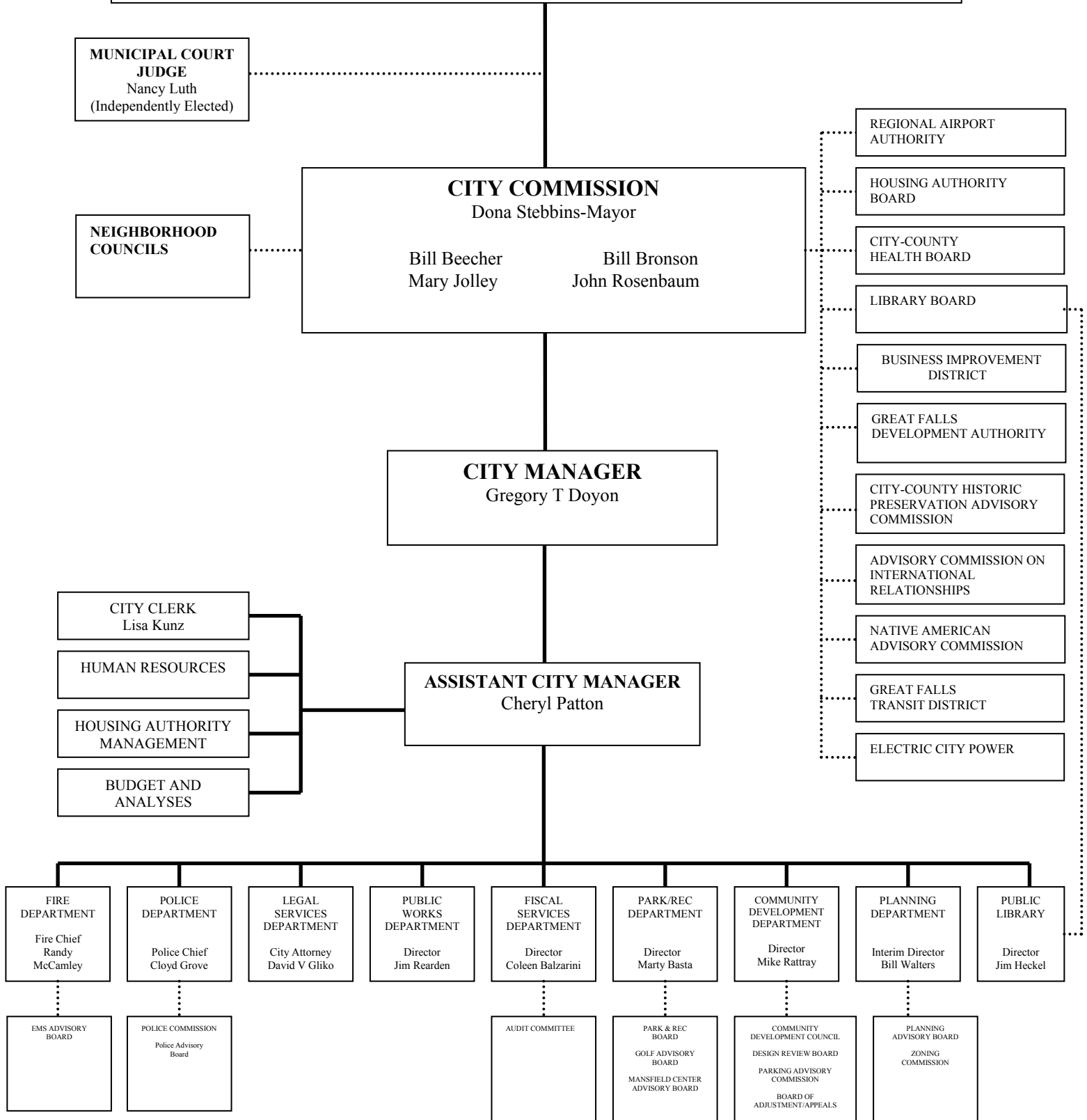
A handwritten signature in black ink, appearing to read "M. L. R. M.", written in a cursive style.

President

A handwritten signature in black ink, reading "Jeffrey R. Enos", written in a cursive style.

Executive Director

CITIZENS OF GREAT FALLS



City of Great Falls, Montana
 List of Elected and Appointed Officials
 June 30, 2009

Policy Making and Administrative Officials

Name	Elected Positions	Phone Number
Dona Stebbins	Mayor	761-4108
Bill Beecher	Commissioner	453-8741
Bill Bronson	Commissioner	761-4800
Mary Jolley	Commissioner	727-2829
John Rosenbaum	Commissioner	452-7467
Nancy Luth	Municipal Judge	771-1380
Appointed Positions		
Gregory Doyon	City Manager	455-8450
Department Positions		
Cheryl Patton	Assistant City Manager	455-8417
Lisa Kunz	City Clerk	455-8451
Mike Rattray	Community Development Director	455-8415
Coleen Balzarini	City Controller/Fiscal Services Director	455-8423
Randy McCamley	Fire Chief	727-8070
David Gliko	City Attorney	455-8442
Marty Basta	Park & Recreation Director	771-1265
Bill Walters	Interim Planning Director	455-8432
Cloyd Grove	Chief of Police	455-8410
Jim Heckel	Public Library Director	453-9706
Jim Rearden	Public Works Director	727-8390

All phone numbers listed above are preceded by the area code 406.

Financial Section







**Junkermier • Clark
Campanella • Stevens • P.C.**

501 Park Drive South
P. O. Box 989
Great Falls, MT 59403
Phone (406) 761-2820
FAX (406) 761-2825
www.jccsca.com

Certified Public Accountants and Business Advisors

**To the Honorable Mayor,
City Commissioners and City Manager
City of Great Falls, Montana**

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Great Falls, Montana, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Great Falls, Montana's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Great Falls Business Improvement District and the Great Falls Public Library Foundation. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Great Falls Business Improvement District and the Great Falls Public Library Foundation, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provides a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Great Falls, Montana, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2009, on our consideration of the City of Great Falls, Montana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and actuarial valuation of postretirement benefits and budgetary comparison information on pages 9 through 17 and 74 through 79, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

**To the Honorable Mayor,
City Commissioners and City Manager
City of Great Falls, Montana**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Great Falls, Montana's, basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the City of Great Falls, Montana. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of the other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Junkermier, Clark, Campanella, Stevens, P.C.

Great Falls, Montana
December 8, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Great Falls, we offer readers of the City of Great Falls' financial statements this narrative overview and analysis of the financial activities of the City of Great Falls for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in combination with additional information that we have furnished in the accompanying letter of transmittal found on pages 1 - 3 and the City's financial statements, which begin on page 7.

FINANCIAL HIGHLIGHTS

- The assets of the City of Great Falls exceeded its liabilities at the close of the most recent fiscal year by \$195,409,150. Of this amount, \$27,573,086 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$5,123,199 in comparison with the prior year. The majority of this increase is attributable to an increase in capital assets, net of related debt, primarily in the water fund.
- As of the close of the most recent fiscal year, the City of Great Falls' governmental funds reported combined ending fund balances of \$12,327,262, a decrease of \$1,769 in comparison with the prior year. Approximately eighty – four percent of this total amount, \$10,310,023, is available for spending at the government's discretion.
- At the close of the most recent fiscal year, unreserved fund balance for the general fund was \$3,511,924, or 16 percent of total general fund expenditures and transfers out.
- The City of Great Falls's bonded debt decreased by \$2,964,993 (8 percent) during the most recent fiscal year. The key factor in this decrease was the retirement of debt. The City's legal debt margin availability is \$56,513,485.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Great Falls' basic financial statements which are comprised of four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) other required supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS. The government-wide financial statements, presented on pages 19 – 21, are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City of Great Falls' assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Great Falls is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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., delinquent taxes and earned but unused compensated absences).

The government-wide financial statements distinguish functions of the City of Great Falls that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Great Falls include general government, public safety, public works, culture and recreation, housing and development, and interest and fees. The business-type activities of the City of Great Falls include activities such as water, sanitary sewer, storm drain, sanitation, electric, and golf courses operations.

The government-wide financial statements include not only the primary government of the City of Great Falls but also two component units, the Great Falls Business Improvement District and the Great Falls Library Foundation. The exclusion of the component units would cause the City of Great Falls' financial statements to be misleading or incomplete and should, therefore, be included in the City of Great Falls' financial reports. Consolidated financial information for these component units is reported separately from the financial information presented for the primary government itself. Requests for additional information for the component units should be addressed to Great Falls Business Improvement District, 417

Central Avenue, Suite 320, Great Falls, MT 59401 for Great Falls Business Improvement District information and DeeAnn Andre, Executive Director, Great Falls Public Library Foundation, PO Box 742, Great Falls, MT 59403 for Great Falls Library Foundation information.

FUND FINANCIAL STATEMENTS. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Great Falls, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Great Falls can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Great Falls maintains thirty-seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, the Street District fund, and the Community Development Block Grant fund, all of which are considered to be major funds. Data for the basic governmental fund financial statements is presented on pages 22 – 25. Data from the other thirty-four governmental funds are combined into a single, aggregated presentation, on pages 80 – 113.

The City of Great Falls adopts an annual appropriated budget. A budgetary comparison schedule has been provided for the General Fund and the major special revenue funds to demonstrate compliance with this budget. In addition, the City has provided budgetary comparison schedules for non-major governmental funds.

Proprietary Funds. The City of Great Falls maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Great Falls uses enterprise funds to account for its water, sewer, storm drain, electric, sanitation, safety services, parking, golf courses, swim pools, recreation, multi-sports, civic center events and port authority operations. Internal service funds are an accounting device to accumulate and allocate costs internally among the City of Great Falls' various functions. The City of Great Falls uses internal service funds to account for administrative services, central communications, health and benefits, insurance and safety, fiscal services, information technology, central garage, engineering, public works, and facility services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, Storm Drain, Sanitation, Electric, Port Authority and Golf Courses operations funds, all of which are considered to be major funds of the City of Great Falls. Data for these major funds is presented on pages 26 – 33. The other six proprietary funds are combined into a single, aggregated presentation, presented on pages 114 – 122. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements, presented on pages 123 – 135.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Great Falls' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Combined data for the fiduciary funds is presented on pages 34 – 35 with detail data presented on pages 136 – 141.

NOTES TO THE FINANCIAL STATEMENTS. The notes, presented on pages 36 – 73, provide additional narrative and tabular information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

OTHER INFORMATION. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Other Post Employment Benefits and the City of Great Falls’ budgetary control, on pages 74 – 79.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. At the end of the most recent fiscal year, the assets of the City of Great Falls exceeded its liabilities by \$195,409,150.

By far the largest portion of the City of Great Falls’ net assets, \$155,436,427, (80 percent) reflects its investment in capital assets (land, buildings, machinery and equipment, etc.) net of related debt used to acquire those assets that is still outstanding. The City of Great Falls uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Great Falls’ investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Great Falls' Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets:						
Current and other assets	\$ 26,353,067	\$ 24,885,622	\$ 24,047,184	\$ 22,189,122	\$ 50,400,251	\$ 47,074,744
Capital assets	75,109,331	75,070,918	119,969,053	121,021,106	195,078,384	196,092,024
Total assets	101,462,398	99,956,540	144,016,237	143,210,228	245,478,635	243,166,768
Liabilities:						
Noncurrent liabilities	7,560,784	8,918,756	33,961,492	35,900,531	41,522,276	44,819,287
Current liabilities	3,058,158	2,883,586	5,489,051	5,177,944	8,547,209	8,061,530
Total liabilities	10,618,942	11,802,342	39,450,543	41,078,475	50,069,485	52,880,817
Net assets:						
Invested in capital assets, net of related debt	69,299,156	67,957,014	86,137,271	84,029,556	155,436,427	151,986,570
Restricted	2,217,136	5,329,260	10,182,501	9,668,238	12,399,637	14,997,498
Unrestricted	19,327,164	14,867,924	8,245,922	8,433,959	27,573,086	23,301,883
Total net assets	\$ 90,843,456	\$ 88,154,198	\$104,565,694	\$102,131,753	\$195,409,150	\$190,285,951

An additional portion of the City of Great Falls’ net assets, \$12,399,637, represents resources that are subject to external restrictions on how they may be used. Restricted assets reported for the business-type activities were \$10,182,501. The majority of these assets are related to the debt service reserve required for the issuance of revenue related debt. The remaining balance of unrestricted net assets, \$27,573,086, may be used to meet the government’s ongoing obligations to citizens and creditors.

At the end of the most recent fiscal year, the City of Great Falls is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

City of Great Falls' Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$12,449,848	\$12,240,061	\$ 35,245,397	\$ 34,411,140	\$ 47,695,245	\$ 46,651,201
Operating grants and contributions	825,758	922,426	3,082	3,570	828,840	925,996
Capital grants and contributions	2,174,440	2,190,536	433,792	28,409	2,608,232	2,218,945
General revenues:						
Property taxes, levied for general purposes	16,004,331	14,634,494	-	-	16,004,331	14,634,494
Grants and contributions, unrestricted	8,532,724	8,190,388	-	-	8,532,724	8,190,388
Other	294,352	666,468	308,639	664,264	602,991	1,330,732
Miscellaneous	728,078	887,591	19,240	571,884	747,318	1,459,475
Total revenues	<u>41,009,531</u>	<u>39,731,964</u>	<u>36,010,150</u>	<u>35,679,267</u>	<u>77,019,681</u>	<u>75,411,231</u>
Expenses:						
General government	6,280,562	6,113,949	-	-	6,280,562	6,113,949
Public safety	16,053,948	15,703,112	-	-	16,053,948	15,703,112
Public works	4,794,550	4,395,673	-	-	4,794,550	4,395,673
Culture and recreation	5,607,567	4,568,967	-	-	5,607,567	4,568,967
Housing and development	2,958,565	3,141,049	-	-	2,958,565	3,141,049
Interest and fees	332,216	405,626	-	-	332,216	405,626
Water	-	-	7,313,512	7,223,313	7,313,512	7,223,313
Sewer	-	-	7,281,065	7,215,076	7,281,065	7,215,076
Storm Drain	-	-	1,245,318	1,227,116	1,245,318	1,227,116
Sanitation	-	-	3,231,635	3,330,166	3,231,635	3,330,166
Electric	-	-	10,724,225	9,441,675	10,724,225	9,441,675
Port Authority	-	-	340,881	87,046	340,881	87,046
Golf Courses	-	-	1,460,828	1,384,226	1,460,828	1,384,226
Other	-	-	4,271,610	4,273,470	4,271,610	4,273,470
Total expenses	<u>36,027,408</u>	<u>34,328,376</u>	<u>35,869,074</u>	<u>34,182,088</u>	<u>71,896,482</u>	<u>68,510,464</u>
Increase in net assets before transfers	4,982,123	5,403,588	141,076	1,497,179	5,123,199	6,900,767
Transfers	(2,292,865)	(2,520,767)	2,292,865	2,520,767	-	-
Increase in net assets	<u>2,689,258</u>	<u>2,882,821</u>	<u>2,433,941</u>	<u>4,017,946</u>	<u>5,123,199</u>	<u>6,900,767</u>
Net assets - beginning	88,154,198	85,271,377	102,131,753	98,113,807	190,285,951	183,385,184
Net assets - ending	<u>\$90,843,456</u>	<u>\$88,154,198</u>	<u>\$ 104,565,694</u>	<u>\$102,131,753</u>	<u>\$ 195,409,150</u>	<u>\$ 190,285,951</u>

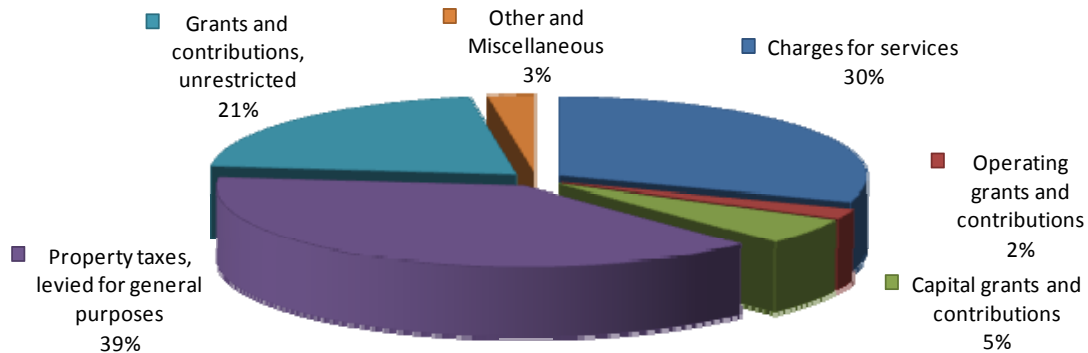
The City of Great Falls' revenues totaled \$77,019,681. The total cost of all programs and services was \$71,896,482. The government was able to cover this year's costs in both governmental activities and business-type activities. Our analysis below separately considers the operations of governmental and business-type activities.

Governmental activities. Revenues for the most recent year from governmental activities were \$41,009,531 while expenses were \$36,027,408. Net assets thus increased by \$4,982,123 before transfers. Taxes increased by \$1,369,837 primarily due to an increase in newly taxable property additions, collection of protested taxes and a statutorily authorized 2.46 mill increase for the “Permissive Medical Levy”. Grants and contributions, unrestricted revenues increased by \$342,336 primarily due to new Montana Board of Crime Control and Justice Assistance grants being awarded for public safety. Charges for services increased by \$209,787 primarily due to increases in internal service fund charges for the Health and Benefit fund.

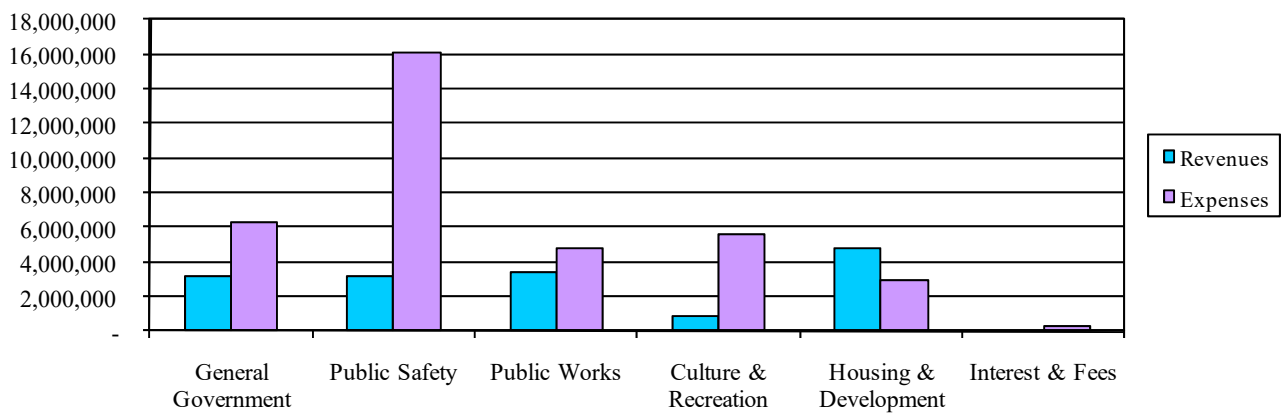
General government related expenses increased by \$166,613 primarily due to an increase in expenses in the CTEP Projects Special Revenue Fund and first time posting of GASB 45 required Other Post Employment Benefits in the Health and Insurance Fund. Public safety related expenses increased by \$350,836 primarily due to the increased activity in the police and fire operations in the General Fund and the 911 Special Revenue fund. Public works related expenses increased by \$398,877 due to increased activity in the Street Fund for operations. Housing and development expenses decreased by \$182,484 due to decreased activity in the Community Development Block Grant and HOME Grant programs. Interest and fees decreased by \$73,410 due to retirement of debt.

Housing and development program revenues exceed program expenses by \$1,843,837 primarily due to capital grants and contributions being recorded as capital assets construction.

Revenues by Source - Governmental Activities



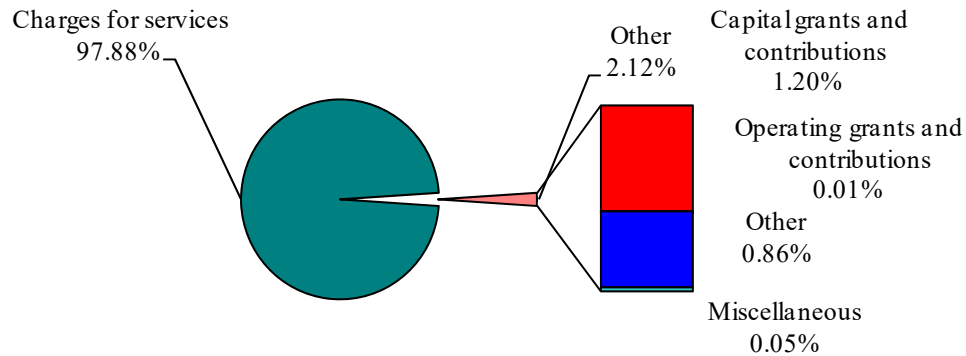
Program Revenues and Expenses - Governmental Activities



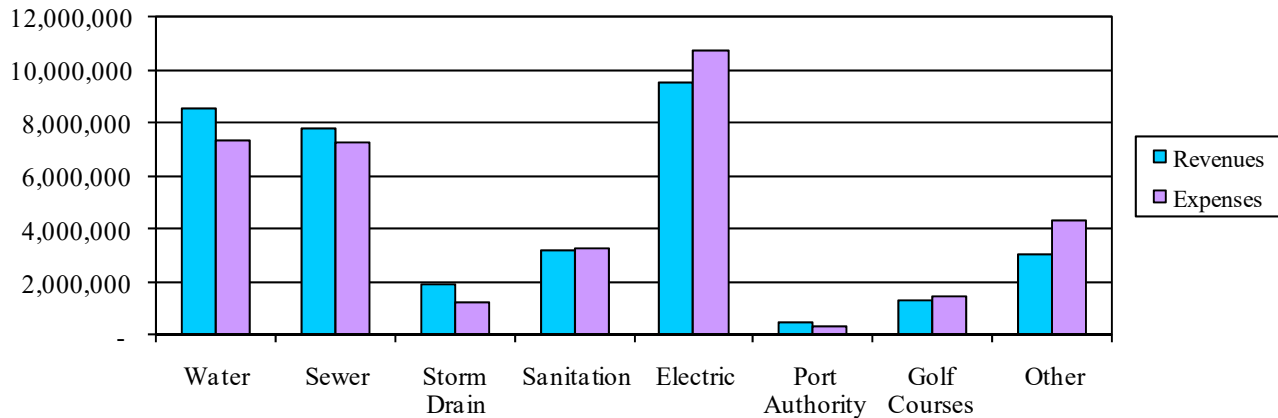
Business-type activities. Revenues for the most recent year from business-type activities were \$36,010,150 while expenses were \$35,869,074. Net assets thus increased by \$141,076 before transfers. Overall revenue derived from charges for services increased \$834,257 primarily due to rate increases in the Water, Sewer, Storm Drain, Sanitation and Electric funds. The business-type activities expenses increased by \$1,686,986, primarily due to increased activity in the Water,

Electric and Golf Course funds. Other business-type fund expenses were \$1,241,199 more than the revenues primarily due to the Safety Services fund, the Parking fund, the Swim Pools fund and the Civic Center Events fund.

Revenues by Source - Business Activities



Program Revenues and Expenses - Business-type Activities



CITY OF GREAT FALLS' FUND FINANCIAL ANALYSIS

As noted earlier, the City of Great Falls uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Great Falls' governmental fund reporting is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Great Falls' financing requirements. In particular, unrestricted 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 the end of the most recent fiscal year, the City of Great Falls' governmental funds reported combined ending fund balances of \$12,327,262, a decrease of \$1,769 in comparison with the previous year. Approximately eighty-four percent of this total amount, \$10,310,023, constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to provide required security for long-term debt obligations, \$1,918,542, or 2) to finance miscellaneous future capital projects \$98,697.

The General fund is the chief operating fund of the City of Great Falls. At the end of the most recent fiscal year, unreserved fund balance in the General fund was \$3,511,924. As a measure of the General fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Fund balance represents 16 percent of total General fund expenditures and transfers out, not in compliance with internally set requirements of 17 percent. During the most recent fiscal year, the fund balance of the City of Great Falls' General fund increased by \$851,963. Elements of this increase include an increase in charges for services, fines and forfeitures, and collection of protested taxes.

The Street fund reports operations of the Street Division. At the end of the most recent fiscal year, unreserved fund balance in the Street fund was \$3,006,188. Fund balance represents 75 percent of total Street fund expenditures, in compliance with internally set requirements. During the most recent fiscal year, the fund balance of the City of Great Falls' Street fund increased by \$1,162,211. Elements of this increase include an increase in assessments received for activities of the street maintenance and a decrease in capital outlay.

The Community Development Block Grant fund accounts for federal funds received to assist in the development of the urban community. At the end of the most recent fiscal year, unreserved fund balance in the Community Development Block Grant fund was \$397,836. Fund balance represents 31 percent of total Community Development Block Grant fund expenditures, in compliance with internally set requirements. During the most recent fiscal year, the fund balance of the City of Great Falls' Community Development Block Grant fund decreased by \$57,708. Elements of this decrease include a decrease in the amount of program revenue received.

Proprietary funds. The City of Great Falls' proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Restricted net assets of the enterprise funds totaled \$10,182,501. Unrestricted net assets of the enterprise funds totaled \$8,245,922. The total increase in net assets for the enterprise funds is \$2,433,941 primarily due to an increase in invested in capital assets, net of related debt in the Water fund and an increase in unrestricted net assets in the Sewer fund and Parking fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget netted an increased budget of \$107,202. The major differences were due to an increase in transfers out for additional tax revenue collected and transferred to the Library Fund. During the year, revenues were more than budgetary estimates and expenditures were less than budgetary estimates.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Great Falls' investment in capital assets for its governmental and business-type activities as of June 30, 2009, is \$195,078,384, net of accumulated depreciation. This investment in capital assets includes land, buildings and structures, improvements, machinery and equipment, infrastructure and construction in progress. The total increase in the City of Great Falls' investments in capital assets for the most recent fiscal year was less than 1 percent.

City of Great Falls' Capital Assets
(net of depreciation)

	Governmental Activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 9,930,318	\$ 10,165,758	\$ 4,115,316	\$ 3,988,513	\$ 14,045,634	\$ 14,154,271
Buildings	8,107,239	7,774,349	14,959,428	14,685,384	23,066,667	22,459,733
Improvements	19,710,988	20,010,824	51,991,285	55,116,842	71,702,273	75,127,666
Machinery and equipment	4,870,302	4,861,305	3,040,065	3,166,448	7,910,367	8,027,753
Infrastructure	32,444,653	31,664,005	42,022,464	37,271,537	74,467,117	68,935,542
Construction in progress	45,831	594,677	3,840,495	6,792,382	3,886,326	7,387,059
Total capital assets	\$ 75,109,331	\$ 75,070,918	\$119,969,053	\$121,021,106	\$195,078,384	\$196,092,024

Major capital asset events during the most recent fiscal year included the reconstruction of swim pools, streets, water mains, sewer mains, and storm drains. Further detail on capital assets is presented in Note 6 on pages 51 – 52.

Long-term debt. At the end of the most recent fiscal year, the City of Great Falls had total bonded debt of \$33,318,485. Of this amount, \$3,961,366 is general obligation bonds, \$555,000 is special assessment debt for which the City is obligated to pay even if the assessments on the property owners are in default up to the amount available in the Special Improvement District Revolving fund; \$1,104,126 is tax increment urban renewal bonds to be repaid from the tax increments received by the City from its downtown urban renewal area; and \$27,697,993 are bonds secured solely by specified revenue sources. Further information on long-term debt is presented in Note 8 on pages 53 – 63.

City of Great Falls' Outstanding Debt
General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenue bonds	\$ -	\$ -	\$ 27,697,993	\$ 29,092,903	\$27,697,993	\$ 29,092,903
General obligation	3,961,366	4,259,037	-	-	3,961,366	4,259,037
Special assessment	555,000	765,000	-	-	555,000	765,000
Urban renewal tax increment bonds	1,104,126	2,166,538	-	-	1,104,126	2,166,538
Total	\$ 5,620,492	\$7,190,575	\$ 27,697,993	\$ 29,092,903	\$33,318,485	\$ 36,283,478

During the most recent fiscal year, the City of Great Falls' bonded debt decreased by \$2,964,993 (8 percent). This is primarily due to retirement of bonds issued.

The City of Great Falls maintains insured ratings from Moody's "A2" for general obligation bonds and "A3" for revenue debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 2.50% of its total assessed valuation. The current legal debt capacity for the City of Great Falls is \$60,474,851, of which \$56,513,485 is unused by the City.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The unemployment rate in July 2009 for Cascade County, Montana, of which the City of Great Falls is the county seat, was 4.4 percent, which increased 1% from a year ago. This compares favorably with the national unemployment rate of 9.4 percent and the Montana unemployment rate of 6.3 percent.

The majority of City of Great Falls' taxes are generated from real and personal property. Since the State of Montana and the City of Great Falls do not have sales taxes, the downturn in the national economy does not have a direct effect on tax revenue. It does have an indirect effect in such that the City of Great Falls newly taxable property will be fluctuating. If the mill value decreases with the "floating mill" the City does have the ability to increase the amount of mills to make up the difference in lost value.

Future challenges and opportunities for the City of Great Falls include:

1. The two municipal-owned golf courses have been struggling financially for years. Although there appears to be some noted cash-flow improvement, the courses still receive a substantial subsidy from the City's General fund. It may not be practical to continue to operate both golf facilities in the coming years. The City has initiated several different programs to spur more use of the courses, but it can only do so much and ultimately, the users will determine whether or not both courses remain open.
2. Despite the community support for bonding swim pool improvements, Electric City Water Park, including the Wave Rider, is heavily subsidized by the taxpayer. User fees are not enough to sustain operational expenses of the pools. An effort to increase the pool rates failed during the budget process and will further reduce the ability of the general fund to support other departments. Parks and Recreation programs and facilities are often supported through General Fund expenditures because they are activities that provide recreational opportunities for families and add to the quality of life of its citizens.
3. The City Commission directed staff to develop a public/private partnership with the Great Falls Animal Foundation during the past year. Staff continues to work with Foundation officials to determine the best method of financing a new shelter and the parameters of the partnership. The new shelter will better meet the needs of animals, residents, and employees using the shelter.
4. Concerning the City's ongoing efforts to run an electric utility, the City recently retained the services of an energy consultant to review Electric City Power operations and the City's relationship with Southern/SME. The consultant will evaluate any risk associated with continuing the City's electric utility and offer recommendations on future operations and/or whether the City should continue those efforts.

After reviewing all the financial indicators of the City of Great Falls, the City as a whole has improved as a result of the year's activities. Investments in the City's capital assets increased in fiscal year 2009.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Great Falls' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Coleen Balzarini, Fiscal Services Director, PO Box 5021, Great Falls, MT 59403.

Basic Financial Statements

City of Great Falls, Montana

Statement of Net Assets

June 30, 2009

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Business Improvement District	Public Library Foundation
ASSETS					
Current assets					
Cash and cash investments	\$ 11,742,406	\$ 9,474,733	\$ 21,217,139	\$ 87,713	\$ 1,709,936
Receivables					
Taxes	2,022,730	-	2,022,730	-	-
Special assessments	1,095,858	-	1,095,858	90,501	-
Accounts	222,361	4,209,644	4,432,005	7,068	-
Accrued interest	69,080	76,726	145,806	128	-
Loans	2,617,379	-	2,617,379	-	-
Other	15	-	15	-	-
Due (to) from other city funds	2,795,756	(2,795,756)	-	-	-
Due from other governments	575,000	565,524	1,140,524	-	-
Inventories	140,761	373,899	514,660	-	-
Prepaid items	25,471	1,391,561	1,417,032	3,413	-
Other current assets	100,349	-	100,349	-	-
Total current assets	<u>21,407,166</u>	<u>13,296,331</u>	<u>34,703,497</u>	<u>188,823</u>	<u>1,709,936</u>
Noncurrent assets					
Restricted cash and investments	4,124,202	10,428,162	14,552,364	-	25,870
Foundation investments	-	-	-	-	86,404
Advance to (from) other funds	821,699	(821,699)	-	-	-
Investment in joint venture	-	1,144,390	1,144,390	-	-
Capital assets					
Non-depreciable capital assets	9,976,149	7,955,811	17,931,960	-	-
Depreciable capital assets, net	65,133,182	112,013,242	177,146,424	472,587	-
Total noncurrent assets	<u>80,055,232</u>	<u>130,719,906</u>	<u>210,775,138</u>	<u>472,587</u>	<u>112,274</u>
Total assets	<u>101,462,398</u>	<u>144,016,237</u>	<u>245,478,635</u>	<u>661,410</u>	<u>1,822,210</u>
LIABILITIES					
Current liabilities					
Accounts payable	1,224,458	1,743,122	2,967,580	191,491	-
Unearned revenue	-	55,515	55,515	-	-
Compensated absences	156,631	52,522	209,153	-	-
Debt due within one year	1,549,003	3,200,446	4,749,449	-	-
Other liabilities	128,066	437,446	565,512	-	-
Total current liabilities	<u>3,058,158</u>	<u>5,489,051</u>	<u>8,547,209</u>	<u>191,491</u>	<u>-</u>
Noncurrent liabilities					
Compensated absences	3,077,749	488,512	3,566,261	-	-
Debt due in more than one year	4,359,869	32,286,918	36,646,787	-	-
Other liabilities	123,166	1,186,062	1,309,228	-	-
Total noncurrent liabilities	<u>7,560,784</u>	<u>33,961,492</u>	<u>41,522,276</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>10,618,942</u>	<u>39,450,543</u>	<u>50,069,485</u>	<u>191,491</u>	<u>-</u>
NET ASSETS					
Invested in capital assets, net of related debt	69,299,156	86,137,271	155,436,427	472,587	-
Restricted for:					
Expendable:					
Debt service	1,918,542	-	1,918,542	-	-
Reserved for financial assurance	-	100,000	100,000	-	-
Deposits with others	-	334,954	334,954	-	-
Bonded construction	98,697	224,092	322,789	-	-
Revenue bond reserves	-	7,650,229	7,650,229	-	-
Equipment replacement reserves	199,897	-	199,897	-	-
Repair and replacement	-	1,873,226	1,873,226	-	-
Materials and support	-	-	-	-	1,483,519
Nonexpendable:					
Programs and operations	-	-	-	-	25,870
Unrestricted	19,327,164	8,245,922	27,573,086	(2,668)	312,821
Total net assets	<u>\$ 90,843,456</u>	<u>\$ 104,565,694</u>	<u>\$ 195,409,150</u>	<u>\$ 469,919</u>	<u>\$ 1,822,210</u>

The accompanying notes are an integral part of these financial statements.

City of Great Falls, Montana
Statement of Activities
Year Ended June 30, 2009

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government				
<u>Governmental activities</u>				
General government	\$ 6,280,562	\$ 2,895,553	\$ 33,084	\$ 261,389
Public safety	16,053,948	2,486,246	471,068	208,447
Public works	4,794,550	3,451,404	-	-
Culture and recreation	5,607,567	510,812	321,606	8,035
Housing and development	2,958,565	3,105,833	-	1,696,569
Interest and fees	332,216	-	-	-
Total governmental activities	<u>36,027,408</u>	<u>12,449,848</u>	<u>825,758</u>	<u>2,174,440</u>
<u>Business-type activities</u>				
Water	7,313,512	8,116,362	-	405,304
Sewer	7,281,065	7,788,927	-	-
Storm drain	1,245,318	1,863,553	-	28,444
Sanitation	3,231,635	3,173,768	-	-
Electric	10,724,225	9,500,725	-	-
Port Authority	340,881	465,187	-	-
Golf courses	1,460,828	1,309,590	-	-
Other	4,271,610	3,027,285	3,082	44
Total business-type activities	<u>35,869,074</u>	<u>35,245,397</u>	<u>3,082</u>	<u>433,792</u>
Total primary government	<u>\$ 71,896,482</u>	<u>\$ 47,695,245</u>	<u>\$ 828,840</u>	<u>\$ 2,608,232</u>
Component units				
Great Falls Business Improvement District	<u>\$ 261,770</u>	<u>\$ 189,911</u>	<u>\$ -</u>	<u>\$ -</u>
Great Falls Public Library Foundation	<u>\$ 204,958</u>	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Grants and contributions not restricted to specific programs				
Unrestricted investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets, beginning of year				
Prior period adjustment				
Net assets, end of year				

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Business Improvement District	Public Library Foundation
\$ (3,090,536)	\$ -	\$ (3,090,536)	\$ -	\$ -
(12,888,187)	-	(12,888,187)	-	-
(1,343,146)	-	(1,343,146)	-	-
(4,767,114)	-	(4,767,114)	-	-
1,843,837	-	1,843,837	-	-
(332,216)	-	(332,216)	-	-
<u>(20,577,362)</u>	<u>-</u>	<u>(20,577,362)</u>	<u>-</u>	<u>-</u>
-	1,208,154	1,208,154	-	-
-	507,862	507,862	-	-
-	646,679	646,679	-	-
-	(57,867)	(57,867)	-	-
-	(1,223,500)	(1,223,500)	-	-
-	124,306	124,306	-	-
-	(151,238)	(151,238)	-	-
-	(1,241,199)	(1,241,199)	-	-
<u>-</u>	<u>(186,803)</u>	<u>(186,803)</u>	<u>-</u>	<u>-</u>
<u>\$ (20,577,362)</u>	<u>\$ (186,803)</u>	<u>\$ (20,764,165)</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (71,859)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (204,939)</u>
16,004,331	-	16,004,331	-	-
8,532,724	-	8,532,724	-	101,251
294,352	308,639	602,991	700	(8,786)
728,078	19,240	747,318	11,765	-
(2,292,865)	2,292,865	-	-	-
23,266,620	2,620,744	25,887,364	12,465	92,465
2,689,258	2,433,941	5,123,199	(59,394)	(112,474)
88,154,198	102,131,753	190,285,951	516,957	1,934,684
-	-	-	12,356	-
<u>\$ 90,843,456</u>	<u>\$ 104,565,694</u>	<u>\$ 195,409,150</u>	<u>\$ 469,919</u>	<u>\$ 1,822,210</u>

City of Great Falls, Montana
Balance Sheet
Governmental Funds
June 30, 2009

	<u>General</u>	<u>Street</u>	<u>Community Development Block Grant</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 395,584	\$ 2,952,922	\$ 401,044	\$ 4,453,166	\$ 8,202,716
Restricted cash and investments	-	-	-	1,636,026	1,636,026
Receivables					
Taxes	1,402,657	-	-	620,073	2,022,730
Special assessments	-	210,824	-	885,034	1,095,858
Accounts	66,509	32,289	-	68,413	167,211
Accrued interest	3,685	8,875	73	30,427	43,060
Loans	-	-	2,555,184	62,195	2,617,379
Other	15	-	-	-	15
Due from other city funds	2,860,871	-	-	11,963	2,872,834
Due from other governments	355,469	1,790	32,632	185,109	575,000
Inventories	648	-	-	-	648
Advances to other funds	159,696	16,507	-	597,051	773,254
Other current assets	-	-	-	100,349	100,349
	<u>\$ 5,245,134</u>	<u>\$ 3,223,207</u>	<u>\$ 2,988,933</u>	<u>\$ 8,649,806</u>	<u>\$ 20,107,080</u>
LIABILITIES					
Accounts payable	\$ 60,210	\$ 65,503	\$ 36,033	\$ 218,646	\$ 380,392
Due to other city funds	11,963	-	-	1,103,945	1,115,908
Deferred revenue	1,240,609	151,516	2,555,064	1,870,159	5,817,348
Interfund loans payable	19,532	-	-	-	19,532
Advances from other funds	318,522	-	-	-	318,522
Other liabilities	82,374	-	-	45,742	128,116
	<u>1,733,210</u>	<u>217,019</u>	<u>2,591,097</u>	<u>3,238,492</u>	<u>7,779,818</u>
FUND BALANCES					
Reserved for:					
Debt service	-	-	-	1,918,542	1,918,542
Bonded Construction	-	-	-	98,697	98,697
Unreserved reported in:					
General fund					
Undesignated	3,511,924	-	-	-	3,511,924
Special revenue funds					
Designated	-	-	-	496,104	496,104
Undesignated	-	3,006,188	397,836	2,691,087	6,095,111
Debt service funds					
Undesignated	-	-	-	(5,892)	(5,892)
Capital project funds					
Undesignated	-	-	-	212,776	212,776
	<u>3,511,924</u>	<u>3,006,188</u>	<u>397,836</u>	<u>5,411,314</u>	<u>12,327,262</u>
Total fund balances	<u>\$ 5,245,134</u>	<u>\$ 3,223,207</u>	<u>\$ 2,988,933</u>	<u>\$ 8,649,806</u>	<u>\$ 20,107,080</u>
Total liabilities and fund balances	<u>\$ 5,245,134</u>	<u>\$ 3,223,207</u>	<u>\$ 2,988,933</u>	<u>\$ 8,649,806</u>	<u>\$ 20,107,080</u>

The accompanying notes are an integral part of these financial statements.

City of Great Falls, Montana
Reconciliation of the Balance Sheet
To the Statement of Net Assets - Governmental Funds
June 30, 2009

Amounts reported for governmental activities in the statement of net assets (page 19) are different because:

Fund balances - total governmental funds (page 22)		\$ 12,327,262
<p>Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds.</p>		
Governmental capital assets		\$ 139,390,435
Less: accumulated depreciation		<u>(68,208,549)</u>
Capital assets - net		71,181,886
<p>Bond issuance costs are amortized over the life of the bonds in the statement of net assets.</p>		
		25,471
<p>Internal service funds are used by management to charge the cost 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 assets.</p>		
		10,228,127
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.</p>		
		5,817,348
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Compensated absences		(2,827,766)
Loans and contracts payable		(288,380)
General obligation bonds payable		(3,961,366)
Tax increment bonds payable		(1,104,126)
Special assessment bonds payable		<u>(555,000)</u>
Total long-term liabilities		<u>(8,736,638)</u>
Net assets of governmental activities (page 19)		<u><u>\$ 90,843,456</u></u>

The accompanying notes are an integral part of these financial statements.

City of Great Falls, Montana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2009

	<u>General</u>	<u>Street District</u>	<u>Community Development Block Grant</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
REVENUES					
Taxes	\$ 12,134,314	\$ -	\$ -	\$ 3,145,775	\$ 15,280,089
Licenses and permits	753,006	3,876	-	1,058,481	1,815,363
Intergovernmental	6,268,920	1,398,370	919,955	2,592,220	11,179,465
Charges for services	1,266,870	193,823	289,619	1,331,290	3,081,602
Fines and forfeitures	1,430,200	-	-	71,922	1,502,122
Internal services	857,400	77,874	-	231,560	1,166,834
Special assessments	-	3,141,592	-	1,937,438	5,079,030
Investment income	16,317	34,856	-	105,231	156,404
Other	39,869	24,741	150	316,270	381,030
Total revenues	<u>22,766,896</u>	<u>4,875,132</u>	<u>1,209,724</u>	<u>10,790,187</u>	<u>39,641,939</u>
EXPENDITURES					
Current					
General government	2,687,874	-	-	4,566,266	7,254,140
Public safety	15,239,422	-	-	553,148	15,792,570
Public works	-	3,823,148	-	19,895	3,843,043
Culture and recreation	1,897,683	-	-	1,918,894	3,816,577
Housing and development	-	-	978,509	1,569,602	2,548,111
Debt service					
Principal	-	-	-	1,603,535	1,603,535
Interest	14,772	-	-	306,058	320,830
Capital outlay	14,489	176,397	288,923	2,186,590	2,666,399
Total expenditures	<u>19,854,240</u>	<u>3,999,545</u>	<u>1,267,432</u>	<u>12,723,988</u>	<u>37,845,205</u>
Revenues over (under) expenditures	<u>2,912,656</u>	<u>875,587</u>	<u>(57,708)</u>	<u>(1,933,801)</u>	<u>1,796,734</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	272,000	286,624	-	1,640,637	2,199,261
Transfers out	(2,334,853)	-	-	(2,345,922)	(4,680,775)
Issuance of debt	-	-	-	47,560	47,560
Sale of assets	2,160	-	-	633,291	635,451
Total other financing sources (uses)	<u>(2,060,693)</u>	<u>286,624</u>	<u>-</u>	<u>(24,434)</u>	<u>(1,798,503)</u>
Net changes in fund balance	851,963	1,162,211	(57,708)	(1,958,235)	(1,769)
Fund balance -- beginning	<u>2,659,961</u>	<u>1,843,977</u>	<u>455,544</u>	<u>7,369,549</u>	<u>12,329,031</u>
Fund balance -- ending	<u>\$ 3,511,924</u>	<u>\$ 3,006,188</u>	<u>\$ 397,836</u>	<u>\$ 5,411,314</u>	<u>\$ 12,327,262</u>

The accompanying notes are an integral part of these financial statements.

City of Great Falls, Montana
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities - Governmental Funds
Year Ended June 30, 2009

Amounts reported for governmental activities in the statement of activities pages (pages 20-21) are different because:

Net change in fund balances - total governmental funds (page 24) \$ (1,769)

Governmental funds report capital outlays as expenditures. In the statement of activities, however, the cost of these assets is depreciated over the asset's useful life.

Expenditures for capital assets	\$ 2,666,399	
Less: current year's depreciation	(2,538,375)	
Total capital asset related expenditures	128,024	128,024

The net effect of various miscellaneous transactions involving capital assets (i.e. sales and trade-ins) is to decrease net assets (141,395)

Internal service funds are used by management to charge the cost of certain activities to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities 648,291

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, funds. 596,336

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of debt		
Loans and contracts	(47,560)	
Principal repayments		
Loans and contracts	17,371	
General obligation bonds	295,000	
Tax increment bonds	1,065,000	
Special assessment debt	226,164	
Compensated absences	(84,818)	
Amortization of bond discounts	(11,386)	
Total debt related transactions	1,459,771	1,459,771

Change in net assets of governmental activities (pages 20-21) \$ 2,689,258

The accompanying notes are an integral part of these financial statements.

City of Great Falls, Montana
Statement of Fund Net Assets
Proprietary Funds
June 30, 2009

Business Type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Storm Drain</u>	<u>Sanitation</u>	<u>Electric</u>
ASSETS					
Current assets					
Cash and cash investments	\$ 756,943	\$ 2,286,126	\$ 5,078,244	\$ 4,571	\$ -
Receivables					
Accounts	1,039,233	780,471	426,071	340,985	1,426,044
Accrued interest	20,204	28,105	23,624	411	-
Due from other city funds	-	-	-	-	-
Due from other governments	565,524	-	-	-	-
Interfund loans receivable	-	-	-	-	-
Inventories	316,280	-	-	-	-
Prepaid items	49,486	128,362	65,867	-	1,142,768
Total current assets	<u>2,747,670</u>	<u>3,223,064</u>	<u>5,593,806</u>	<u>345,967</u>	<u>2,568,812</u>
Long-term assets					
Restricted cash and investments	3,810,857	4,739,581	959,392	122,517	434,954
Advance to other funds	300,477	278,802	-	3,219	-
Investment in joint venture	-	-	-	-	1,144,390
Non-depreciable capital assets	1,710,545	1,309,955	270,820	356,039	-
Depreciable capital assets, net	43,384,947	40,702,414	14,762,013	1,462,300	-
Total long-term assets	<u>49,206,826</u>	<u>47,030,752</u>	<u>15,992,225</u>	<u>1,944,075</u>	<u>1,579,344</u>
Total assets	<u>51,954,496</u>	<u>50,253,816</u>	<u>21,586,031</u>	<u>2,290,042</u>	<u>4,148,156</u>
LIABILITIES					
Current liabilities					
Account payable	503,860	47,734	946	132,575	991,556
Due to other city funds	-	-	-	-	1,368,236
Unearned revenue	-	-	-	-	-
Capital lease obligation	-	-	-	-	-
Notes payable	-	-	-	-	49,247
Revenue bonds payable	935,326	1,325,787	368,486	-	-
Other liabilities	254,863	-	-	-	-
Total current liabilities	<u>1,694,049</u>	<u>1,373,521</u>	<u>369,432</u>	<u>132,575</u>	<u>2,409,039</u>
Long-term liabilities					
Advances from other funds	-	-	-	-	1,500,000
Capital lease obligations	-	-	-	-	-
Notes payable	-	-	-	-	1,382,243
Compensated absences	294,501	38,428	-	70,920	-
Revenue bonds payable	5,764,388	13,811,035	4,104,226	-	-
Other liabilities	-	-	-	-	1,186,062
Total long-term liabilities	<u>6,058,889</u>	<u>13,849,463</u>	<u>4,104,226</u>	<u>70,920</u>	<u>4,068,305</u>
Total liabilities	<u>7,752,938</u>	<u>15,222,984</u>	<u>4,473,658</u>	<u>203,495</u>	<u>6,477,344</u>
NET ASSETS					
Invested in capital assets, net of related debt	38,395,778	27,099,639	10,560,121	1,818,339	-
Restricted for:					
Bonded construction	-	224,092	-	-	-
Revenue bond reserves	2,838,000	3,765,120	809,392	-	-
Reserved for financial assurance	-	-	-	-	100,000
Reserved for deposits with others	-	-	-	-	334,954
Equipment replacement reserves	-	-	-	-	-
Repair and replacement	972,857	750,369	150,000	-	-
Unrestricted	1,994,923	3,191,612	5,592,860	268,208	(2,764,142)
Total net assets	<u>\$44,201,558</u>	<u>\$35,030,832</u>	<u>\$17,112,373</u>	<u>\$ 2,086,547</u>	<u>\$ (2,329,188)</u>

The accompanying notes are an integral part of these financial statements.

Continued on next page

City of Great Falls, Montana
Statement of Fund Net Assets (Concluded)
Proprietary Funds
June 30, 2009

	Business Type Activities - Enterprise Funds				Governmental
	Golf Courses	Port Authority	Other Enterprise Funds	Totals	Activities Internal Service Funds
ASSETS					
Current assets					
Cash and cash investments	\$ 1,600	\$ 124,890	\$ 1,222,359	\$ 9,474,733	\$ 3,539,690
Receivables					
Accounts	47,082	45,310	104,448	4,209,644	55,150
Accrued interest	-	-	4,382	76,726	26,020
Due from other city funds	-	-	-	-	1,038,830
Due from other governments	-	-	-	565,524	-
Interfund loans receivable	-	-	-	-	19,532
Inventories	57,619	-	-	373,899	140,113
Prepaid items	5,078	-	-	1,391,561	-
Total current assets	<u>111,379</u>	<u>170,200</u>	<u>1,331,189</u>	<u>16,092,087</u>	<u>4,819,335</u>
Long-term assets					
Restricted cash and investments	237,717	-	123,144	10,428,162	2,488,176
Advance to other funds	39,915	-	55,888	678,301	366,967
Investment in joint venture	-	-	-	1,144,390	-
Non-depreciable capital assets	1,362,597	2,077,009	868,846	7,955,811	28,239
Depreciable capital assets, net	2,427,029	3,759,684	5,514,855	112,013,242	3,899,206
Total long-term assets	<u>4,067,258</u>	<u>5,836,693</u>	<u>6,562,733</u>	<u>132,219,906</u>	<u>6,782,588</u>
Total assets	<u>4,178,637</u>	<u>6,006,893</u>	<u>7,893,922</u>	<u>148,311,993</u>	<u>11,601,923</u>
LIABILITIES					
Current liabilities					
Account payable	22,800	-	43,651	1,743,122	844,066
Due to other city funds	1,427,520	-	-	2,795,756	-
Unearned revenue	7,660	-	47,855	55,515	-
Capital lease obligation	-	-	120,030	120,030	-
Notes payable	-	233,330	-	282,577	-
Revenue bonds payable	168,240	-	-	2,797,839	-
Other liabilities	20,677	-	161,906	437,446	(50)
Total current liabilities	<u>1,646,897</u>	<u>233,330</u>	<u>373,442</u>	<u>8,232,285</u>	<u>844,016</u>
Long-term liabilities					
Advances from other funds	-	-	-	1,500,000	-
Capital lease obligations	-	-	809,192	809,192	-
Notes payable	-	5,195,329	-	6,577,572	-
Compensated absences	44,205	-	92,980	541,034	406,614
Revenue bonds payable	1,220,505	-	-	24,900,154	-
Other liabilities	-	-	-	1,186,062	123,166
Total long-term liabilities	<u>1,264,710</u>	<u>5,195,329</u>	<u>902,172</u>	<u>35,514,014</u>	<u>529,780</u>
Total liabilities	<u>2,911,607</u>	<u>5,428,659</u>	<u>1,275,614</u>	<u>43,746,299</u>	<u>1,373,796</u>
NET ASSETS					
Invested in capital assets, net of related debt	2,400,881	408,034	5,454,479	86,137,271	3,927,445
Restricted for:					
Bonded construction	-	-	-	224,092	-
Revenue bond reserves	237,717	-	-	7,650,229	-
Reserved for financial assurance	-	-	-	100,000	-
Reserved for deposits with others	-	-	-	334,954	-
Equipment replacement reserves	-	-	-	-	84,317
Repair and replacement	-	-	-	1,873,226	-
Unrestricted	<u>(1,371,568)</u>	<u>170,200</u>	<u>1,163,829</u>	<u>8,245,922</u>	<u>6,216,365</u>
Total net assets	<u>\$ 1,267,030</u>	<u>\$ 578,234</u>	<u>\$ 6,618,308</u>	<u>\$104,565,694</u>	<u>\$ 10,228,127</u>

The accompanying notes are an integral part of these financial statements.

City of Great Falls, Montana
Statement of Revenues, Expenses and Changes in
Fund Net Assets
Proprietary Funds
Year Ended June 30, 2009

Business-Type Activities - Enterprise Funds

OPERATING REVENUES

	Water	Sewer	Storm Drain	Sanitation	Electric
Charges for services	\$ 8,116,362	\$ 7,788,927	\$ 1,863,553	\$ 3,173,768	\$ 9,500,725

OPERATING EXPENSES

Personal services	1,951,263	739,643	41,947	1,196,539	-
Supplies and materials	660,000	67,212	5,732	202,270	-
Purchased services	814,849	3,090,253	18,416	902,456	9,458,653
Internal services	1,243,040	825,744	267,405	641,386	21,726
Other	-	-	-	17	-
Depreciation	2,387,934	1,877,884	732,284	281,863	-
Asset impairment	-	-	-	-	1,144,504

Total operating expenses	7,057,086	6,600,736	1,065,784	3,224,531	10,624,883
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Operating income (loss)	1,059,276	1,188,191	797,769	(50,763)	(1,124,158)
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NONOPERATING REVENUES (EXPENSES)

Investment income (loss)	92,126	120,270	102,799	1,616	(6,066)
Interest expense	(256,426)	(660,071)	(179,534)	-	(99,342)
Proceeds (loss) on sale of capital assets	4,635	(20,258)	-	(7,104)	-
Other	419,702	143	28,482	26	-

Total nonoperating revenues (expenses)	260,037	(559,916)	(48,253)	(5,462)	(105,408)
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Change in net assets before transfers	1,319,313	628,275	749,516	(56,225)	(1,229,566)
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Transfers in	109,265	72,849	-	-	-
Transfers out	-	-	-	-	-

Changes in net assets	1,428,578	701,124	749,516	(56,225)	(1,229,566)
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Net assets, beginning of year	42,772,980	34,329,708	16,362,857	2,142,772	(1,099,622)
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Net assets, end of year	\$44,201,558	\$35,030,832	\$17,112,373	\$ 2,086,547	\$ (2,329,188)
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The accompanying notes are an integral part of these financial statements.

Continued on next page

City of Great Falls, Montana
Statement of Revenues, Expenses and Changes in
Fund Net Assets (Concluded)
Proprietary Funds
Year Ended June 30, 2009

	Business-Type Activities - Enterprise Funds				Governmental
	Golf Courses	Port Authority	Other Enterprise Funds	Totals	Activities Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 1,309,590	\$ 465,187	\$ 3,027,285	\$ 35,245,397	\$ 14,415,960
OPERATING EXPENSES					
Personal services	569,879	-	1,922,431	6,421,702	3,747,297
Supplies and materials	189,004	-	253,726	1,377,944	660,220
Purchased services	148,721	782	1,050,815	15,484,945	8,196,856
Internal services	151,384	-	564,358	3,715,043	862,857
Other	1,165	-	468	1,650	(2,299)
Depreciation	320,974	79,992	385,111	6,066,042	638,277
Asset impairment	-	-	-	1,144,504	-
Total operating expenses	<u>1,381,127</u>	<u>80,774</u>	<u>4,176,909</u>	<u>34,211,830</u>	<u>14,103,208</u>
Operating income (loss)	<u>(71,537)</u>	<u>384,413</u>	<u>(1,149,624)</u>	<u>1,033,567</u>	<u>312,752</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income (loss)	(19,290)	1,585	15,599	308,639	137,948
Interest expense	(79,701)	(260,107)	(94,701)	(1,629,882)	-
Proceeds (loss) on sale of capital assets	-	-	-	(22,727)	5,956
Other	-	-	3,126	451,479	2,986
Total nonoperating revenues (expenses)	<u>(98,991)</u>	<u>(258,522)</u>	<u>(75,976)</u>	<u>(892,491)</u>	<u>146,890</u>
Change in net assets before transfers	(170,528)	125,891	(1,225,600)	141,076	459,642
Transfers in	81,521	-	2,033,830	2,297,465	191,439
Transfers out	-	-	(4,600)	(4,600)	(2,790)
Changes in net assets	<u>(89,007)</u>	<u>125,891</u>	<u>803,630</u>	<u>2,433,941</u>	<u>648,291</u>
Net assets, beginning of year	<u>1,356,037</u>	<u>452,343</u>	<u>5,814,678</u>	<u>102,131,753</u>	<u>9,579,836</u>
Net assets, end of year	<u>\$ 1,267,030</u>	<u>\$ 578,234</u>	<u>\$ 6,618,308</u>	<u>\$ 104,565,694</u>	<u>\$ 10,228,127</u>

The accompanying notes are an integral part of these financial statements.

City of Great Falls, Montana
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2009

Business-Type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Storm Drain</u>	<u>Sanitation</u>	<u>Electric</u>
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 8,518,876	\$ 7,689,046	\$ 1,856,837	\$ 3,109,495	\$ 9,027,329
Interfund cash flow loans	-	-	-	-	826,505
Receipts from interfund services provided	15,702	126,893	-	844	-
Receipts from others	37,474	143	29,717	61,722	-
Receipts from other governments	(507,693)	-	-	-	-
Payments to suppliers	(1,405,146)	(3,091,446)	(20,540)	(1,074,950)	(9,346,214)
Payments to employees	(1,929,673)	(733,384)	(41,947)	(1,231,628)	-
Payments for interfund services used	(1,243,040)	(825,744)	(267,405)	(641,386)	(21,726)
Payments to others	38,090	-	-	-	-
Net cash provided (used) by operating activities	<u>3,524,590</u>	<u>3,165,508</u>	<u>1,556,662</u>	<u>224,097</u>	<u>485,894</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	109,265	72,849	-	-	-
Transfers out	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>109,265</u>	<u>72,849</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of assets	4,635	-	-	-	-
Principal payments received - advances	-	-	-	-	-
New borrowing	1,279,324	-	-	-	-
Principal payments - revenue bonds	(922,000)	(1,295,000)	(358,000)	-	(46,328)
Discount/premium	28,427	23,505	1,820	-	-
Principal payments - advances	-	-	-	-	-
Principal payments - capital leases	-	-	-	-	-
Interest paid	(256,426)	(660,071)	(179,534)	-	(99,342)
Acquisition/construction of capital assets	(4,452,052)	(1,277,777)	(847,190)	(195,762)	-
Net cash provided (used) by capital and related financing activities	<u>(4,318,092)</u>	<u>(3,209,343)</u>	<u>(1,382,904)</u>	<u>(195,762)</u>	<u>(145,670)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends on investments	117,663	150,719	126,317	1,869	(6,066)
Net cash provided (used) by investing activities	<u>117,663</u>	<u>150,719</u>	<u>126,317</u>	<u>1,869</u>	<u>(6,066)</u>
Net increase (decrease) in cash	(566,574)	179,733	300,075	30,204	334,158
Cash, beginning of year	5,134,374	6,845,974	5,737,561	96,884	100,796
Cash, end of year (a)	<u>\$ 4,567,800</u>	<u>\$ 7,025,707</u>	<u>\$ 6,037,636</u>	<u>\$ 127,088</u>	<u>\$ 434,954</u>
(a) Shown on the statement of net assets as:					
Cash and cash equivalents	\$ 756,943	\$ 2,286,126	\$ 5,078,244	\$ 4,571	\$ -
Restricted cash and investments	3,810,857	4,739,581	959,392	122,517	434,954
	<u>\$ 4,567,800</u>	<u>\$ 7,025,707</u>	<u>\$ 6,037,636</u>	<u>\$ 127,088</u>	<u>\$ 434,954</u>

The accompanying notes are an integral part of these financial statements.

Continued on next page

City of Great Falls, Montana
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended June 30, 2009

	Business-Type Activities - Enterprise Funds				Governmental
	Golf Courses	Port Authority	Other Enterprise Funds	Totals	Activities Internal Service Funds
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 1,290,105	\$ 469,057	\$ 2,260,851	\$34,221,596	\$ 685,200
Interfund cash flow loans	(24,073)	-	-	802,432	(1,038,830)
Receipts from interfund services provided	-	-	693,526	836,965	7,832,706
Receipts from others	-	-	43,852	172,908	5,773,244
Receipts from other governments	-	-	-	(507,693)	-
Payments to suppliers	(332,696)	(782)	(1,302,866)	(16,574,640)	(8,658,142)
Payments to employees	(563,591)	-	(1,905,895)	(6,406,118)	(3,742,757)
Payments for interfund services used	(151,384)	-	(564,358)	(3,715,043)	(708,230)
Payments to others	9,253	-	97,570	144,913	123,116
Net cash provided (used) by operating activities	<u>227,614</u>	<u>468,275</u>	<u>(677,320)</u>	<u>8,975,320</u>	<u>266,307</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	81,521	-	2,033,830	2,297,465	191,439
Transfers out	-	-	(4,600)	(4,600)	(2,790)
Net cash provided (used) by noncapital financing activities	<u>81,521</u>	<u>-</u>	<u>2,029,230</u>	<u>2,292,865</u>	<u>188,649</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of assets	-	-	-	4,635	12,320
Principal payments received - advances	-	-	-	-	1,229,539
New borrowing	-	-	-	1,279,324	-
Principal payments - revenue bonds	(155,000)	(208,948)	-	(2,985,276)	-
Discount/premium	2,013	-	-	55,765	-
Principal payments - advances	-	-	(734,419)	(734,419)	-
Principal payments - capital leases	-	-	(112,572)	(112,572)	-
Interest paid	(79,701)	(260,107)	(94,701)	(1,629,882)	-
Acquisition/construction of capital assets	(55,557)	-	(1,369)	(6,829,707)	(696,426)
Net cash provided (used) by capital and related financing activities	<u>(288,245)</u>	<u>(469,055)</u>	<u>(943,061)</u>	<u>(10,952,132)</u>	<u>545,433</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends on investments	(19,290)	1,585	18,319	391,116	144,979
Net cash provided (used) by investing activities	<u>(19,290)</u>	<u>1,585</u>	<u>18,319</u>	<u>391,116</u>	<u>144,979</u>
Net increase (decrease) in cash	1,600	805	427,168	707,169	1,145,368
Cash, beginning of year	<u>237,717</u>	<u>124,085</u>	<u>918,335</u>	<u>19,195,726</u>	<u>4,882,498</u>
Cash, end of year (a)	<u>\$ 239,317</u>	<u>\$ 124,890</u>	<u>\$ 1,345,503</u>	<u>\$19,902,895</u>	<u>\$ 6,027,866</u>
(a) Shown on the statement of net assets as:					
Cash and cash equivalents	\$ 1,600	\$ 124,890	\$ 1,222,359	\$ 9,474,733	\$ 3,539,690
Restricted cash and investments	237,717	-	123,144	10,428,162	2,488,176
	<u>\$ 239,317</u>	<u>\$ 124,890</u>	<u>\$ 1,345,503</u>	<u>\$19,902,895</u>	<u>\$ 6,027,866</u>

The accompanying notes are an integral part of these financial statements.

Continued on next page

City of Great Falls, Montana
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended June 30, 2009

Business-Type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Storm Drain</u>	<u>Sanitation</u>	<u>Electric</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 1,059,276	\$ 1,188,191	\$ 797,769	\$ (50,763)	\$ (1,124,158)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	2,387,934	1,877,884	732,284	281,863	-
Asset impairment	-	-	-	-	1,144,504
Cash provided (used) by changes in operating assets and liabilities					
Accounts receivable	35,988	27,012	(5,481)	(1,733)	(473,396)
Due from other governments	(507,693)	-	-	-	-
Prepaid expense	(5,226)	21,295	15,010	-	159,676
Inventories	110,562	-	-	-	-
Accounts payable	(35,633)	44,724	(11,402)	29,793	(47,237)
Due to other city funds	-	-	-	-	826,505
Other liabilities	38,090	-	-	-	-
Compensated absences payable	21,590	6,259	-	(35,089)	-
Other nonoperating revenue	419,702	143	28,482	26	-
Total adjustments	<u>\$ 2,465,314</u>	<u>\$ 1,977,317</u>	<u>\$ 758,893</u>	<u>\$ 274,860</u>	<u>\$ 1,610,052</u>
Net cash provided (used) by operating activities	<u>\$ 3,524,590</u>	<u>\$ 3,165,508</u>	<u>\$ 1,556,662</u>	<u>\$ 224,097</u>	<u>\$ 485,894</u>

The accompanying notes are an integral part of these financial statements.

Continued on next page

City of Great Falls, Montana
Statement of Cash Flows (Concluded)
Proprietary Funds
Year Ended June 30, 2009

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Golf Courses	Port Authority	Other Enterprise Funds	Totals	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (71,537)	\$ 384,413	\$ (1,149,624)	\$ 1,033,567	\$ 312,752
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	320,974	79,992	385,111	6,066,042	638,277
Asset impairment	-	-	-	1,144,504	-
Cash provided (used) by changes in operating assets and liabilities					
Accounts receivable	(19,485)	3,870	(32,182)	(465,407)	26,831
Due from other governments	-	-	-	(507,693)	-
Prepaid expense	1,515	-	-	192,270	-
Inventories	(1,721)	-	-	108,841	9,314
Accounts payable	6,400	-	2,143	(11,212)	187,321
Due to other city funds	(24,073)	-	-	802,432	(1,038,830)
Other liabilities	9,253	-	97,570	144,913	123,116
Compensated absences payable	6,288	-	16,536	15,584	4,540
Other nonoperating revenue	-	-	3,126	451,479	2,986
Total adjustments	\$ 299,151	\$ 83,862	\$ 472,304	\$ 7,941,753	\$ (46,445)
Net cash provided (used) by operating activities	<u>\$ 227,614</u>	<u>\$ 468,275</u>	<u>\$ (677,320)</u>	<u>\$ 8,975,320</u>	<u>\$ 266,307</u>

The accompanying notes are an integral part of these financial statements.

City of Great Falls, Montana
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 146,847	\$ 173,434
Special assessments receivable	-	587,637
Accounts receivable	1,353	-
Due from other governments	-	13
Accrued interest	507	230
	\$ 148,707	\$ 761,314
LIABILITIES		
Accounts payable	\$ -	\$ 47,209
Assets held for others	-	650,991
Other liabilities	-	63,114
	-	\$ 761,314
NET ASSETS		
Held in trust	\$ 148,707	

The accompanying notes are an integral part of these financial statements.

City of Great Falls, Montana
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Funds
Year Ended June 30, 2009

	Private Purpose Trust Funds
ADDITIONS	
Private contributions	\$ 33,795
Investment income	<u>2,052</u>
Total additions	<u>35,847</u>
DEDUCTIONS	
Refunds of contributions	<u>-</u>
Change in net assets	35,847
Net assets, beginning of year	<u>112,860</u>
Net assets, end of year	<u><u>\$ 148,707</u></u>

The accompanying notes are an integral part of these financial statements.

City of Great Falls, Montana
Notes to Financial Statements
June 30, 2009

1. Summary of Significant Accounting Policies

The financial statements of the City of Great Falls, Montana, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB's *Codification of Governmental Accounting and Financial Reporting Standards* documents these principles. The City's significant accounting policies are described below.

a. Background

The City of Great Falls is the county seat of Cascade County and is the third largest city in Montana. The City was incorporated in 1888 and is currently organized under the provisions of the commission-manager form of government. The commission consists of five commissioners including the Mayor. The position of Mayor is elected separately from the commissioners. The City Manager is appointed by the Commission and is the administrative head of the City.

b. Reporting Entity

The reporting entity presented in these financial statements consists of the City of Great Falls (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of its operations or financial relationship with the City. The exclusion of the component units would cause the reporting entity's financial statements to be misleading or incomplete and should; therefore, be included in a government's financial reporting entity.

Great Falls Port Authority (the Authority)

On September 21, 2004, the City Commission passed Resolution 9425 authorizing the City Commission to Exercise Powers of a Port Authority and reaffirmed Resolution 8841 except repealing any reference to Port Authority Commissioners contained therein. Since the Port Authority governing body is the City Commission and the services provided by the Port Authority benefit the City, the Authority is a blended component unit of the City of Great Falls. This component unit is blended as a proprietary fund presented in these financial statements.

The columns labeled "Component Units" contain the financial data of the City's two component units. These separate, discrete columns emphasize the organizations' separateness from the City's primary government.

Great Falls Business Improvement District (the District)

The objective of the District is to oversee and manage the appearance, security, and cleanliness of a designated area within Great Falls to make that area appealing to shoppers, office workers, area residents, and tourists as a viable shopping and tourist destination. The District's board of trustees is appointed by the City Commission. The District is required to submit an annual budget to the City Commission who may approve or modify the District's budget. Additionally, the City Commission is responsible for levying the District's assessments on the properties within the District. Separate financial statements of the District may be obtained by contacting the District at 417 Central Avenue, Suite 320, Great Falls, Montana, 59401.

Great Falls Public Library Foundation (the Foundation)

The Foundation is a legally separate, tax-exempt component unit of the City. It provides the Great Falls Public Library with a supplemental source of funding in addition to the public funding the Library receives. Although the City does not control the timing or amount of receipts from the Foundation, the majority of resources, or incomes thereon, which the Foundation holds and invests, are restricted by the donors to the activities of the Library. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the City, the Foundation is considered a component unit of the City and is discretely presented in the City's financial statements.

The Foundation is a private non-profit organization that reports under FASB standards, including FASB Statement No. 117, Financial Reporting for Not-For-Profit Organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the City's financial reporting entity for these differences.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

1. Summary of Significant Accounting Policies – continued

b. Reporting Entity – continued

During the year ended March 31, 2009, the Foundation distributed \$180,240 to the City for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained by writing the Foundation at P.O. Box 742, Great Falls, Montana, 59403.

c. Investment in Joint Venture

During fiscal year 2004, the City entered into a joint venture with Southern Montana Electric Generation and Transmission Cooperative, Inc (Southern). The joint venture was organized by five electric cooperatives and the City of Great Falls to provide electric services to its members and to construct Highwood Generating Station (HGS), which is an electric generating facility, intended to serve the energy needs of its six members. The City has an 8.66 percent equity interest in the joint venture with Southern. A joint venture is an organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or an ongoing financial responsibility. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture. This joint venture does not meet the criteria for inclusion in the City's financial report as a component unit since the City does not exercise administrative control. The City does report its equity interest in the joint venture using the equity method. An equity interest in a joint venture is manifest in the government having an explicit, measurable right to the net present or future resources of the joint venture. The investment in joint venture in the statement of net assets (page 26) is included in the unrestricted portion of the total net assets. The corporate office of Southern is located at the following address: 3521 Gable Road, Suite 5, Billings, Montana 59102.

d. Basis of Presentation

The government-wide financial statements (statement of net assets and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of the Interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from its legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

e. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a set of self-balancing accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are used to account for the City's expendable financial resources and related liabilities (except for those accounted for in proprietary funds). The following are the City's major governmental funds:

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

1. Summary of Significant Accounting Policies - continued

e. Fund Accounting – continued

General Fund

The General Fund accounts for all financial resources of the City except those required legally or by sound financial management to be accounted for in another fund.

Street Fund

The Street Fund reports operations of the Street Division, pavement rehabilitation and restoration, street sweeping, snow and ice control, dust abatement and paving markings. This fund also reports activities related to the signs and signals function of the Support Services Division.

Community Development Block Grant Fund

The Community Development Block Grant Fund accounts for federal funds received by the City of Great Falls used to assist in the development of viable urban communities.

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income and capital maintenance. Following are the City's major proprietary funds:

Water Fund

The Water Fund accounts for all aspects of the City water system operations: including related debt service, administrative expenses, operation and maintenance of the water treatment plant, laboratory, and water distribution.

Sewer Fund

The Sewer Fund accounts for all aspects of the City sewer system operations: including related debt service, administrative expenses, operation and maintenance of the wastewater treatment plant and sewer collection system.

Storm Drain Fund

The Storm Drain Fund accounts for all aspects of safeguarding community health, providing pollution protection for the Missouri River and reducing flooding and damage to property and life.

Sanitation Fund

The Sanitation Fund accounts for all aspects of providing refuse collection and disposal services to the City of Great Falls.

Electric Fund

The Electric Fund accounts for all aspects of the City electric system operations: providing electricity for City operations, other government agencies, and retail customers. The costs of preliminary design and engineering of the HGS facility is included in this fund.

Golf Courses Fund

The Golf Courses Fund accounts for the operation of two eighteen-hole golf courses: Eagle Falls and Anaconda Hills.

Port Authority Fund – This fund is used to account for operations of the Great Falls Port Authority as a blended component unit of the City of Great Falls.

Internal Service Funds

Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The City of Great Falls uses internal service funds for Administrative Services, Central Communications, Health and Benefit, Insurance and Safety, Fiscal Services, Information Tech, Central Garage, Engineering, Public Works, and Facility Services.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

1. Summary of Significant Accounting Policies - continued

e. Fund Accounting – continued

Private-Purpose Trust Funds

Private-purpose trust funds are used to report all trust arrangements, other than those reported trust funds or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments. The City of Great Falls has one private purpose trust to account for assessments collected from the buyers of Castle Pines Subdivision lots.

Agency Funds

Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organization, or other governments. The City of Great Falls has three agency funds used for the Court Agency, the Payroll Agency and the Upper Lower River Road Water Sewer District Agency.

f. Measurement Focus/Basis of Accounting

Measurement Focus

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets.

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared; therefore, governmental activities of the government-wide financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the statement of fund net assets. The statement of changes in revenues, expenses, and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities. Operating revenues include charges for services, which are generated directly from the primary activity of the proprietary funds. Operating expenses are necessary costs that have been incurred in order to provide these services. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenues, and in the presentation of expenses versus expenditures.

Under the accrual method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, aside from the fines, permits, and parking meter revenues mentioned below.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after June 30. Those revenues susceptible to accrual are property taxes, special

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

1. Summary of Significant Accounting Policies - continued

f. Measurement Focus/Basis of Accounting – continued

assessments, grants, licenses, interest revenue and charges for services. Fines, permits, and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Expenditure-based grants are recorded as revenue when the conditions of the grants are satisfied. Expenditures, if measurable, are recorded when they have used or are expected to use current expendable financial resources, except unmatured interest on long-term debt is recorded when due.

Deferred revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the deferred revenue is removed from the balance sheet and revenue is recognized.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the government’s water and sewer function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

g. Encumbrances

The City does not utilize a formal encumbrance accounting system.

h. Cash, Cash Equivalents and Investments

The City’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Generally, cash resources of the individual funds are combined to form a pool of cash and investments which is managed by the Risk Specialist within the Fiscal Services Department. Investment criteria are established via Montana Code Annotated (MCA) 7-6-202 and the City’s investment policy. The City investment committee reviews policies and broker/dealer qualifications at least annually. Investments consist primarily of certificates of deposit, repurchase agreements, State of Montana short-term investment pool, and U.S. government securities. Investments are carried at fair value in all funds. Investment income earned as a result of pooling is distributed to the appropriate funds utilizing a formula based on the average balance of cash and investments of each fund.

The City has a comprehensive investment policy addressing safety, liquidity and yield priorities. This investment policy is more restricted than State Law. The City has a policy of holding its investments to maturity. This is often referred to as ‘passive investing’. The City follows this policy for a number of reasons. First, the two main priorities when investing City funds are safety and liquidity. Investing in government securities and agencies (bonds) meet these priorities. A more active approach to investing requires additional staff time and more intensive continuing education and training. Also, ‘active investing’ exposes the City to risks related to timing the buying and selling of investments in the market.

All depositories must be either Federal Deposit Insurance Corporation (FDIC) or Federal Savings and Loan Deposit Insurance Corporation (FSLIC) insured. All deposits exceeding \$100,000, for the City as a whole, require 100% collateralization. City criteria for collateral are a limited list of instruments with readily verifiable market value and established marketability. Collateral must be held by an approved third party financial institution in the name of the City.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

1. Summary of Significant Accounting Policies - continued

i. Receivables

Real property taxes and special assessments are attached as an enforceable lien on the underlying property. After a period of three years, Cascade County, acting as the City's collection agent, may begin foreclosure proceedings and sell the property at auction. The City receives its proportionate share of the sale proceeds from the County. An allowance for uncollectible accounts is not maintained.

j. Interfund Receivables/Payables

Interfund receivables/payables between or within fund types have not been eliminated at the fund financial level.

Due To/From Other Funds

Represent short-term amounts owed to a particular fund by another fund within the City for goods or services rendered.

Interfund Loans Receivable/Payable

Represent short-term loans between funds within the City for working cash purposes and the current portion of advances.

Advances To/From Other Funds

Represent the noncurrent portion of long-term loans between funds within the City.

k. Inventories and Prepaid Items

Inventories in enterprise funds are stated at the lower of FIFO cost (first-in, first-out) or market. Inventories in internal service funds are stated at the lower of cost (average cost method) or market. Supplies purchased by governmental funds are recorded as expenditures at the time of purchase. The amounts on hand in governmental funds are not significant.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items arise when charges are entered in the accounts for benefits not yet received. Prepaid items are spread over a short period of time and are regularly recurring costs of operation. In subsequent periods, when the benefit criteria are met, or when the City has a legal claim to the resources, the prepaid items are removed from the balance sheet and expenses are recognized.

l. Capital Assets

Capital assets, which include property, plant, and equipment, are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost where historical cost records are available and at estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated fair market value as of the date received. The cost 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.

Capital assets purchased by governmental funds (general capital assets such as roads, bridges, curbs and gutters, streets and sidewalks, lighting systems, and similar assets) are recorded as expenditures in those funds when purchased. No depreciation is recorded on these general capital assets at the fund financial reporting level. In the government-wide statement of net assets, these assets are capitalized at cost and in the government-wide statement of activities, depreciation is reported.

Capital assets purchased by proprietary funds are capitalized at cost and shown as assets of those funds. Depreciation of capital assets of proprietary funds is computed over the estimated useful lives of the assets using the straight-line method and is charged as an operating expense of those funds.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

1. Summary of Significant Accounting Policies - continued

l. Capital Assets – continued

The estimated useful lives are as follows:

Buildings	40 – 50 years
Improvements	15 – 20 years
Equipment	5 – 25 years
Utility Plant	15 – 50 years
Residential streets	40 – 50 years
High traffic streets	20 – 25 years
Gravel or dirt alleys	10 – 15 years
Parking lots	20 – 25 years
Sidewalks, curbs and gutters	40 – 50 years

m. Equipment Replacement Reserves

The Information Technology and Central Garage internal service funds equipment replacement reserves are funded by a depreciation charge on a replacement cost basis for vehicles and equipment owned by these funds and used by other City funds. An equipment revolving schedule (ERS) has been established by vehicle or equipment item which includes department operation identification, estimated useful life, projected replacement date, reserve goal (estimated replacement cost), annual reserve increment (lease charge), and accumulated reserve balance. The ERS is reviewed and adjusted on an annual basis to assure that realistic replacement reserves are established. Whenever operational changes reduce vehicle or equipment needs, excess accumulated reserves are returned to the fund of origin through an equipment replacement reserve (transfer) when multiple fiscal years are involved, or credited against current year charges when only the current fiscal year is involved.

n. Compensated Absences

All full-time City employees accumulate vacation and sick leave hours for later use or for payment upon termination, death or retirement. In proprietary funds, vested vacation and sick leave benefits are recognized as expenses when earned by the employee and unpaid benefits are liabilities of those funds. Governmental fund types recognize the expenditure when benefits are paid. The remaining balance of vested governmental fund type employees' vacation and sick leave is reflected as a liability in the government-wide statements. The governmental funds typically used in prior years to liquidate the liability for compensated absences are any of the funds with payroll, which include: General Fund, Street District, Community Development Block Grants, Planning, Library, Natural Resources, Housing Authority, Community Development, Permits, Licenses, Portage Meadows, and all governmental internal service funds.

o. Contributions

The City records contribution to enterprise funds from federal, state and other outside sources, for property acquisitions, as other income.

p. Statement of Cash Flows

For purposes of the statement of cash flows, the City considers all highly liquid investments and investments with an original maturity of three months or less when purchased to be cash equivalents.

q. Estimates

The preparation of general purpose 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.

r. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

2. Cash, Cash Equivalents and Investments

The composition of the City's cash, cash equivalents and investments, including restricted cash and investments, on June 30, 2009, was as follows:

	Primary Government	Component Units	
		Business Improvement District	Public Library Foundation
Cash on hand	\$ 9,550	\$ 12,725	\$ -
Deposits in banks	(78,097)	-	6,403
Savings deposits	-	-	27,301
Certificates of deposit	2,191,500	25,601	218,000
Repurchase agreements	1,073,177	-	-
U.S. government securities	14,118,139	-	86,404
Short term investment pool (STIP)	1,264,479	-	-
Money market funds	17,511,036	49,387	-
Mutual funds	-	-	1,332,619
Equity securities	-	-	151,483
Totals	\$ 36,089,784	\$ 87,713	\$ 1,822,210

The City's cash, cash equivalents and investments for the primary government at June 30, 2009, are reported as:

	Governmental	Business-Type	Fiduciary Funds	Total
	Activities	Activities		
Cash and cash equivalents	\$ 11,742,406	\$ 9,474,733	\$ 320,281	\$ 21,537,420
Restricted cash and investments	4,124,202	10,428,162	-	14,552,364
Totals	\$ 15,866,608	\$ 19,902,895	\$ 320,281	\$ 36,089,784

At June 30, 2009, the carrying amount of the City's bank deposits was \$(78,097) and the bank balance was \$1,538,235. Of the bank balance, \$324,565 was covered by federal depository insurance and \$1,213,670 was covered by collateral held by the pledging bank's trustee in the City's name.

At June 30, 2009, the carrying amount of deposits for the Great Falls Business Improvement District, a discretely presented component unit, was \$62,112 and the bank balance was \$62,112. Of the bank balance, \$62,112 was covered by federal depository insurance.

At March 31, 2009, the carrying amount of deposits for the Great Falls Public Library Foundation, a discretely presented component unit, was \$33,704 and the bank balance was \$7,103. Of the carrying amount of deposits, \$6,403 was covered by federal depository insurance and \$27,301 was covered by Securities Investors Protection Corporation.

Montana statutes recommend that the City have pledged securities equal to 50% of its total deposits that are not insured or guaranteed, held in the City's name by the pledging bank's trustee. The City was in compliance with this statute at June 30, 2009.

Montana statutes authorize the City to invest in direct obligations of the United States government in savings or time deposits in a state or national bank, building or loan association, or credit union located in Montana; in investments of the Montana short-term investment pool (STIP) managed by the Montana Board of Investments; or in repurchase agreements.

The City received interest revenue of \$633,572 on invested cash during fiscal year 2009. The annualized rate of return for the year is 1.75% prior to adjustments which 'mark investments to market' and 3.96% after the adjustment. Even though the City's investment policy is to hold investments to maturity, the City must reflect a bookkeeping valuation adjustment that increased interest income for all City funds in the amount of \$62,637 for the year ended June 30, 2009. This adjustment increased the cash and cash equivalents by \$62,637.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

2. Cash, Cash Equivalents and Investments – continued

At June 30, 2009, the City had the following investments. Investments are in an internal investment pool. It is a common practice for governments to pool the cash and investments of funds to improve investment performance. Unless restricted by bonds, grants, etc., the City pools cash and investments of all funds.

	Fair Value	Investment Maturities (In Years)	
		Less Than 1	1-5
Cash on hand, deposits in banks, savings	\$ (68,547)	\$ (68,547)	\$ -
Repurchase agreements	1,073,177	1,073,177	-
U.S. certificate of deposit	2,191,500	2,191,500	-
U.S. treasuries	503,455	503,455	-
U.S. agencies	13,614,684	1,013,910	12,600,774
Money market funds	17,511,036	17,511,036	-
Investment in STIP	1,264,479	1,264,479	-
Totals	<u>\$ 36,089,784</u>	<u>\$23,489,010</u>	<u>\$ 12,600,774</u>

Custodial credit risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized. The City's investment policy limits its custodial risk by requiring all deposits under \$250,000 to be insured by the FDIC or FSLIC and all deposits over \$250,000 are required to be secured with collateral.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy minimizes the risk by structuring the investment portfolio so that the securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in short-term securities or similar investment pools.

Credit risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The City's investment policy minimizes credit risk by limiting investments to the safest types of securities, pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City does business, and diversifying the investment portfolio so that potential losses on individual securities will be minimized. The credit quality rating of the STIP investments is A1. The U.S. Government Securities are not considered to have credit risk and do not require disclosure of credit quality.

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in external investment pools are excluded from this requirement.

Repurchase agreements

Repurchase agreements consist of "one-day" repurchase agreements, which can readily be transformed into cash should all outstanding demand deposit checks be immediately presented for payment.

Short-Term Investment Pool

The Short-Term Investment Pool (STIP) is managed by the State of Montana Board of Investments (the Board). The Board was created by the State of Montana legislature to invest and manage the State of Montana's investment funds on a centralized basis. The STIP was created by the Board to allow qualifying funds to participate in a diversified pool. Although state agencies are legally required to invest in STIP, local governments, such as the City of Great Falls, may voluntarily participate in STIP.

The Board has a policy that STIP will, and does, operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940. In meeting certain conditions, STIP, as a 2a7-like pool, is allowed to use amortized cost rather than fair value to report net assets to compute unit values. The fair value of the position in the pool equals the value of pool units. The City reports its investment in the STIP based on the pool's value, which is fixed at one dollar (\$1).

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

2. Cash, Cash Equivalents and Investments – continued

The STIP investments are purchased in accordance with the statutorily mandated “Prudent Expert Principle”. The portfolio may include asset-backed securities, commercial paper, corporate and U.S. government direct obligations, U.S. government agency securities, repurchase agreements, institutional money market funds, certificates of deposit and variable-rate (floating-rate) instruments. These securities are purchased to provide shareholders with a diversified portfolio earning a competitive total rate of return. Asset-backed securities represent debt securities collateralized by a pool of mortgage and non-mortgage assets such as trade and loan receivables, equipment leases, credit cards, etc. Commercial paper is unsecured short-term debt with maturities ranging from 1 to 270 days. Commercial paper issued at a discount, direct or by brokers, is backed by bank credit lines. U.S. government direct obligations include U.S. Treasury securities and debt explicitly guaranteed by the U.S. government. U.S. government agency securities include U.S. Government agency and mortgage-backed securities. Repurchase agreements (REPOs) represent an agreement between a seller and a buyer, usually of U.S. government securities, whereby the seller agrees to repurchase the securities at an agreed upon price and stated time. Variable-rate (floating-rate) securities pay a variable rate of interest until maturity. The STIP portfolio’s variable-rate securities float with LIBOR (London Interbank Offered Rate). The STIP investment portfolio consists of securities with a maximum maturity of 397 days or less with the exception of securities having rate reset dates. The portfolio is carried at amortized cost or book value.

Restricted Cash and Investments

Cash and investments of \$14,552,364 are restricted by bond covenants, state statute, or for specific purposes as follows:

Nonmajor governmental funds			
Library - improvements		\$	115,580
Economic Revolving - project reserves			92,585
Improvement District Revolving - security reserves			204,365
Tax increment Bond - current debt service			1,124,799
General Capital Projects - suit related retainage			98,697
Water			
Current debt service	\$	934,078	
Bond reserves		1,319,066	
Operating reserves		584,856	
Construction reserves		169,034	
Vehicle and equipment replacement		<u>803,823</u>	
Subtotal Water			3,810,857
Sewer			
Current debt service		1,296,623	
Bond reserves		1,925,965	
Operating reserves		542,532	
Bonded construction		224,092	
Vehicle and equipment replacement		<u>750,369</u>	
Subtotal Sewer			4,739,581
Storm Drain			
Current debt service		311,340	
Bond reserves		475,710	
Operating reserves		22,342	
Repair and replacement reserves		<u>150,000</u>	
Subtotal Storm Drain			959,392
Sanitation			
Vehicle and equipment replacement			122,517
Electric			
Security reserves		100,000	
Cash on deposit with others		<u>334,954</u>	
Subtotal Electric			434,954
Golf Courses			
Bond reserves			237,717

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

2. Cash, Cash Equivalents and Investments – continued

Nonmajor enterprise funds		
Parking - vehicle and equipment replacement		81,505
Recreation - vehicle and equipment replacement	24,135	
Recreation - improvements	1,750	
Subtotal Recreation		25,885
Civic Center Events - improvements		15,754
Internal Service funds		
Central Garage - vehicle and equipment replacement		2,004,457
Engineering - vehicle and equipment replacement		123,323
Facility Services - improvements		84,317
Information Tech - information systems	266,629	
Information Tech - vehicle and equipment replacement	7,337	
Subtotal Information Tech		273,966
Public Works Admin - vehicle and equipment replacement		2,113
Totals		\$ 14,552,364

3. Receivables

Taxes and Special Assessments

The City's real estate property tax is levied as of November 1 on the assessed value listed as of January 1 of the same year, for all property located in the City. Assessed values are established by the State Department of Revenue based on a market value. A revaluation of all property is required to be completed on a periodic basis. Taxable value is defined by State statute as a fixed percentage of assessed value.

The City is permitted, by State statutes, to levy taxes up to certain fixed limits for various purposes. The taxes levied by the City for the year ended June 30, 2009, were within legal limits.

Taxes are due in semi-annual installments on November 30 and May 31 of each fiscal year. Property tax lien dates are December 1 and June 1.

The City levies assessments for lighting districts, street maintenance, boulevard maintenance, and various special improvement districts (SID). The assessments are due in semi-annual installments on November 30 and May 31. All assessments are considered delinquent if not paid by May 31.

Loans Receivable

Loans receivable at June 30, 2009, consists of the following:

Federal Block Grant Fund:		
CDBG loan program (a)	\$ 120	
Deferred payment loan program (b)	2,555,064	
Subtotal Federal Block Grant Fund		\$ 2,555,184
Nonmajor governmental funds:		
Home Grant - deferred payment loan program (b)		60,000
Economic Revolving - loan program (c)		1,395
Hazard Removal - loan program		800
Total		\$ 2,617,379

- (a) The primary objective of the Community Development Block Grant (CDBG) program is the development of viable urban communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for persons of low and moderate income. The following program has been developed by the City to accomplish these objectives.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

3. Receivables – continued

The CDBG loan program is used to promote and support opportunities for economic development within the community, specifically those opportunities that create employment for low and moderate income people. The interest rates on these loans range from zero percent to thirteen and a half percent and terms range from ten to eighteen years. The loans are secured by the property and/or equipment.

- (b) The deferred payment loan program was established to provide opportunities for lower income homeowners to rehabilitate, weatherize, maintain, or improve the quality of existing housing. No interest is charged on these loans. Repayment of the loan is required only if the property is sold, or upon satisfaction of the original mortgage, at which time the property owner begins making monthly payments equal to the principal and interest payment on the original mortgage. The loans are secured by a mortgage on the property. Deferred revenue equal to the balance of the deferred payment loans receivable has been recorded.
- (c) The City adopted the Urban Renewal Plan in 1977 for the purpose of encouraging development, redevelopment, and rehabilitation of property within the urban renewal area. The urban renewal area encompasses approximately 164 square blocks which comprise the City’s central business district and contain residential areas. A revolving loan fund was created to assist projects in the urban renewal area which comply with the objectives of the Urban Renewal Plan. The interest rates on these loans range from zero percent to six percent and terms range from five to twenty years. The loans are secured by the property and/or equipment.

4. Interfund Receivables, Payables, and Transfers

Due to/from Other City Funds

The due to other City funds balances reported in the fund financial statements represent credit cash balances in the individual funds at year-end with an offsetting due from other City funds in the corresponding funds. The due from general fund to library fund represent tax payments received into general fund for library fund.

Due to/from other City funds at June 30, 2009, consists of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>		
General	Nonmajor governmental funds		
	Planning	\$	6,665
	Historic Bridge		4,856
	Housing Authority Admin		41,105
	Swim Pool Rehab Bond		10,785
	Street Lighting Construction		<u>1,704</u>
Subtotal nonmajor governmental funds		\$	65,115
Nonmajor governmental fund - Library	General		11,963
Internal service fund - Central Garage	West Bank Urban Renewal		1,038,830
General	Electric	1,368,236	
General	Golf Courses	<u>1,427,520</u>	
Subtotal business-type activities funds			<u>2,795,756</u>
Total			<u>\$ 3,911,664</u>

Interfund Loans

The interfund loans represent the current portion due from the advances from other funds which represent the long term portion. The advance from the general fund reported in the electric fund resulted from the establishment of a financial assurance reserve required by the Montana Public Service Commission. The advance from the central garage fund reported in the general fund resulted from a loan made for Legion Park improvements. The advances to the electric fund reported in the general fund, street fund, lighting districts fund, library fund, natural resources fund, water fund, sewer fund, sanitation fund, golf fund, safety services fund, parking fund, swim pools fund, recreation fund, public works admin fund, and facility services fund resulted from an interfund liability. Advances to all funds are being repaid to the respective funds in annual installments including interest.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

4. Interfund Receivables, Payables, and Transfers – continued

Interfund Loans – continued

Interfund loans receivable/payable at June 30, 2009, consists of the following:

Receivable Fund	Payable Fund	Amount
Internal service fund - Central Garage	General	\$ 19,532

Advances to/from other funds at June 30, 2009, consists of the following:

Receivable Fund	Payable Fund	Amount
General	Electric	\$ 100,000
General		59,696
Street		16,507
Nonmajor governmental funds		
Lighting Districts		\$ 577,514
Library		19,382
Natural Resources		155
Subtotal nonmajor governmental funds		597,051
Water		300,477
Sewer		278,802
Sanitation		3,219
Golf		39,915
Nonmajor enterprise funds		
Safety Services		3,483
Parking		20,581
Swim Pools		21,054
Recreation		10,770
Subtotal nonmajor enterprise funds		55,888
Internal service funds		
Public Works Admin		17,645
Facility Services		30,800
Subtotal internal service funds		48,445
Internal service fund - Central Garage	General	318,522
Total		\$ 1,818,522
Less current portion		(19,532)
Total due in more than one year		\$ 1,798,990

Transfers

Transfers represent the movement of cash assets between City funds and operations. Transfers are transactions which must be recorded, but should not be confused with operating revenues and expenditures. For example, property taxes are properly recorded as revenues in the general fund. However, part of the property taxes revenue is then transferred to the library fund as general support. Recurring transfers are authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

4. Interfund Receivables, Payables, and Transfers – continued

Transfers – continued

Transfers to/from other funds for the year ended June 30, 2009, consists of the following:

<u>Recipient Fund</u>	<u>Amount</u>	<u>Purpose</u>
General	\$ 272,000	Transfer from nonmajor governmental fund - tax increment bond to general fund for distribution of tax increment surplus.
Street District	286,624	Transfer from nonmajor governmental fund - economic revolving for repayment of debt.
Nonmajor governmental funds		
Planning	165,714	Transfer from general fund to planning for operation support.
CTEP Projects	10,456	Transfer from nonmajor governmental fund - general capital projects to CTEP projects for grant match for police station rehabilitation.
Historic Bridge	25,459	Transfer from nonmajor governmental fund - tax increment to historic bridge for operation support.
Library	848,807	Transfers from general fund to library for tax support.
Natural Resources	277,406	Transfer from general fund to natural resources for natural resource operations.
Community Development	990	Transfer from internal service fund - central garage to community development for auction proceeds distribution.
Economic Revolving	160,000	Transfer from nonmajor governmental fund - tax increment to economic revolving for economic development purposes.
General Capital Projects	151,805	Transfer from nonmajor governmental fund - tax increment to general capital projects for resurface tennis courts [\$12,000], fire station #2 roof [\$50,000], and legal office move and remodel [\$15,000]. Transfer from nonmajor governmental fund - park and recreation special revenue to general capital projects for splash parks [\$74,805].
	<u>1,640,637</u>	Subtotal of nonmajor governmental funds
Water	109,265	Transfers from nonmajor governmental fund - river's edge trail for overlook project [\$7,434]. Transfer from nonmajor governmental fund - economic revolving fund to water for sale of asset [\$100,031]. Transfer from internal service fund - central garage to water fund for auction proceeds distribution [\$1,800].
Sewer	72,849	Transfer from nonmajor governmental fund - economic revolving fund to water for sale of asset [\$46,635]. Transfer from nonmajor governmental fund - CTEP projects to sewer fund for return of unused funds [\$26,214].
Golf Course	81,521	Transfer from general fund to golf course fund for operation support [\$76,921]. Transfer from nonmajor business fund - recreation to golf course fund for recurring transfer [\$4,600].
Nonmajor enterprise funds		
Safety Services	317,119	Transfer from nonmajor governmental fund - 911 special revenue to safety services for dispatch services.
Parking	759,899	Transfer from nonmajor governmental fund - tax increment bond to parking for parking garage debt service.
Swim Pools	564,455	Transfer from general fund to swim pools for operations support [\$396,520]. Transfer from nonmajor governmental fund - tax increment to swim pools for debt service [\$167,935].
Recreation	153,371	Transfer from general fund to recreation for operation support.
Multi-Sports	24,259	Transfer from general fund to multi-sports for operation support [\$21,038]. Transfer from nonmajor governmental fund - multi-sports special revenue to multi-sports for close of fund [\$3,221].
Civic Center Events	214,727	Transfer from general fund to civic center events for operation support.
	<u>2,033,830</u>	Subtotal of nonmajor enterprise funds

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

4. Interfund Receivables, Payables, and Transfers – continued

<u>Recipient Fund</u>	<u>Amount</u>	<u>Purpose</u>
Internal service funds		
Central Garage	2,160	Transfer from general fund to central garage for auction proceeds distribution.
Information Tech	22,180	Transfer from general fund to information tech for mapping tech position [\$11,090]. Transfer from nonmajor governmental fund - 911 special revenue to information tech for mapping tech position [\$11,090].
Engineering	167,099	Transfer from general fund to engineering for operation support.
	<u>191,439</u>	Subtotal of internal service funds
Total	<u>\$ 4,688,165</u>	

5. Due From Other Governments

Amounts due from other governments at June 30, 2009, were as follows:

	<u>Federal</u>	<u>State</u>	<u>County</u>	<u>Other</u>	<u>Total</u>
General fund	\$ 11,061	\$ -	\$ 344,408	\$ -	\$ 355,469
Street fund	-	-	1,790	-	1,790
Community Development Block Grant fund	32,632	-	-	-	32,632
Nonmajor governmental funds					
Planning	74,221	-	-	-	74,221
CTEP Projects	9,089	-	-	-	9,089
Lighting District	-	-	610	-	610
Historic Bridge	30,150	-	-	-	30,150
Support & Innovation	-	-	219	-	219
Safety Services	20,000	-	-	-	20,000
Library	-	-	58	-	58
Natural Resources	-	-	170	-	170
Housing Authority	-	-	-	45,011	45,011
Home Grant	4,566	-	-	-	4,566
Ag Tech Park	-	-	11	-	11
Master Debt SILD	-	-	2	-	2
Improvement District Revolving	-	-	2	-	2
Soccer Park Bonds	-	-	81	-	81
Swim Pool Rehab GO Bond	-	-	163	-	163
Tax Increment Bond	-	-	756	-	756
Subtotal nonmajor governmental funds	<u>138,026</u>	<u>-</u>	<u>2,072</u>	<u>45,011</u>	<u>185,109</u>
Water fund	531,458	34,066	-	-	565,524
Totals	<u>\$ 713,177</u>	<u>\$ 34,066</u>	<u>\$ 348,270</u>	<u>\$ 45,011</u>	<u>\$ 1,140,524</u>

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

6. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2009, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated:				
Land	\$ 10,165,758	\$ -	\$ (235,440)	\$ 9,930,318
Construction in Progress	594,677	45,831	(594,677)	45,831
	<u>10,760,435</u>	<u>45,831</u>	<u>(830,117)</u>	<u>9,976,149</u>
Capital assets, being depreciated:				
Buildings	13,595,436	680,152	-	14,275,588
Improvements	34,038,450	941,090	(61,320)	34,918,220
Machinery and equipment	18,708,612	995,634	(592,802)	19,111,444
Infrastructure	70,822,597	1,452,371	-	72,274,968
	<u>137,165,095</u>	<u>4,069,247</u>	<u>(654,122)</u>	<u>140,580,220</u>
Less accumulated depreciation for:				
Buildings	(5,821,087)	(347,262)	-	(6,168,349)
Improvements	(14,027,626)	(1,186,163)	6,557	(15,207,232)
Machinery and equipment	(13,847,307)	(971,505)	577,670	(14,241,142)
Infrastructure	(39,158,592)	(671,723)	-	(39,830,315)
	<u>(72,854,612)</u>	<u>(3,176,653)</u>	<u>584,227</u>	<u>(75,447,038)</u>
Total capital assets, being depreciated, net	<u>64,310,483</u>	<u>892,594</u>	<u>(69,895)</u>	<u>65,133,182</u>
Governmental activities capital assets, net	<u>\$ 75,070,918</u>	<u>\$ 938,425</u>	<u>\$ (900,012)</u>	<u>\$ 75,109,331</u>
<u>Business-type activities</u>				
Capital assets, not being depreciated:				
Land	\$ 3,988,513	\$ 126,803	\$ -	\$ 4,115,316
Construction in Progress	6,792,382	1,728,021	(4,679,908)	3,840,495
	<u>10,780,895</u>	<u>1,854,824</u>	<u>(4,679,908)</u>	<u>7,955,811</u>
Capital assets, being depreciated:				
Buildings	30,436,068	939,292	(29,472)	31,345,888
Improvements	76,578,708	247,913	(34,650)	76,791,971
Machinery and equipment	12,153,198	513,173	(314,069)	12,352,302
Infrastructure	73,665,541	6,230,180	(8,040)	79,887,681
	<u>192,833,515</u>	<u>7,930,558</u>	<u>(386,231)</u>	<u>200,377,842</u>
Less accumulated depreciation for:				
Buildings	(15,750,684)	(635,776)	-	(16,386,460)
Improvements	(21,461,866)	(3,338,820)	-	(24,800,686)
Machinery and equipment	(8,986,750)	(612,193)	286,706	(9,312,237)
Infrastructure	(36,394,004)	(1,479,253)	8,040	(37,865,217)
	<u>(82,593,304)</u>	<u>(6,066,042)</u>	<u>294,746</u>	<u>(88,364,600)</u>
Total capital assets, being depreciated, net	<u>110,240,211</u>	<u>1,864,516</u>	<u>(91,485)</u>	<u>112,013,242</u>
Business-type activities capital assets, net	<u>\$ 121,021,106</u>	<u>\$ 3,719,340</u>	<u>\$ (4,771,393)</u>	<u>\$ 119,969,053</u>

During the year the City recognized a \$1,144,504 impairment loss on the value of the Highwood Generation Station due to the change from a coal fired to a gas-fired generating station. At the same time there was a reclassification of the remaining \$629,393 from construction in progress to investment in joint venture. With this change certain costs incurred in past years will no longer have earnings value in generating revenues in future years.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

6. Capital Assets - continued

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

Governmental activities

General government	\$	424,339
Public safety		181,114
Public works		1,489,109
Culture and recreation		651,445
Housing and development		430,646
Total governmental activities	\$	3,176,653

Business-type activities

Water	\$	2,387,934
Sewer		1,877,884
Storm Drain		732,284
Sanitation		281,863
Golf Courses		320,974
Port Authority		79,992
Other		385,111
Total business-type activities	\$	6,066,042

Discretely Presented Component Unit

Capital assets activity for the Business Improvement District for the year ended June 30, 2009, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Buildings and improvements	\$ 556,744	\$ -	\$ -	\$ 556,744
Equipment	36,095	1,391	-	37,486
	592,839	1,391	-	594,230
Less accumulated depreciation for:				
Buildings and improvements	(65,948)	-	-	(65,948)
Equipment	(37,358)	(18,337)	-	(55,695)
	(103,306)	(18,337)	-	(121,643)
Total capital assets, being depreciated, net	489,533	(16,946)	-	472,587
Business Improvement District capital assets, net	\$ 489,533	\$ (16,946)	\$ -	\$ 472,587

7. Capital Lease Obligations

Nonmajor Enterprise

In April 2000, the City entered into a capital lease with Wells Fargo Brokerage Services, LLC, to finance the purchase of a computerized ticketing system. The lease term is for ten years and calls for annual payments of \$13,858 beginning on April 1, 2000. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. The cost and related capital lease obligation had originally been recorded in the Fairgrounds enterprise fund but had been sold to the Civic Center Events enterprise fund during the year ended June 30, 2004.

In September 2000, the City entered into a capital lease with Wells Fargo Brokerage Services, LLC, to finance the construction of the Electric City Water Park and Lazy River. The lease term is for fifteen years and calls for annual payments of \$167,935 beginning on September 15, 2001. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. The cost and related capital lease obligation have been recorded in the Swim Pools enterprise fund.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

7. Capital Lease Obligations – continued

Nonmajor Enterprise – continued

The following is an analysis of the property under capital lease as of June 30, 2009:

	Nonmajor Enterprise
Property and equipment	\$ 71,878
Improvements	1,503,530
Less accumulated depreciation	(552,567)
Net leased property	\$ 1,022,841

The following is a schedule, by year, of future minimum lease payments under capital leases, together with the present value of net minimum lease payments at June 30, 2009:

Year Ending June 30	Nonmajor Enterprise
2010	\$ 181,793
2011	167,935
2012	167,935
2013	167,935
2014	167,935
2015-2016	335,870
Total lease payments	1,189,403
Less amount representing interest	(260,181)
Present value of future minimum lease payments	\$ 929,222

8. Long-Term Debt

Compensated Absences Payable

Compensated absences payable, representing vested vacation and sick leave benefits earned by employees and payable upon termination, as well as additional salary-related charges payable by the City as the employer, as of June 30, 2009, were as follows:

Governmental activities	\$ 3,234,380
Business-type activities	541,034
Total	\$ 3,775,414

Loans and Contracts Payable

The City Commission adopted Resolution No. 9512 on September 6, 2005, authorizing the borrowing of \$20,000 in Intercap funds by the General Fund for the purpose of designing and installing city street lights in Meadowlark Phase 3. The term of the loan was ten (10) years with an initial interest rate of 3.80%. On January 15, 2008 an extension of five (5) years to the term was granted.

The City Commission adopted Resolution No. 9527 on November 1, 2005, authorizing the borrowing of \$56,000 in Intercap funds by the General Fund for the purpose of designing and installing city street lights in Eagles Crossing Phase 1. The term of the loan was ten (10) years with an initial interest rate of 3.80%. On January 15, 2008 an extension of five (5) years to the term was granted.

The City Commission adopted Resolution No. 9572 on August 1, 2006, authorizing the borrowing of \$23,000 in Intercap funds by the General Fund for the purpose of designing and installing city street lights in Meadowlark Phase 4. The term of the loan was ten (10) years with an initial interest rate of 4.75%. On January 15, 2008 an extension of five (5) years to the term was granted.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

8. Long-Term Debt – continued

Loans and Contracts Payable – continued

The City Commission adopted Resolution No. 9712 on November 20, 2007, authorizing the borrowing of \$46,600 in Intercap funds by the General Fund for the purpose of designing and installing city street lights in Eagles Crossing Phase 2 & 3. The term of the loan was fifteen (15) years with an initial interest rate of 4.25%.

The City Commission adopted Resolution No. 9720 on December 18, 2007, authorizing the borrowing of \$29,900 in Intercap funds by the General Fund for the purpose of designing and installing city street lights in Meadowlark Phase 5. The term of the loan was fifteen (15) years with an initial interest rate of 4.85%.

The City Commission adopted Resolution No. 9819 on March 17, 2009, authorizing the borrowing of \$36,346 in Intercap funds by the General Fund for the purpose of designing and installing city street lights in Bootlegger Addition Phase 1. The term of the loan was fifteen (15) years with an initial interest rate of 3.25%.

The rates for these Intercap loans are adjusted annually on February 16th. The interest rate varies based on the underlying bond rate of the Montana Board of Investments Municipal Finance Consolidation Act Bonds. The loan will be repaid from assessments of the property owners of the Street Light districts in the Master Debt SILD Fund. The interest calculations are projected based on the current interest rate charged of 3.25%.

Annual debt service requirements to maturity for the Intercap loans are as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2010	\$ 8,345	\$ 4,682	\$ 13,027
2011	9,441	4,829	14,270
2012	9,869	4,519	14,387
2013	10,315	4,194	14,509
2014	10,783	3,501	14,284
2015-2019	61,704	11,602	73,305
2020-2024	48,814	1,948	50,762
Totals	\$ 159,270	\$ 35,274	\$ 194,545

Loans and Contracts Payable – Economic Development Loan

On August 17, 2004, the City Commission approved an amendment to the Scope of Work of the Operation and Maintenance contract with Veolia Water North America Operating Services. This amendment served several purposes, one of which was to renew the Community Investment provision of the original contract resulting in a \$200,000 loan and a \$200,000 grant package for a combined \$400,000 Community Investment package. The \$200,000 loan was used for the purchase of economic development property. The first payment on the loan was April 1, 2006, and the final payment is due no later than April 1, 2015, at an interest rate of 4.15%. Due to the sale of related property, the loan will be paid in full in early fiscal year 2010 with no interest accrued.

Annual debt service requirements to maturity for the Economic Development loan are as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2010	\$ 129,110	\$ -	\$ 129,110

Notes Payable

The Great Falls Port Authority on May 25, 2005, authorized the borrowing of \$1,075,000 from the Great Falls Development Authority, Inc. for the purpose of constructing a building. The term of the loan is twenty (20) years with an annual rate of 4.00%. The loan will be repaid from operating funds of the Great Falls Port Authority.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

8. Long-Term Debt – continued

Notes Payable – continued

The Great Falls Port Authority on November 30, 2007, authorized the borrowing of \$4,763,794 from the Board of Investments of the State of Montana for the purpose of financing infrastructure improvements to enhance economic development and create jobs in the basic sector of the economy. The term of the loan is eighteen (18) years with an annual rate of 4.43%. The loan will be repaid from operating funds of the Great Falls Port Authority.

The City Commission adopted Resolution No. 9534 on December 6, 2005, authorizing the borrowing of \$1,500,000 from First Interstate Bank in the form of a taxable non-voted general obligation note by the electric fund for the purpose of preliminary design, engineering, feasibility and environmental review costs related to the construction of HGS. The term of the note is twenty (20) years with a maximum interest rate of 7.21%.

This rate is adjusted on each fifth year anniversary date of the closing of the note. The interest rate varies equal to the constant rate of the Five Year US Treasury Index as reported in the Wall Street Journal on the adjustment date. It is intended the debt will be repaid from operating funds of the electric utility. A pledge from the General fund provides backup security for the debt obligation.

	<u>Start Date</u>	<u>Interest Rate</u>	<u>Term (Years)</u>	<u>Maturity Date</u>	<u>Loan Issued</u>	<u>Balance June 30, 2009</u>
Port Authority Improvements	03-02-2005	4.00%	20	10-01-2025	\$ 1,075,000	\$ 936,349
Port Authority Improvements	11-30-2007	4.43%	18 ¼	09-30-2025	1,250,000	4,492,310
Electric Improvements	12-15-2005	6.79%	20	01-01-2026	1,500,000	<u>1,431,490</u>
Total						<u>\$ 6,860,149</u>

Annual debt service is as follows:

Year Ending June 30	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 282,577	\$ 328,280	\$ 610,858
2011	296,342	314,530	610,871
2012	310,073	310,784	620,858
2013	325,956	284,902	610,858
2014	341,918	268,940	610,858
2015-2019	1,978,343	1,075,945	3,054,288
2020-2024	2,519,405	534,882	3,054,288
2025-2026	<u>805,536</u>	<u>32,826</u>	<u>838,362</u>
Totals	<u>\$ 6,860,149</u>	<u>\$ 3,151,090</u>	<u>\$ 10,011,239</u>

General Obligation Bonds

In November 2003, a general obligation bond of \$2.5 million was approved by the taxpayers for the acquisition of land and construction of a soccer park. General obligation bonds were issued June 15, 2004, and are payable over a twenty (20) year period. The Great Falls Soccer Foundation partnered with the City to finance and construct the Seibel Soccer Park.

In November 2006, a general obligation bond of \$2.27 million was approved by the taxpayers for the improving and upgrading of certain swimming pools in the City. General obligation bonds were issued May 15, 2008, and are payable over a ten (10) year period.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

8. Long-Term Debt – continued

General Obligation Bonds – continued

General obligation bonds outstanding at June 30, 2009, are as follows:

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Term (Years)</u>	<u>Maturity Date</u>	<u>Bonds Issued</u>	<u>Balance June 30, 2009</u>
Series 2004	06-15-2004	3.75 - 4.65%	20	07-01-2024	\$ 2,500,000	\$ 2,045,000
Series 2007	05-15-2007	5.50 - 3.80%	10	07-01-2017	\$ 2,270,000	1,916,366
Total						<u>\$ 3,961,366</u>

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

<u>Year Ending June 30</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 307,422	\$ 165,443	\$ 472,865
2011	322,216	151,443	473,659
2012	336,924	136,755	473,679
2013	351,619	122,505	474,124
2014	366,301	109,263	475,564
2015-2019	1,456,884	334,193	1,791,077
2020-2024	820,000	115,725	935,725
Totals	<u>\$ 3,961,366</u>	<u>\$ 1,135,325</u>	<u>\$ 5,096,691</u>

Additional Covenant Requirements: Annual information to be provided while the Series 2004 G/O Bonds and the Series 2008 G/O Bonds are outstanding includes audited financial statements, accompanied by the audit report and opinion of the accountant as required by the laws of the State of Montana. Additional information is provided in the statistical section of the annual report regarding property values, city indebtedness and city tax rates, levies, and collections.

Urban Renewal Tax Increment Bonds Payable

The City has issued tax increment urban renewal bonds to provide funds for various projects within the urban renewal area. The bonds are being repaid from the tax increments received by the City from its downtown urban renewal area.

Tax increment bonds outstanding at June 30, 2009, are as follows:

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Term (Years)</u>	<u>Maturity Date</u>	<u>Bonds Issued</u>	<u>Balance June 30, 2009</u>
Series 1998A	03-15-1998	3.90 - 4.70%	11	08-15-2009	\$ 1,150,000	\$ 874,126
Series 1998B	03-15-1998	4.20 - 5.05%	11	08-15-2009	875,000	\$ 130,000
Series 2002	11-15-2002	2.45 - 3.25%	7	08-15-2009	5,685,000	\$ 100,000
Total						<u>\$ 1,104,126</u>

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

8. Long-Term Debt – continued

Urban Renewal Tax Increment Bond Covenants – continued

Annual debt service requirements to maturity for tax increment bonds are as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2010	\$ 1,104,126	\$ 19,799	\$ 1,123,925
Totals	\$ 1,104,126	\$ 19,799	\$ 1,123,925

The City issued the Urban Renewal Tax Increment refunding bonds pursuant to Resolution No. 9268 which includes various restrictive provisions and covenants. The more significant provisions and covenants require that reserves be maintained for operating/development and debt service. The resolution also requires that the tax increment tax collected and available for debt service is at least 1.25 times coverage on total tax increment parity debt above the amount of tax increment taxes received. At June 30, 2009, the City was in compliance with all significant provisions and covenants.

Shown below are the parity and subordinate bond reserves of the Urban Renewal Tax Increment Fund and the calculation of the coverage covenant.

	Parity	Subordinate
<u>Bond reserves</u>		
Debt service account	\$ 1,022,274	\$ 102,525
<u>Coverage covenant calculation</u>		
Increment taxes collected and available	\$ 2,325,617	inc
Maximum annual debt service	\$ 1,021,400	\$ 102,525
Debt service coverage	2.27x	-
Debt service coverage required	1.25x	-

Additional Covenant Requirements: Resolution No. 9268 requires information in addition to the operating results already provided within the Financial Section to be presented annually. The resolution does not require that information to be audited. As a result, the required information is provided in the Statistical Section of the City's Comprehensive Annual Financial Report. Required information includes figures for the appraised value, total taxable value, and the incremental taxable value of property within the Urban Renewal Area. Historical tax levy figures and tax increment collection figures through the most recently completed fiscal year are also presented.

Special Assessment Debt

The City has a secondary responsibility on the special assessment bonds issued for the various special improvement districts (SID). The City has a limited obligation to pay the debt service on these bonds even if the assessments on the property owners are in default. State law provides for and the City utilizes a "Special Improvement District Revolving Fund" to accumulate resources for such debt service payment. If this fund is not adequate to pay the special assessment debt service in any year, it is legally unclear what additional responsibility the City has to pay the debt service in the year it is due. The bonded debt of these improvement districts is reflected in the government-wide statements as "Special assessment debt." The Special Improvement District Revolving Fund is included as a debt service fund.

Special assessment bonds outstanding at June 30, 2009, are as follows:

Sid No.	Issue Date	Interest Rate	Term (Years)	Maturity Date	Bonds Issued	Balance June 30, 2009
1275	10-30-1997	4.10 - 5.25%	15	08-01-2013	547,000	\$ 90,000
1266	10-15-1993	3.50 - 6.40%	20	07-01-2013	636,000	10,000
1301	05-15-2005	3.50 - 5.00%	15	08-01-2020	630,000	455,000
Total						\$ 555,000

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

8. Long-Term Debt – continued

Special Assessment Debt – continued

All special assessment bonds are redeemable at the option of the City at any time 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 special assessment bond debt service requirements to maturity is deemed not to be meaningful and has been excluded.

Special Improvement District No. 1275 and Special Improvement District No. 1301 Bond statements require additional information to be presented by the City, but do not require that information to be audited. As a result, the special improvement districts outstanding, statement of changes in fund balance of the revolving fund, special improvement district revolving fund, individual special improvement districts – continuing disclosure, market and taxable valuations, and tax collection information is presented in the Statistical Section of the City’s Comprehensive Annual Financial Report for the year ended June 30, 2009.

Revenue Bonds Payable

The City also issues bonds where it pledges income derived from the acquired or constructed assets to pay debt service. The revenue bonds are accounted for in the appropriate proprietary fund.

Revenue bonds issued to make capital improvements outstanding at June 30, 2009, are as follows:

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Term (Years)</u>	<u>Maturity Date</u>	<u>Bonds Issued</u>	<u>Balance June 30, 2009</u>
Water	12-21-2000	4.00%	20	01-01-2021	\$ 3,000,000	\$ 2,004,000
Water	05-15-2002	4.15%	10	02-01-2013	8,030,000	3,495,557
Water	05-01-2008	4.25%	20	07-01-2028	1,337,157	1,200,157
Sewer	05-15-2002	4.15%	10	08-01-2012	6,470,000	2,817,038
Sewer	05-15-2002	4.00%	20	01-01-2022	12,100,000	7,987,000
Sewer	02-01-2005	3.00 - 4.15%	20	08-01-2024	5,005,000	4,332,785
Storm Drain	07-24-2003	4.20 - 7.00%	10	01-01-2014	1,950,000	985,712
Storm Drain	04-06-2004	3.75%	20	01-01-2024	4,400,000	3,487,000
Golf Courses	03-01-1998	4.20 - 5.38%	18	09-01-2015	1,950,000	993,745
Golf Courses	04-01-1999	4.15 - 5.50%	20	09-01-2019	590,000	395,000
Total						<u>\$ 27,697,993</u>

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

<u>Year Ending June 30</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 2,797,839	\$ 1,009,806	\$ 3,807,645
2011	2,841,341	908,390	3,749,731
2012	2,959,229	789,312	3,748,541
2013	3,068,518	669,073	3,737,592
2014	1,836,477	573,903	2,410,380
2015-2019	7,970,005	1,930,099	9,900,105
2020-2024	5,558,570	561,693	6,120,263
2025-2028	666,014	40,867	706,881
Totals	<u>\$ 27,697,993</u>	<u>\$ 6,483,144</u>	<u>\$ 34,181,137</u>

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

8. Long-Term Debt – continued

Revenue Bonds Payable – continued

Water Bond Covenants

Resolution No. 9216 authorized the issuance of separate series of water and sanitary sewerage system revenue refunding bonds to refund all outstanding water and sewerage system bonds.

The City issued the water system refunding bonds pursuant to Resolution No. 9226 which includes various restrictive provisions and covenants. The more significant provisions and covenants require that reserves be maintained for operations, debt service, and repair and replacement and that the net revenues for each fiscal year be at least equal to 125% of the maximum principal and interest to become due in any year. Net revenues are revenues for a specified period less the operating expenses for the same period. Revenues mean all revenues and receipts from rates, fees, charges and rentals, from penalties and interest, and from any sales of property and all income received from the investment of revenues and receipts, including interest earnings on all accounts excluding the Construction Account. Operating expenses include current expenses of operation, maintenance and minor repair of the system, excluding interest on bonds and depreciation. At June 30, 2009, the City was in compliance with all significant provisions and covenants.

Shown below are the bond reserves of the Water Fund and the calculation of the coverage covenant as of June 30, 2009.

<u>Bond Reserves</u>	
Operating account	\$ 584,856
Debt service account	934,078
Reserve account	<u>1,319,066</u>
	\$ 2,838,000
Repair and replacement account	<u>972,857</u>
	<u>\$ 3,810,857</u>
<u>Coverage Covenant Calculation</u>	
Gross revenues	\$ 8,213,123
Operating expenses	<u>4,669,152</u>
Net revenues	<u>\$ 3,543,971</u>
Maximum annual debt service requirement	<u>\$ 1,319,066</u>
Percent coverage	<u>268.67%</u>
Percent coverage required	<u>125.00%</u>

Additional Covenant Requirements: Resolution No. 9226 requires additional information to be presented by the City, but does not require that information to be audited. As a result, information including updated figures for the number of system connections, user rates, and major system users are presented in the Statistical Section to the City's Comprehensive Annual Financial Report for the year ended June 30, 2009.

Sewer Bond Covenants

The City issued the sewer system refunding bonds pursuant to Resolution No. 9227 which includes the various restrictive provisions and covenants. The more significant provisions and covenants require that reserves be maintained for operations, debt service, and repair and replacement and that the net revenues for each fiscal year be at least equal to 125% of the maximum principal and interest to become due in any year. Net revenues are revenues for a specified period less the operating expenses for the same period. Revenues mean all revenues and receipts from rates, fees, charges and rentals, from penalties and interest, and from any sales of property and all income received from the investment of revenues and receipts, including interest earnings on all accounts excluding the Construction Account. Operating expenses include current expenses of operation, maintenance and minor repair of the system, excluding interest on bonds and depreciation. At June 30, 2009, the City was in compliance with all significant provisions and covenants.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

8. Long-Term Debt – continued

Sewer Bond Covenants – continued

Shown below are the bond reserves of the Sewer Fund and the calculation of the coverage covenant as of June 30, 2009.

Bond Reserves

Operating account	\$ 542,532
Debt service account	1,296,623
Reserve account	1,925,965

Repair and replacement account	\$ 3,765,120
	750,369

\$ 4,515,489

Coverage Covenant Calculation

Gross revenues	\$ 7,905,348
Operating expenses	4,722,852

Net revenues	\$ 3,182,496
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Maximum annual debt service requirement	\$ 1,925,965
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Percent coverage	165.24%
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Percent coverage required	125.00%
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Additional Covenant Requirements: Resolution No. 9227 requires additional information to be presented by the City, but does not require that information to be audited. As a result, information including updated figures for the number of system connections, user rates, and major system users are presented in the Statistical Section to the City's Comprehensive Annual Financial Report for the year ended June 30, 2009.

Storm Drain Bond Covenants

Resolutions No. 9334 and 9360 authorized the issuance of Storm Drain Revenue bonds and include various restrictive provisions and covenants. The more significant provisions and covenants require that reserves be maintained for operations, debt service, and repair and replacement and that the net revenues for each fiscal year be at least equal to 125% of the maximum principal and interest to become due in any year. Net revenues are revenues for a specified period less the operating expenses for the same period. Revenues mean all revenues and receipts from rates, fees, charges and rentals, from penalties and interest, and from any sales of property and all income received from the investment of revenues and receipts, including interest earnings on all accounts excluding the Construction Account, Repair and Replacement Account and Surplus Account.

Operating expenses include current expenses of operation, maintenance and minor repair of the system, excluding interest on bonds and depreciation. At June 30, 2009, the City was in compliance with all significant provisions and covenants.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

8. Long-Term Debt – continued

Storm Drain Bond Covenants – continued

Shown below are the bond reserves of the Storm Drain Fund and the calculation of the coverage covenant as of June 30, 2009.

Bond Reserves

Operating account	\$ 311,340
Debt service account	22,342
Reserve account	475,710

Repair and replacement account	\$ 809,392
	150,000

	\$ 959,392
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Coverage Covenant Calculation

Gross revenues	\$ 1,863,553
Operating expenses	333,500

Net revenues	\$ 1,530,053
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Maximum annual debt service requirement	\$ 475,710
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Percent coverage	321.64%
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Percent coverage required	125.00%
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Additional Covenant Requirements: Resolutions No. 9334 and 9360 require continuing information to be presented by the City. This includes audited financial statements for each fiscal year accompanied by the audit report and opinion of the independent accounting firm, as permitted by the laws of the State. Additional information is also required but it is not mandated that the information be audited. As a result, information including updated figures for the number of system connections, user rates, and major system users are presented in the Statistical Section to the City's Comprehensive Annual Financial Report for the year ended June 30, 2009.

Golf Course Bond Covenants

At June 30, 2009, the City was not in compliance with the Rates and Charges Covenant set forth in Resolution No. 8931 and further modified through Resolution No. 9013. This covenant requires net revenues (gross revenues less operating expenses, exclusive of depreciation expense, and interest expense) to be at least equal to 140% of the principal of and interest on the Series 1998 Bonds and the Series 1999 Bonds.

The City is required to prepare a schedule of altered rates, charges and rentals which are just and equitable and sufficient to produce gross revenues in such amount, and do all things necessary to place such a schedule in operation at the earliest date. Accordingly, the City is planning to adopt new fees for the golf courses in 2010. A copy of the schedule of fees for the golf courses for fiscal year 2009 is included in the Statistical Section to the City's Comprehensive Annual Financial Report for the year ended June 30, 2009. The City Commission in fiscal year 2009 transferred from the General Fund \$76,921 and budgeted in fiscal year 2010 to transfer from the General Fund \$240,000 to assist in operations of the Golf Course Fund.

The City golf course operations are experiencing many of the same declining net revenue trends in golf course operations as other courses throughout the nation. Staff continues to explore long-term solutions to the financial health of the municipal golf course fund.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

8. Long-Term Debt – continued

Golf Course Bond Covenants – continued

Shown below are the bond reserves of the Golf Course Fund and the calculation of the coverage covenant as of June 30, 2009.

Bond Reserves

Reserve account	\$ 237,717
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Coverage Covenant Calculation

Gross revenues	\$ 1,309,590
Operating expenses	1,060,153

Net revenues	\$ 249,437
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Maximum annual debt service requirement	\$ 237,717
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Percent coverage	104.93%
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Percent coverage required	140.00%
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Additional Covenant Requirements: Resolution Nos. 8931 and 9013 require additional information to be presented by the City, but does not require that information to be audited. As a result, the additional information referred to in Resolution Nos. 8931 and 9013 under the captions “golf courses – pass holder rounds played, counts and fees” “golf courses non-pass holder rounds played and green fees,” and “golf courses – historical operating results” is presented in the Statistical Section to the City’s Comprehensive Annual Financial Report for the year ended June 30, 2009. An additional column is added to the reports to reflect anticipated outcomes for the next fiscal year.

Capitalized Interest Expense

During the year ended June 30, 2009, the City incurred interest expense during the construction of assets financed by revenue bonds. This interest expense, less earnings on invested balances of the bond proceeds, was capitalized into the capital asset cost. The water fund incurred a net of \$55,340, the sewer fund incurred a net of \$15,059, and the storm drain fund incurred a net of \$6,626 in such capitalized interest expenses during the year ended June 30, 2009.

Other Liabilities

Other liabilities in the Electric Fund result from prepaid water charges from Southern in the amount of \$1,186,062. This liability occurs in conjunction with the intentional effort to mitigate unknown expenses incurred in this startup enterprise. The liability has ceased to increase and will begin decreasing when a generating facility comes online and begins to consume process water, purchased from the City necessary to operate the plant.

Projected Year Ending June 30	Business-Type Activities		
	Additions	Deductions	Total
2009	\$ 102,148	\$ -	\$ (1,186,062)
2010	-	-	(1,186,062)
2011	-	-	(1,186,062)
2012	-	187,639	(998,423)
2013	-	187,639	(810,784)
2014-2018	-	810,784	-
Totals	\$ 102,148	\$ 1,186,062	\$ -

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

8. Long-Term Debt – continued

Other Liabilities – continued

The City became a member of Southern in fiscal year 2004. In fiscal year 2005, the City began supplying electricity to customers within the City. The first customer group included City, Housing Authority, School District, Airport Authority, Montana Air National Guard, and FedEx. Southern secured a five megawatt per hour block of power for the City at a cost of \$41.70 per megawatt hour. The 5 megawatt per hour block of power was the average energy demand of the customer base. Through December 31, 2008, payment for this block of power was comprised of a cash component of \$36 per megawatt hour, and credit towards future water purchases necessary for the operation of the HGS in the amount of \$5.70 per megawatt hour. Any surplus or shortage of energy consumed related to this block of power is sold or purchased on the energy imbalance market and is also recorded as a prepaid water credit.

In the beginning, the City's energy customers and their previous electricity suppliers were able to provide only a very limited amount of information on actual energy demand at the hourly/daily/monthly/seasonal periods. In addition, the City and Southern were aware of the price volatility in the imbalance market that occurs throughout the year. Therefore, an agreement was reached between the City and Southern, in which a portion of the energy supply from the first block of power would be paid for at a future date when the HGS comes online and begins using raw water, supplied by the City, to generate electricity on behalf of all Southern members, including the City, Great Falls Public Schools, and Great Falls International Airport.

Other Post Employment Benefits (OPEB) Payable

OPEB payable, representing benefits earned by employees but payable after retirement, as of June 30, 2009 were as follows:

Governmental activities	\$123,166
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Changes in Long-Term Liabilities

During the year ended June 30, 2009, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Compensated absences	\$ 3,145,021	\$ 252,244	\$ (162,885)	\$ 3,234,380	\$ 156,631
Loans and contracts payable	274,357	47,560	(33,537)	288,380	137,455
General obligation bonds payable	4,259,037	-	(297,671)	3,961,366	307,422
Urban renewal tax increment bonds payable	2,166,538	-	(1,062,412)	1,104,126	1,104,126
Special assessment debt	765,000	-	(210,000)	555,000	-
OPEB claims payable	-	123,166	-	123,166	-
Totals	\$ 10,609,953	\$ 422,970	\$ (1,766,505)	\$ 9,266,418	\$ 1,705,634
<u>Business-type activities</u>					
Compensated absences	\$ 525,450	\$ 68,015	\$ (52,431)	\$ 541,034	\$ 52,522
Capital leases	1,041,794	-	(112,572)	929,222	120,030
Notes payable	7,130,016	-	(269,867)	6,860,149	282,577
Revenue bonds payable	29,092,903	1,279,325	(2,674,235)	27,697,993	2,797,839
Other liabilities	1,083,914	102,148	-	1,186,062	-
Totals	\$ 38,874,077	\$ 1,449,488	\$ (3,109,105)	\$ 37,214,460	\$ 3,252,968

Conduit Debt

The City has participated in several issues of revenue bonds issued for the purposes of constructing privately operated facilities within the City. These bonds are not direct or contingent liabilities of the City. Revenues from lease agreements and property purchased with the bond proceeds are pledged for the total payment of principal and interest on the bonds and the bondholders can look only to these sources for repayment. As of June 30, 2009, there was one series of Bonds outstanding, with an aggregate principal amount payable of \$5,500,000. The total of the original issue amount of the outstanding bonds was \$5,500,000.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

9. Employee Benefit Plans

Plan Description and Provisions

All City of Great Falls 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 year 2009 and 2008 required employer contributions received were \$2,329,113 and \$2,207,267, 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.

Public Employees' Retirement System (PERS)

All City employees, except firefighters and police officers, are provided pension benefits by this multi-employer plan. Funding is provided by participating units of government and their covered employees. The City's contributions to this plan for the years ending June 30, 2009, 2008, and 2007, were \$1,078,973, \$1,008,032, and \$930,145, respectively. One hundred percent of required contributions were made for all three years. Plan members are required to contribute 6.9% of monthly compensation. The City is also required to contribute 6.935% of members' compensation. The State is required to contribute 0.1% of members' compensation. The State's contribution is paid directly to the plan and does not flow through City accounts.

Participants become eligible for benefits after age 60 and 5 years of service, after age 65 regardless of service, or 30 years of service regardless of age. The normal retirement benefit, payable monthly for life, is the greater of the following formulas:

- a. $1/56 \times \text{Years of Service} \times \text{Final Average Salary (FAS)}$, or
- b. The actuarial equivalent of double the member's accumulating regular contributions, annuitized over the expected life of the member (FAS is the member's highest average gross pay during any 36 consecutive months of membership service).

A participant is eligible for early retirement benefits after age 50 and 5 years of service or after 25 years of service regardless of age. Rights become vested after 5 years of service. The total number of participating City employees at June 30, 2009, was 383.

Firefighters' Unified System (FURS)

Funding is provided by units of local government, their covered employees and the State of Montana. The City's contributions to this plan for the years ended June 30, 2009, 2008, and 2007, were \$553,050, \$525,381, and \$499,497, respectively. One hundred percent of required contributions were made for all three years. Plan members are required to contribute 10.7% of monthly compensation for members who have elected to be covered under the guaranteed annual benefit adjustment (GABA), and 9.5% of monthly compensation for members who have not elected to be covered under the guaranteed annual benefit adjustment (GABA). The City is required to contribute 14.36% of members' compensation. The State is required to contribute 32.61% of members' compensation. The State's contribution is paid directly to the plan and does not flow through City accounts.

Participants are eligible for benefits after 20 years of service and age 50. The benefit for participants hired prior to July 1, 1981, who have attained 50 years of age and 20 years of service is 50% of the monthly salary last received by the participant. Also, an additional 1% for each year of service in excess of 20 years, not to exceed a maximum of 60% of the recipient's latest monthly salary. A participant hired on or after July 1, 1981, or who retires prior to completion of 20 years of service, receives a benefit equal to 2% of average salary for each year of service, not to exceed 60%. Salary is averaged over the last 36 months for those hired on or after July 1, 1981. Rights become vested after 5 years of service. The total number of participating City employees at June 30, 2009, was 64.

Municipal Police Officers' Retirement System (MPORS)

Funding is provided by local units of government, their covered employees, and the State of Montana. The City's contributions to this plan for the years ended June 30, 2009, 2008, and 2007 were \$697,090, \$673,854, and \$623,797, respectively. One hundred percent of required contributions were made for all three years. Plan members are required to contribute 5.8% of monthly compensation for members hired on or before June 30,

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

9. Employee Benefit Plans – continued

1975, and have not elected to be covered under the guaranteed annual benefit adjustment (GABA); 7.0% of monthly compensation for members hired after June 30, 1975, and prior to July 1, 1979; 8.5% of monthly compensation for members hired after June 30, 1979, and prior to July 1, 1997; and 9.0% of monthly compensation for members hired on or after July 1, 1997, and members who have elected to be covered under the guaranteed annual benefit adjustment (GABA). The City is required to contribute 14.41% of members' compensation. The State is required to contribute 29.37% of members' compensation. The State's contribution is paid directly to the plan and does not flow through City accounts.

Participants are eligible for retirement benefits after 20 years of service and age 50. The minimum age requirement does not apply to participants first employed prior to July 1, 1975. The benefit is ½ of average monthly salary during the highest 36 consecutive months of earnings plus 1% of average monthly salary for each additional year of service in excess of 20 years, to a maximum of 60%. Benefits are paid as a modified cash refund annuity. Rights become vested after 5 years of service. The total number of participating City employees at June 30, 2009, was 74.

Funding Policy

	PERS	FURS	MPORS
Authority to establish and amend contribution rates to the plan:	State Legislature	State Legislature	State Legislature
Required plan member contributions:	6.9% of monthly compensation	9.5% ³ and 10.7% ⁴ of monthly compensation	5.8% ¹ , 7.0% ² , 8.5% ³ , 9.0% ⁴ of monthly compensation
		¹ for members hired on or before June 30, 1975, not electing Guaranteed Annual Benefit Adjustment (GABA)	
		² for members hired after June 30, 1975, and prior to July 1, 1979	
		³ for members hired after June 30, 1979 and prior to July 1, 1997	
		⁴ for members electing GABA; and those hired on or after July 1, 1997	
Required employer contributions:	6.935% of monthly compensation	14.36% of monthly compensation	14.41% of monthly compensation
Required state contributions:	0.1% of monthly compensation	32.61% of monthly compensation	29.37% of monthly compensation
Required employer contributions received and % of required amount:			
June 30, 2009	\$ 1,078,973 100%	\$ 553,050 100%	\$ 697,090 100%
June 30, 2008	\$ 1,008,032 100%	\$ 525,381 100%	\$ 673,854 100%
June 30, 2007	\$ 930,145 100%	\$ 499,497 100%	\$ 623,797 100%

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

10. Other Postemployment Benefits

Plan Description

The City provides medical insurance coverage for its employees via a single-employer defined benefit self-insured plan administered by BlueCross/Blue Shield. In accordance with MCA 2-18-702 optional postemployment benefits are provided to employees and dependents who retire under applicable retirement provisions and who elect to continue coverage and pay administratively established premiums. The City allows its retired employees to continue their health care insurance coverage through the City's group health plan until death. Benefit provisions are established through negotiations between the City and the unions representing City employees and are renegotiated each bargaining period.

Funding Policy

The City pays for postemployment health care benefits on a pay-as-you-go basis. Authority establishing the funding policy is given with MCA 2-18-702. The City does not make any contributions towards the cost of retiree health care benefits. The administratively established retiree medical premiums vary between \$328.25 and \$801.00 per month depending on the medical plan selected, family coverage, and Medicare eligibility. As of June 30, 2009, 131 retirees (policyholders) were enrolled in the plan.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) for health insurance is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. Shown below is the City's annual OPEB cost as of June 30, 2009 and the related information:

Annual Required Contribution	\$	280,845
Interest on net OPEB obligation		-
Adjustment to annual required contribution		-
Annual OPEB cost		280,845
Contributions made		157,679
Increase (Decrease) in net OPEB obligation		123,166
Net OPEB obligation beginning of year		-
Net OPEB obligation end of year	\$	123,166

Shown below is the City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2009 and the two preceding years (4% discount rate, and level percent of pay amortization):

Year Ending June 30	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2007	N/A	N/A	N/A
2008	N/A	N/A	N/A
2009	\$ 280,845	56.14%	\$ 123,166

Actuarial Methods and Assumptions

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

10. Other Postemployment Benefits – continued

actuarial liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2008, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and an annual healthcare costs trend rate of 6.20%. The amortization of the City's unfunded actuarial accrued liability is being amortized over thirty level payments.

11. Construction Commitments

The City has entered into contracts for the design, construction or renovation of various facilities at June 30, 2009, some of which are as follows:

	Amount Expended to Date	Remaining Construction Commitment	Expected Date of Completion
5 th Street S Streetscape and Sidewalk	\$ 693	\$ 163,511	December 2009
Engineers Office Remodel	28,239	55,761	June 2010
BNRR/River Drive	661,025	627,707	December 2009
Prairie Ridge Estates	14,021	143,979	June 2010
1 st Avenue N – 5 th Avenue S	395,193	554,807	December 2009
Valley Gutters	522	59,478	December 2009
Lift Station #30 Lift Pad	6,925	52,075	December 2009
Great Falls North Sanitary & Storm Drain	137,220	88,575	June 2010
Sanitary Sewer Phase 12	120,672	119,328	June 2010
Grande Vista 2	125	219,874	June 2010
Backwash/Screen	234,313	94,001	December 2009
Park Improvements	12,500	132,500	December 2009

12. Operating Leases

The City leases some of its property to others under operating leases expiring in future years. The current year rental costs and minimum future rentals on noncancellable operating leases as of June 30, 2009, were not significant.

The City also leases certain office equipment from others under operating leases expiring in future years. The current year rental costs and minimum future rentals on noncancellable operating leases as of June 30, 2009, were not significant.

13. Contracted Services

The City has entered into intergovernmental agreements with Cascade County for the following services:

Fire Districts

The City provides fire protection for 16 rural fire districts. The term of this agreement is for the period of four (4) years from July 1, 2005 to September 30, 2009.

Bulk Water Service

The City and Cascade County entered into an interlocal agreement for the City to provide bulk water service to Cascade County residents. The term of this agreement is for the period of fifteen (15) years from July 1, 1995, through June 20, 2010. The City will supply bulk water and storm drain service to the three (3) City dispensing station sites presently located within the City of Great Falls.

Dispatch and Communication Services

The City provides dispatching and communication services for the sheriff and rural fire departments. The agreement is dated May 21, 1996, and continues in effect until canceled by either party.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

13. Contracted Services – continued

Library

The County contributes to the operations of the City/County Library. The County assesses a rural mill levy for the purpose of making contributions to the City library operating costs.

Health Department

On November 22, 1999, the County and the City entered into an interlocal agreement establishing management authority, maintenance responsibilities, and ownership of record for the new City-County Health Department building. The City contributes to the operations of the City-County Health Department. The City remits to the County a contribution for operating costs on a periodic basis.

The City has entered into agreements with the following entities for operation of certain facilities:

Electric City Power

Electric City Power (ECP) is licensed through the Public Service Commission to supply electricity. On November 1, 2005, the City created and organized a nonprofit corporation under Ordinance 2925, to own, operate and take all other actions necessary or desirable in connection with the municipal electric utility of the City, including the provision of electricity supply services to consumers and others located within or outside of the City. The City has contracted with Southern Montana Electric Generation and Transmission Cooperative, Inc (Southern) for its energy supply contracts necessary to serve the City's electric utility customers.

On September 21, 2004, the City Commission approved a Wholesale Power Purchase Contract with Southern. The result of the contract was to allow the City to provide enough electricity to supply the City's needs, and the needs of ECP customers which are comprised of Great Falls Public Schools, Veolia Water North America, Great Falls Housing Authority, Montana Refining Company, Pilot Program, Barretts Minerals, Federal Express, Montana Air National Guard, Great Falls Airport Authority, Benefis Healthcare, Meadow Gold Dairies, General Mills, Pacific Steel and Recycling, Davidson Investment Partnership, D A Davidson and Company, McLaughlin Research Institute, Lumber Yard Supply Company, and Southern Foods Group. On October 2, 2007, the City Commission approved a revised Wholesale Power Purchase Contract with Southern. The revisions extended the expiration date to December 30, 2048 and provided language necessary to satisfy various agencies, and financial institutions regarding the relationship of Southern and the City.

On February 3, 2009 two rate riders were added to the October 2007 contract to specify methodology used to determine amounts due to Southern with the implementation of a blended/transition rate as well as reporting of wastewater treatment plant co-generation to Southern in compliance with the contract.

On March 15, 2005 the City Commission approved the water service agreement with Southern outlining the rates charged for water service through June 30, 2010 for raw water, and applicable fees. The agreement also outlines the responsibilities of the parties in regards to the reporting of data, the ownership of the meters and system, and the payment requirements, along with addressing the water rights transfer application necessary to utilize available municipal raw water.

On October 2, 2007 an assignment and assumption agreement between ECP and the City was approved by the City Commission. This agreement transfers and assigns all the City's rights, title and interest in the City's power supply contracts and customer contracts to the nonprofit utility, ECP. The agreement was created under the Interlocal Cooperation Act provided for under Montana Code and would allow ECP to assume all of the existing customer contracts.

On June 17, 2008 the City Commission approved a fire protection and emergency services agreement between the City and Southern related to City services to be provided to the Highwood Generating Station facility.

Housing Authority

The City provides management and payroll services for the Great Falls Housing Authority. The authority reimburses the City for the costs related to providing these services.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

13. Contracted Services – continued

Parking Facilities

The City has a management agreement with APCOA for operation of all the City's parking facilities and for enforcement of parking violations. The contract runs through December 31, 2010, with an option for the City to renew for an additional three years.

Soccer Park

"The Seibel Soccer Park" was built and is owned by the City, but is operated and maintained through a lease by the Great Falls Soccer Foundation. The lease was approved June 2, 2009 with a twenty-five year term. As a condition of the lease agreement the Great Falls Soccer Foundation will be responsible for maintenance and upkeep of all property and buildings, and be responsible for all associated costs.

Solid Waste

The City has contracted with Montana Waste Systems, currently operating a private landfill for landfill privileges. The contract was initially approved March 19, 2002 with a five-year term with two five-year renewal options.

Wastewater Treatment Plant

The City's wastewater treatment plant is operated by Veolia Water North America Operating Services. The contract was renewed in fiscal year 2004 and expires in August 2014.

14. Contingencies

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City. Accordingly, no provision has been made in the financial statements for these contingent liabilities.

In 2005, an action against the City was filed concerning the construction of Seibel Soccer Park. Damages are undetermined at this time, but a suit related retainage of \$98,697 was placed in the General Capital Projects fund.

On July 17, 2007 the City Commission approved a security agreement in the amount of \$1,400,000 on behalf of Electric City Power for Southern purchases of energy necessary to supply ECP customers. It is a standard industry practice to require some form of security equal to two months of energy supply costs. Certificates of deposit are held in the name of the City by a third party banking institution. The terms of the security agreement authorize the use of funds in the event payment is not made in accordance with the terms of the energy supply contracts entered into by Southern on behalf of ECP customers. The certificates of deposit are part of the City's pooled cash and investments. Interest earnings on the certificates of deposit accrue to the City. There has never been a draw exercised against these funds. All ECP customers are current in payments to ECP. ECP is current in payments to Southern. Southern is current in payments to the energy supplier.

15. Risk Management

The City faces a considerable number of risks of loss, including damage to and loss of property and contents, employee torts, professional liability (i.e. errors and omissions), environmental damage, workers' compensation, and medical insurance costs of employees. A variety of methods are used to provide insurance for these risks. Commercial policies, transferring all risks of loss except for relatively small deductible amounts, are purchased for property and content damage and professional liabilities. The City participates in three state-wide public risk pools operated by the Montana Municipal Insurance Authority, for workers' compensation, tort liability coverage, and property coverage. In 2006/2007 the Montana Municipal Insurance Authority added pollution coverage at no additional cost to the members. Employee medical insurance is provided through a privately administered, self-insured plan.

Coverage limits and the deductibles in the commercial policies have stayed relatively constant for the last several years. The premiums for the policies are allocated between the City's funds based on prior years' loss

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

15. Risk Management – continued

experiences. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

In 1986, the City joined together with other Montana cities to form the Montana Municipal Insurance 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 City's liability limits for damages in tort action are \$750,000 per claim and \$1.5 million per occurrence with a \$7,500 deductible per claim. The City pays an annual premium 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 originally issued \$4.41 million and \$7.61 million in bonds, respectively, to immediately finance the necessary insurance reserves. The plan has no debt outstanding at this time. In June of 1994, the workers' compensation bonds were refunded and reissued in the amount of \$7.62 million. 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 City's share is \$1,010,832 for workers' compensation. Based on the current financial position of the plan, the City does not expect to make any payment on this note.

The City provides medical insurance coverage for its employees via a self-insured plan administered by Blue Cross/Blue Shield. It provides medical, dental and vision benefits and it is operated as an internal service fund, the Health and Benefits Fund. Rates are determined in consultation with Blue Cross/Blue Shield based on past claim experience. The rates include a premium for a commercial "stop-loss" policy for when claims, in total, exceed the 115% amount or when any one claimant exceeds \$150,000 in covered charges during a year. In December 2007, the aggregate portion of the stop loss was discontinued.

Liabilities of the Health and Benefits Fund are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. These claims are estimated, based on past claim experience, to represent 1.8 to 2 times the average monthly claims paid during the previous six months. At June 30, 2009, the amount of these claims was \$778,475. The City accrues as liabilities those claims that have been reported within sixty days of the date of the financial statements as being incurred prior to the date of the financial statements.

Changes in the claims payable amount during fiscal years 2009 and 2008 are as follows:

	Claims Payable Beginning of Fiscal Year	Claims Incurred	Claims Paid	Claims Payable End of Fiscal Year
2008/2009	\$ 579,147	\$ 5,020,129	\$ (4,820,801)	\$ 778,475
2007/2008	\$ 620,336	\$ 3,697,926	\$ (3,739,115)	\$ 579,147

The cash available to pay claims at June 30, 2009 was \$2,287,161.

16. Net Assets

In the government-wide financial statements, net assets are classified in the following categories:

Invested in capital assets, net of related debt

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

Restricted net assets

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 enabling legislation. Additionally, this category represents restrictions placed on the categories of Capital Projects, Debt Service, and specific projects and programs established by the City Commission.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

16. Net Assets – continued

Unrestricted net assets

This category represents the net assets of the City which are not restricted for any project or other purpose.

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the City Commission and Management and can be increased, reduced, or eliminated by similar actions. As of June 30, 2009, reservations of fund balance are described below:

Special Revenue Funds		
Library		
Designated for improvements	\$	115,580
Park Special Revenue		
Designated for parkland		287,939
Economic Revolving		
Designated for BRAC		92,585
Fiduciary Funds		
Designated for Castle Pines		148,707
Total	<u>\$</u>	<u>644,811</u>

17. Deficit Fund Balances and Net Assets

The West Bank Urban Renewal special revenue fund has a fund balance deficit of \$1,090,690. This fund is used to account for fund operations for the West Bank Park Urban Renewal District. The fund is new and revenue has not been received yet to cover expenses. The debt to cover the deficit was issued July 7, 2009.

The Swim Pool Rehab Bond debt service fund has a fund balance deficit of \$5,892. This fund is used to account for 10-year General Obligation Bonds Series 2007 payable for the rehabilitation of the Mitchell, Water Tower, and Jaycee Pools. The fund has taxes receivable in the amount of \$88,503 which will cover the fund deficit when the taxes are received.

The Street Lighting Construction capital projects fund has a fund balance deficit of \$18,400. This fund is used to account for financing the installation of city owned lighting district improvements. The improvements are financed by reimbursement loans from Montana Board of Investments. The timing of the reimbursement requests resulted in the deficit.

The Administrative Services internal service fund has a net asset deficit of \$13,347. Charges for services for this fund have been adjusted in fiscal year 2010 to cover the deficit.

The Electric enterprise fund has a net asset deficit of \$2,329,188. This is due, in part, to the account payable for electricity (prepaid water) from Southern in the amount of \$1,186,062. This occurs in conjunction with the intentional effort to mitigate unknown expenses incurred in the startup enterprise. In addition, there has been a \$1,144,504 impairment loss on the value of the Highwood Generating Station due to a change in construction efforts from a coal-fired generating facility to a gas-fired generating facility. The Electric enterprise fund has an unrestricted net asset deficit of \$2,764,142. This is due to the restriction of funds in the amount of \$100,00 required by the Public Service Commission and \$334,954 that is held by Southern in accordance with Southern policy to have one month's average billing on deposit to be used for the payment of expenses to its suppliers in advance of Southern's billings to its members. The account payable for electricity (prepaid water) increased through fiscal year 2009 and will begin decreasing when a generating plant comes online and begins utilizing raw water provided by the City to operate the plant.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

17. Deficit Fund Balances and Net Assets – continued

Long term energy supply contracts were entered into prior to 2007 in anticipation of an expanding customer base. In 2007, Montana legislative actions placed limitations on ECP's ability to sign new customers resulting in energy supply obligations in excess of customer needs in the short term.

On February 3, 2009 the City Commission approved the wholesale power rate adjustment offer from Southern authorizing a transition rate through December 31, 2010 that will be charged for actual kwh's consumed by ECP customers instead of actual costs adjusted for net imbalance sales and purchases on the open market.

City of Great Falls Ordinance 2925, An Ordinance amending Title 5, Chapter 20, OCCGF, Authorizing and Approving the Creation of Electric City Power, Inc. Pursuant to the Montana Nonprofit Corporation Act in order to Secure and Provide reliable and economic supplies of Electricity for the City of Great Falls, its Residents and Other Consumers, was passed by the Commission November 1, 2005. Section 5.20.070 Rates. states "Such rates and charges shall be designed to enable the Corporation to operate on a self-sufficient and self-sustaining basis and to produce revenues at all times sufficient to pay all operating, maintenance, debt service, repair and replacement costs of the Corporation and to provide reserves necessary or desirable for working capital, capital improvements and replacements and rate stabilization purposes." Future rate increases for electricity customers are provided in the customer service contracts. Increased rates paid by customers along with rate decreases occurring as a result of new rate structuring offered by Southern will cause the deficit balance to decline and be eliminated over time.

18. Subsequent Events

On July 7, 2009, the City Commission approved Resolution 9837, authorizing a loan agreement with the Montana Board of Investments for \$20,516 to fund the installation cost of five City owned street lights in Water Tower Park Addition. The loan has a variable interest rate that changes annually in February and the current interest rate is 3.25%. The term of the loan will be fifteen years and is repayable from assessments levied against the sixteen individual properties within the lighting district.

On July 7, 2009, the City Commission approved Resolution 9842, authorizing the issuance and fixing the terms of a \$416,300 subordinate lien taxable series 2009A Bond and a \$333,700 Series 2009B Bond funded through the American Recovery and Reinvestment Act of 2009 (ARRA) to continue the replacement of the water system in various areas throughout Great Falls. Loan A will be forgiven upon completion of the ARRA program requirements. Loan B will be at 1.75% per annum with a term of twenty years. All issuance fees and costs will be paid out of this financing. Pending completion of the financing process, cash balances in the water fund will provide sufficient cash to pay up front expenses.

On July 21, 2009, the City Commission approved Resolution 9815, ratifying the sale and prescribing the form, terms and the security of the \$2,000,000 Tax Increment Urban Renewal Revenue Bonds, Series 2009A. The tax increment generated annually from property improvements within the district, based on reports from the Department of Revenue has been determined to adequately pay the principal and interest of the Series 2009A Bonds of the term of the debt. The bonds have an average interest rate of 5.60%. The term of the bonds is not more than twenty-five years.

On September 1, 2009, the City Commission approved Resolution 9863, authorizing the issuance and fixing the terms of a \$390,700 subordinate lien taxable Series 2009A Bond and a \$359,300 Series 2009B Bond funded through the American Recovery and Reinvestment Act of 2009 (ARRA) to continue the replacement of the water system in various areas throughout Great Falls. Loan A will be forgiven upon completion of the ARRA program requirements. Loan B will be at 1.75% per annum with a term of twenty years. All issuance fees and costs will be paid out of this financing. Pending completion of the financing process, cash balances in the water fund will provide sufficient cash to pay up front expenses.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2009

18. Subsequent Events - continued

On October 20, 2009, the City Commission approved Resolution 9843, authorizing and directing the issuance, awarding the sale, and prescribing the form, terms and security of the \$900,000 Tax Increment Urban Renewal Subordinate Lien Revenue Note, Series 2009. The tax increment generated annually from property improvements within the district, based on reports from the Department of Revenue has been determined to adequately pay the principal and interest of the Series 2009 Bonds of the term of the debt in a subordinate position to the previously authorized \$2,000,000 Tax Increment Revenue Bonds, Series 2009A. The bonds have an average interest rate of 5.60%. The term of the bonds is not more than twenty-five years.

19. BID Component Unit Prior Period Adjustment

The Business Improvement District Component Unit made a prior period adjustment that is reflected on the entity wide statement of activities. The prior year summarized information for the year ended June 30, 2008, has been restated due to an error in recording grants payable. The correction of this error decreased the grants payable and expenditures by \$12,356 for the fiscal year ended June 30, 2008.

**Required Supplementary Information Other Than Management
Discussion and Analysis**

City of Great Falls, Montana
Actuarial Valuation of Postretirement Benefits
as of July 1, 2008

Actuarial Valuation Date	Actuarial Value of Asset	Actuarial Liabilities (AAL) ¹	Unfunded Actuarial Liabilities (UAAL) ²	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2006	N/A	N/A	N/A	N/A	N/A	N/A
July 1, 2007	N/A	N/A	N/A	N/A	N/A	N/A
July 1, 2008	-	\$ 2,943,684	\$ 2,943,684	0%	\$ 16,347,592	18%

¹ Actuarial liability determined under the unit credit cost method.

² Actuarial liability less actuarial value of assets if any.

City of Great Falls, Montana
Budgetary Comparison Schedule - General Fund
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Taxes	\$ 11,882,800	\$ 11,882,800	\$ 12,134,314	\$ 251,514
Licenses and permits	737,524	737,524	753,006	15,482
Intergovernmental	6,290,740	6,301,240	6,268,920	(32,320)
Charges for services	975,910	979,153	1,266,870	287,717
Fines and forfeitures	1,497,300	1,497,300	1,430,200	(67,100)
Internal services	853,861	853,861	857,400	3,539
Investment income	75,000	75,000	16,317	(58,683)
Other	36,650	36,650	39,869	3,219
	<u>22,349,785</u>	<u>22,363,528</u>	<u>22,766,896</u>	<u>403,368</u>
EXPENDITURES				
Current				
General government				
Personal services	1,414,738	1,409,752	1,346,180	63,572
Operations and maintenance	1,405,803	1,412,520	1,341,694	70,826
Public safety				
Personal service	12,373,647	12,384,147	12,295,289	88,858
Operation and maintenance	3,134,294	3,124,939	2,944,133	180,806
Culture and recreation				
Personal services	1,298,622	1,298,622	1,255,034	43,588
Operations and maintenance	692,978	692,978	642,649	50,329
Debt service				
Principal	17,449	17,449	-	17,449
Interest	14,772	14,772	14,772	-
Capital outlay	1,700	14,821	14,489	332
Total expenditures	<u>20,354,003</u>	<u>20,370,000</u>	<u>19,854,240</u>	<u>515,760</u>
Revenues over (under) expenditures	<u>1,995,782</u>	<u>1,993,528</u>	<u>2,912,656</u>	<u>919,128</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	236,000	236,000	272,000	36,000
Transfers out	(2,230,087)	(2,334,853)	(2,334,853)	-
Proceeds of general capital asset dispositions	-	-	2,160	2,160
Total other financing sources (uses)	<u>(1,994,087)</u>	<u>(2,098,853)</u>	<u>(2,060,693)</u>	<u>38,160</u>
Net changes in fund balance	<u>\$ 1,695</u>	<u>\$ (105,325)</u>	851,963	<u>\$ 957,288</u>
Fund balances -- beginning			<u>2,659,961</u>	
Fund balance -- ending			<u>\$ 3,511,924</u>	

The accompanying notes are an integral part of these financial statements.

City of Great Falls, Montana
Budgetary Comparison Schedule - Special Revenue Funds
Year Ended June 30, 2009

Street District

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	
REVENUES				
Licenses and permits	\$ 4,500	\$ 4,500	\$ 3,876	\$ (624)
Intergovernmental	1,389,529	1,389,529	1,398,370	8,841
Charges for services	121,822	121,822	193,823	72,001
Internal services	141,770	141,770	77,874	(63,896)
Special assessments	2,888,858	2,888,858	3,141,592	252,734
Investment income	10,000	10,000	34,856	24,856
Other	4,753	4,753	24,741	19,988
	<u>4,561,232</u>	<u>4,561,232</u>	<u>4,875,132</u>	<u>313,900</u>
EXPENDITURES				
Current				
Public works				
Personal services	1,828,560	1,828,560	1,858,010	(29,450)
Operations and maintenance	2,365,165	3,035,487	1,965,138	1,070,349
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Capital outlay	285,714	757,515	176,397	581,118
Total expenditures	<u>4,479,439</u>	<u>5,621,562</u>	<u>3,999,545</u>	<u>1,622,017</u>
Revenues over (under) expenditures	<u>81,793</u>	<u>(1,060,330)</u>	<u>875,587</u>	<u>1,935,917</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	286,624	286,624	-
Total other financing sources	<u>-</u>	<u>286,624</u>	<u>286,624</u>	<u>-</u>
Net changes in fund balance	<u>\$ 81,793</u>	<u>\$ (773,706)</u>	1,162,211	<u>\$ 1,935,917</u>
Fund balances -- beginning			<u>1,843,977</u>	
Fund balance -- ending			<u>\$ 3,006,188</u>	

The accompanying notes are an integral part of these financial statements.

Continued on next page

City of Great Falls, Montana
Budgetary Comparison Schedule - Special Revenue Funds (Concluded)
Year Ended June 30, 2009

	Community Development Block Grant			
	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental	917,014	917,014	919,955	2,941
Charges for services	300,000	506,296	289,619	(216,677)
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Other	160	160	150	(10)
Total revenues	<u>1,217,174</u>	<u>1,423,470</u>	<u>1,209,724</u>	<u>(213,746)</u>
EXPENDITURES				
Current				
Public works				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	136,152	136,152	134,514	1,638
Operations and maintenance	922,170	1,501,569	843,995	657,574
Capital outlay	267,661	508,403	288,923	219,480
Total expenditures	<u>1,325,983</u>	<u>2,146,124</u>	<u>1,267,432</u>	<u>878,692</u>
Revenues over (under) expenditures	<u>(108,809)</u>	<u>(722,654)</u>	<u>(57,708)</u>	<u>664,946</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net changes in fund balance	<u>\$ (108,809)</u>	<u>\$ (722,654)</u>	<u>(57,708)</u>	<u>\$ 664,946</u>
Fund balances -- beginning			<u>455,544</u>	
Fund balance -- ending			<u>\$ 397,836</u>	

The accompanying notes are an integral part of these financial statements.

City of Great Falls, Montana
Notes to Budgetary Comparison Schedule
June 30, 2009

1. Summary of Significant Accounting Policies

a. Budgets and Budgetary Accounting

Annual budgets are legally required and are prepared for all funds except trust and agency funds. The 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.

The City is required to prepare its accounting records and financial reports in accordance with generally accepted accounting principles established by the governmental accounting standards board according to Title 7, Chapter 6, Part 6, MCA. For budgeting purposes, the budget must show the complete expenditure program for the local government entity for the coming fiscal year and the sources by which it will be funded. The legal level of budgetary control is at the fund level. The final budget is enacted by the City Commission after holding public hearings as required by state statutes.

The City is organized under the provisions of the commission-manager form of government. The City Commission retains authority to set budget parameters through approval and adoption of annual budgets. The authority to make transfers of appropriations between funds is retained by the City Commission. The City Manager is delegated the authority to make transfers or revisions within appropriations of any fund. The Annual Budget Resolution allows the City Manager the flexibility to incorporate the appropriated reserves and contingency accounts into the adopted budget. The City Manager may delegate, to Department Directors, the authority to make transfers or revisions within appropriations of specific operations, limited to the fund level of accountability.

All appropriations lapse at the end of the fiscal year, but the Annual Budget Resolution allows for the “carryover” of the appropriation in specific circumstances.

b. Excess of Expenditures Over Appropriations

The special revenue and debt service funds that have excess expenditures over appropriations are: Lighting Districts, 911 Special Revenue, Library, Library Foundation, River’s Edge Trail, and Licenses Fund. The Lighting Districts special revenue fund was over budget due to unexpected street light repairs. The 911 special revenue fund was over budget due to unbudgeted payments for Safety Services. The Library special revenue fund was over budget due to unexpected expenditures in supplies and capital outlay. The Library Foundation special revenue fund was over budget due to unexpected expenditures in supplies and capital outlay. The River’s Edge Trail special revenue fund was over budget due to unexpected expenditures in capital outlay. The Licenses special revenue fund was over budget due to increased expenditures in internal services.

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds account for resources and expenditures which are designated by law or contractual agreement for specified functions or activities and are legally required to be accounted for in separate funds. Such resources are derived from specific taxes and federal grants and entitlements.

Tax Increment Fund – This fund is used to account for special revenue derived from the City’s Tax Increment District other than incremental property taxes.

Planning Fund – This fund is used to account for fund operations for the City’s Planning Department. The Planning Department accounts for subdivision reviews, annexations, re-zoning, transportation planning, historic preservation, and other related planning services within the City of Great Falls incorporated limits.

CTEP Projects Fund – This fund is used to account for the Community Transportation Enhancement Program (CTEP) federal grant funds received by the City from the Montana Department of Transportation.

Lighting Districts Fund – This fund is used to account for the collection of assessments and subsequent payment of special lighting district costs.

Historic Bridge Fund – This fund is used to account for funds from an inter-local agreement with Montana Department of Transportation and an agreement with Preservation Cascade/National Trust for Historic Preservation for preservation of the 10th Street Bridge.

Support and Innovation Fund – This fund is used to account for general government support provided to governmental and quasi-governmental entities which operate under their own policy making boards.

911 Special Revenue Fund – This fund is used to account for the shares of telephone charges received to support 911 emergency telephone services. The City operates a regional 911 emergency telephone center.

Police Special Revenue Fund – This fund is used to account for drug forfeitures, court judgments, crime prevention education, and other contributions or donations to the Police Department.

Fire Special Revenue Fund – This fund is used to account for donations to the Fire Department for fire prevention and education.

CCALS (Charles C. Carrico Advanced Life Support) Fire Fund – This fund is used to account for donations used toward bringing advanced life support services to the greater Great Falls area.

Public Works Fund – This fund is used to account for special federal and state funded projects administered by the Public Works Department.

Library Fund – This fund is used to account for fund operations for the library. The Great Falls Public Library provides for the informational and recreational needs of the residents of Great Falls and Cascade County.

Library Foundation Fund – This fund is used to account for restricted and unrestricted donations for the library.

Park Special Revenue Fund – This fund is used to account for donations and contributions related to Parks and Recreation, including Park Land “Trust”, and special events operated by Park and Recreation.

River’s Edge Trail Fund – This fund is used to account for donations and grants from private, corporate or foundation sponsors for continued development of the River’s Edge Trail.

Multi-Sports Fund – This fund is used to account for contributions from softball teams for Multi-Sports complex improvements.

Natural Resources Fund – This fund is used to account for fund operations to provide arboriculture, horticultural, and natural resource services in all public property and right-of-ways within the City of Great Falls.

Housing Authority Admin Fund – This fund is used to account for fund operations for the Housing Authority. The City of Great Falls provides staff and management to the Great Falls Housing Authority Board of Commissioners, through a contractual agreement, to manage and operate public housing in Great Falls and Section 8 vouchers and certificates.

HOME Grant Fund – This fund is used to account for the federal grant funds received through the HOME Investment Partnership Program to expand the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing for very low to low income people.

Special Revenue Funds (Continued)

Community Development Fund – This fund is used to account for the overall administration of the Community Development Department.

Economic Revolving Fund – This fund is used to account for deposits from various programs having pay backs to the City. The Community Development Department monitors activities such as UDAG loans, tax increment loans, economic development loans, land leases, etc. Loan requests are granted by the City Commission based on recommendations provided by the Loan Advisory Board.

Permits Fund – This fund is used to account for the revenues and expenses associated with the building permit process of the City.

Licenses Fund – This fund is used to account for the revenues and expenses associated with the license process of the City.

Ag Tech Park Fund – This fund is used to account for fund operations to encourage industrial growth by providing tax increment financing for acquisition of a rail spur. The rail spur will provide access to the Agriculture Technology Park for the delivery and shipping of products.

West Bank Urban Renewal Fund – This fund is used to account for fund operations for the West Bank Park Urban Renewal District.

Debt Service Funds

The debt service funds account for the accumulation of resources for the payment of principal and interest on debt such as general obligation, tax increment, and special assessment.

Master Debt SILD – This fund is used to account for City owned and operated new lighting districts debt. This fund is administered by the Fiscal Services Department.

Improvement District Revolving Fund – This fund is used to account for bonded indebtedness on Special Improvement Districts (SIDs). This fund is administered by the Fiscal Services Department.

Soccer Park Bond Fund – This fund is used to account for General Obligation Bonds Series 2004 payable for construction of the Electric City Soccer Park. This fund is administered by the Fiscal Services Department.

Swim Pool Rehab Bond Fund – This fund is used to account for 10-year General Obligation Bonds Series 2007 payable for the rehabilitation of the Mitchell, Water Tower, and Jaycee Pools. This fund is administered by the Fiscal Services Department.

Tax Increment Bond Fund – This fund is used to account for the specially limited obligation bonds payable from tax increments received by the City from its Downtown Urban Renewal Area. The Tax Increment District was created and the taxable base value set in 1977.

Capital Projects Funds

The capital projects funds account for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds).

General Capital Projects Fund – This fund is used to account for general purpose funds dedicated to capital projects.

Street Lighting Construction Fund – This fund is used to account for financing the installation of city owned lighting district improvements.

Improvement District Projects Fund – This fund is used to account for general improvement capital projects financed by special assessments.

Hazard Removal Fund – This fund is used to account for fund operations for accomplishing the removal of dangerous buildings and the clean up of problem properties when the property owner is financially unable or unwilling to correct the problem.

City of Great Falls, Montana
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

Special Revenue Funds

	Tax Increment	Planning	CTEP Projects	Lighting Districts	Historic Bridge
ASSETS					
Cash and cash equivalents	\$ 41,038	\$ 25	\$ 53,624	\$ 125,402	\$ -
Restricted cash and investments	-	-	-	-	-
Receivables					
Taxes	-	-	-	-	-
Special assessments	-	-	-	79,098	-
Accounts	-	-	-	6,475	11,080
Accrued interest	449	67	316	-	-
Loans	-	-	-	-	-
Due from other city funds	-	-	-	-	-
Due from other governments	-	74,221	9,089	610	30,150
Advances to other funds	-	-	-	577,514	-
Other current assets	-	-	-	-	-
Total assets	<u>\$ 41,487</u>	<u>\$ 74,313</u>	<u>\$ 63,029</u>	<u>\$ 789,099</u>	<u>\$ 41,230</u>
LIABILITIES					
Accounts payable	\$ -	\$ 2,325	\$ 1,699	\$ 24,017	\$ 36,304
Due to other city funds	-	6,665	-	-	4,856
Deferred revenue	-	-	-	59,054	-
Other liabilities	-	41,726	-	-	-
Total liabilities	<u>-</u>	<u>50,716</u>	<u>1,699</u>	<u>83,071</u>	<u>41,160</u>
FUND BALANCES					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Total reserved fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unreserved:					
Special revenue funds					
Designated for BRAC	-	-	-	-	-
Designated for improvements	-	-	-	-	-
Designated for parkland	-	-	-	-	-
Undesignated	41,487	23,597	61,330	706,028	70
Total unreserved special revenue funds	<u>41,487</u>	<u>23,597</u>	<u>61,330</u>	<u>706,028</u>	<u>70</u>
Debt Service					
Undesignated	-	-	-	-	-
Capital projects funds					
Undesignated	-	-	-	-	-
Total fund balances	<u>41,487</u>	<u>23,597</u>	<u>61,330</u>	<u>706,028</u>	<u>70</u>
Total liabilities and fund balances	<u>\$ 41,487</u>	<u>\$ 74,313</u>	<u>\$ 63,029</u>	<u>\$ 789,099</u>	<u>\$ 41,230</u>

Continued on next page

City of Great Falls, Montana
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2009

Special Revenue Funds

	Support and Innovation	911 Special Revenue	Police Special Revenue	Fire Special Revenue	CCALS Fire
ASSETS					
Cash and cash equivalents	\$ 97,142	\$ 456,048	\$ 389,302	\$ 81,594	\$ 4,555
Restricted cash and investments	-	-	-	-	-
Receivables					
Taxes	-	-	-	-	-
Special assessments	34,497	-	-	-	-
Accounts	-	-	-	2,640	-
Accrued interest	240	1,705	1,628	352	13
Loans	-	-	-	-	-
Due from other city funds	-	-	-	-	-
Due from other governments	219	-	20,000	-	-
Advances to other funds	-	-	-	-	-
Other current assets	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 132,098</u>	<u>\$ 457,753</u>	<u>\$ 410,930</u>	<u>\$ 84,586</u>	<u>\$ 4,568</u>
LIABILITIES					
Accounts payable	\$ 60,440	\$ -	\$ 978	\$ 1,041	\$ -
Due to other city funds	-	-	-	-	-
Deferred revenue	27,285	-	194,267	4,362	-
Other liabilities	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>87,725</u>	<u>-</u>	<u>195,245</u>	<u>5,403</u>	<u>-</u>
FUND BALANCES					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total reserved fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unreserved:					
Special revenue funds					
Designated for BRAC	-	-	-	-	-
Designated for improvements	-	-	-	-	-
Designated for parkland	-	-	-	-	-
Undesignated	44,373	457,753	215,685	79,183	4,568
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total unreserved special revenue funds	<u>44,373</u>	<u>457,753</u>	<u>215,685</u>	<u>79,183</u>	<u>4,568</u>
Debt Service					
Undesignated	-	-	-	-	-
Capital projects funds					
Undesignated	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>44,373</u>	<u>457,753</u>	<u>215,685</u>	<u>79,183</u>	<u>4,568</u>
Total liabilities and fund balances	<u>\$ 132,098</u>	<u>\$ 457,753</u>	<u>\$ 410,930</u>	<u>\$ 84,586</u>	<u>\$ 4,568</u>

Continued on next page

City of Great Falls, Montana
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2009

Special Revenue Funds

	Public Works	Library	Library Foundation	Park Special Revenue	River's Edge Trail
ASSETS					
Cash and cash equivalents	\$ 40,011	\$ 260,914	\$ 36,058	\$ 391,599	\$ 1,580
Restricted cash and investments	-	115,580	-	-	-
Receivables					
Taxes	-	2,439	-	-	-
Special assessments	-	-	-	-	-
Accounts	-	-	-	18,000	-
Accrued interest	167	437	261	1,611	15
Loans	-	-	-	-	-
Due from other city funds	-	11,963	-	-	-
Due from other governments	-	58	-	-	-
Advances to other funds	-	19,382	-	-	-
Other current assets	9,734	-	-	-	-
Total assets	<u>\$ 49,912</u>	<u>\$ 410,773</u>	<u>\$ 36,319</u>	<u>\$ 411,210</u>	<u>\$ 1,595</u>
LIABILITIES					
Accounts payable	\$ -	\$ 5,605	\$ 4,228	\$ 500	\$ -
Due to other city funds	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total liabilities	<u>-</u>	<u>5,605</u>	<u>4,228</u>	<u>500</u>	<u>-</u>
FUND BALANCES					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Total reserved fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unreserved:					
Special revenue funds					
Designated for BRAC	-	-	-	-	-
Designated for improvements	-	115,580	-	-	-
Designated for parkland	-	-	-	287,939	-
Undesignated	49,912	289,588	32,091	122,771	1,595
Total unreserved special revenue funds	<u>49,912</u>	<u>405,168</u>	<u>32,091</u>	<u>410,710</u>	<u>1,595</u>
Debt Service					
Undesignated	-	-	-	-	-
Capital projects funds					
Undesignated	-	-	-	-	-
Total fund balances	<u>49,912</u>	<u>405,168</u>	<u>32,091</u>	<u>410,710</u>	<u>1,595</u>
Total liabilities and fund balances	<u>\$ 49,912</u>	<u>\$ 410,773</u>	<u>\$ 36,319</u>	<u>\$ 411,210</u>	<u>\$ 1,595</u>

Continued on next page

City of Great Falls, Montana
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2009

Special Revenue Funds

	Multi-Sports	Natural Resources	Housing Authority Admin	HOME Grant	Community Development
ASSETS					
Cash and cash equivalents	\$ -	\$ 146,276	\$ -	\$ 5,641	\$ 48,537
Restricted cash and investments	-	-	-	-	-
Receivables					
Taxes	-	-	-	-	-
Special assessments	-	23,131	-	-	-
Accounts	-	8,113	-	-	-
Accrued interest	-	457	-	-	267
Loans	-	-	-	60,000	-
Due from other city funds	-	-	-	-	-
Due from other governments	-	170	45,011	4,566	-
Advances to other funds	-	155	-	-	-
Other current assets	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 178,302</u>	<u>\$ 45,011</u>	<u>\$ 70,207</u>	<u>\$ 48,804</u>
LIABILITIES					
Accounts payable	\$ -	\$ 425	\$ -	\$ 12	\$ 21
Due to other city funds	-	-	41,105	-	-
Deferred revenue	-	17,436	-	60,000	-
Other liabilities	-	-	3,906	-	-
Total liabilities	<u>-</u>	<u>17,861</u>	<u>45,011</u>	<u>60,012</u>	<u>21</u>
FUND BALANCES					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Total reserved fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unreserved:					
Special revenue funds					
Designated for BRAC	-	-	-	-	-
Designated for improvements	-	-	-	-	-
Designated for parkland	-	-	-	-	-
Undesignated	-	160,441	-	10,195	48,783
Total unreserved special revenue funds	<u>-</u>	<u>160,441</u>	<u>-</u>	<u>10,195</u>	<u>48,783</u>
Debt Service					
Undesignated	-	-	-	-	-
Capital projects funds					
Undesignated	-	-	-	-	-
Total fund balances	<u>-</u>	<u>160,441</u>	<u>-</u>	<u>10,195</u>	<u>48,783</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 178,302</u>	<u>\$ 45,011</u>	<u>\$ 70,207</u>	<u>\$ 48,804</u>

Continued on next page

City of Great Falls, Montana
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2009

Special Revenue Funds

	Economic Revolving	Permits	Licenses	Ag Tech Park	West Bank Urban Renewal
ASSETS					
Cash and cash equivalents	\$ 203,889	\$ 717,708	\$ 184	\$ 390,253	\$ -
Restricted cash and investments	92,585	-	-	-	-
Receivables					
Taxes	-	-	-	22,906	(7,522)
Special assessments	-	-	-	-	-
Accounts	-	21,866	239	-	-
Accrued interest	5,787	2,906	119	1,202	-
Loans	1,395	-	-	-	-
Due from other city funds	-	-	-	-	-
Due from other governments	-	-	-	11	-
Advances to other funds	-	-	-	-	-
Other current assets	90,615	-	-	-	-
Total assets	<u>\$ 394,271</u>	<u>\$ 742,480</u>	<u>\$ 542</u>	<u>\$ 414,372</u>	<u>\$ (7,522)</u>
LIABILITIES					
Accounts payable	\$ 55	\$ 434	\$ -	\$ -	\$ 51,860
Due to other city funds	-	-	-	-	1,038,830
Deferred revenue	3,631	-	-	22,523	(7,522)
Other liabilities	-	-	110	-	-
Total liabilities	<u>3,686</u>	<u>434</u>	<u>110</u>	<u>22,523</u>	<u>1,083,168</u>
FUND BALANCES					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Total reserved fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unreserved:					
Special revenue funds					
Designated for BRAC	92,585	-	-	-	-
Designated for improvements	-	-	-	-	-
Designated for parkland	-	-	-	-	-
Undesignated	298,000	742,046	432	391,849	(1,090,690)
Total unreserved special revenue funds	<u>390,585</u>	<u>742,046</u>	<u>432</u>	<u>391,849</u>	<u>(1,090,690)</u>
Debt Service					
Undesignated	-	-	-	-	-
Capital projects funds					
Undesignated	-	-	-	-	-
Total fund balances	<u>390,585</u>	<u>742,046</u>	<u>432</u>	<u>391,849</u>	<u>(1,090,690)</u>
Total liabilities and fund balances	<u>\$ 394,271</u>	<u>\$ 742,480</u>	<u>\$ 542</u>	<u>\$ 414,372</u>	<u>\$ (7,522)</u>

Continued on next page

City of Great Falls, Montana
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2009

Debt Service Funds

	Master Debt SILD	Improvement District Revolving	Soccer Park Bond	Swim Pool Rehab Bond	Tax Increment Bond
ASSETS					
Cash and cash equivalents	\$ 17,537	\$ 217,272	\$ 113,173	\$ -	\$ 372,327
Restricted cash and investments	-	204,365	-	-	1,124,799
Receivables					
Taxes	-	-	45,973	88,503	467,774
Special assessments	134,700	560,706	-	-	-
Accounts	-	-	-	-	-
Accrued interest	49	1,593	735	348	7,998
Loans	-	-	-	-	-
Due from other city funds	-	-	-	-	-
Due from other governments	2	2	81	163	756
Advances to other funds	-	-	-	-	-
Other current assets	-	-	-	-	-
Total assets	<u>\$ 152,288</u>	<u>\$ 983,938</u>	<u>\$ 159,962</u>	<u>\$ 89,014</u>	<u>\$ 1,973,654</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other city funds	-	-	-	10,785	-
Deferred revenue	134,543	740,311	43,816	84,121	432,630
Other liabilities	-	-	-	-	-
Total liabilities	<u>134,543</u>	<u>740,311</u>	<u>43,816</u>	<u>94,906</u>	<u>432,630</u>
FUND BALANCES					
Reserved for:					
Debt service	17,745	243,627	116,146	-	1,541,024
Capital projects	-	-	-	-	-
Total reserved fund balances	<u>17,745</u>	<u>243,627</u>	<u>116,146</u>	<u>-</u>	<u>1,541,024</u>
Unreserved:					
Special revenue funds					
Designated for BRAC	-	-	-	-	-
Designated for improvements	-	-	-	-	-
Designated for parkland	-	-	-	-	-
Undesignated	-	-	-	-	-
Total unreserved special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Service					
Undesignated	-	-	-	(5,892)	-
Capital projects funds					
Undesignated	-	-	-	-	-
Total fund balances	<u>17,745</u>	<u>243,627</u>	<u>116,146</u>	<u>(5,892)</u>	<u>1,541,024</u>
Total liabilities and fund balances	<u>\$ 152,288</u>	<u>\$ 983,938</u>	<u>\$ 159,962</u>	<u>\$ 89,014</u>	<u>\$ 1,973,654</u>

Continued on next page

City of Great Falls, Montana
Combining Balance Sheet (Concluded)
Nonmajor Governmental Funds
June 30, 2009

Capital Projects Funds

	General Capital Projects	Street Lighting Construction	Improvement District Projects	Hazard Removal	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 134,774	\$ -	\$ 3,405	\$ 103,298	\$ 4,453,166
Restricted cash and investments	98,697	-	-	-	1,636,026
Receivables					
Taxes	-	-	-	-	620,073
Special assessments	-	-	-	52,902	885,034
Accounts	-	-	-	-	68,413
Accrued interest	1,075	-	202	428	30,427
Loans	-	-	-	800	62,195
Due from other city funds	-	-	-	-	11,963
Due from other governments	-	-	-	-	185,109
Advances to other funds	-	-	-	-	597,051
Other current assets	-	-	-	-	100,349
	<u>\$ 234,546</u>	<u>\$ -</u>	<u>\$ 3,607</u>	<u>\$ 157,428</u>	<u>\$ 8,649,806</u>
LIABILITIES					
Accounts payable	\$ 12,000	\$ 16,696	\$ -	\$ 6	\$ 218,646
Due to other city funds	-	1,704	-	-	1,103,945
Deferred revenue	-	-	-	53,702	1,870,159
Other liabilities	-	-	-	-	45,742
	<u>12,000</u>	<u>18,400</u>	<u>-</u>	<u>53,708</u>	<u>3,238,492</u>
FUND BALANCES					
Reserved for:					
Debt service	-	-	-	-	1,918,542
Capital projects	98,697	-	-	-	98,697
	<u>98,697</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,017,239</u>
Unreserved:					
Special revenue funds					
Designated for BRAC	-	-	-	-	92,585
Designated for improvements	-	-	-	-	115,580
Designated for parkland	-	-	-	-	287,939
Undesignated	-	-	-	-	2,691,087
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,187,191</u>
Debt Service					
Undesignated	-	-	-	-	(5,892)
Capital projects funds					
Undesignated	123,849	(18,400)	3,607	103,720	212,776
	<u>222,546</u>	<u>(18,400)</u>	<u>3,607</u>	<u>103,720</u>	<u>5,411,314</u>
Total fund balances	<u>222,546</u>	<u>(18,400)</u>	<u>3,607</u>	<u>103,720</u>	<u>5,411,314</u>
Total liabilities and fund balances	<u>\$ 234,546</u>	<u>\$ -</u>	<u>\$ 3,607</u>	<u>\$ 157,428</u>	<u>\$ 8,649,806</u>

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2009

Special Revenue Funds

	<u>Tax Increment</u>	<u>Planning</u>	<u>CTEP Projects</u>	<u>Lighting Districts</u>	<u>Historic Bridge</u>
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	468,966	419,111	261,389	-	30,150
Charges for services	-	35,050	-	-	-
Fines and forfeitures	-	-	-	-	-
Internal services	-	29,710	-	-	-
Special assessments	-	-	-	1,267,807	-
Investment income	500	(55)	1,222	(226)	(229)
Other	-	5,490	127,573	14,799	11,080
Total revenues	<u>469,466</u>	<u>489,306</u>	<u>390,184</u>	<u>1,282,380</u>	<u>41,001</u>
EXPENDITURES					
Current					
General government	553	638,530	118,951	1,279,525	-
Public safety	-	-	-	-	-
Public works	-	-	-	19,623	-
Culture and recreation	-	-	-	-	-
Housing and development	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	262,853	-	41,230
Total expenditures	<u>553</u>	<u>638,530</u>	<u>381,804</u>	<u>1,299,148</u>	<u>41,230</u>
Revenues over (under) expenditures	<u>468,913</u>	<u>(149,224)</u>	<u>8,380</u>	<u>(16,768)</u>	<u>(229)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	165,714	10,456	-	25,459
Transfers out	(430,394)	-	(26,214)	-	-
Issuance of debt	-	-	-	-	-
Proceeds of general capital asset dispositions	-	-	-	-	-
Total other financing sources (uses)	<u>(430,394)</u>	<u>165,714</u>	<u>(15,758)</u>	<u>-</u>	<u>25,459</u>
Net changes in fund balance	38,519	16,490	(7,378)	(16,768)	25,230
Fund balances -- beginning	<u>2,968</u>	<u>7,107</u>	<u>68,708</u>	<u>722,796</u>	<u>(25,160)</u>
Fund balances -- ending	<u>\$ 41,487</u>	<u>\$ 23,597</u>	<u>\$ 61,330</u>	<u>\$ 706,028</u>	<u>\$ 70</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2009

Special Revenue Funds

	Support and Innovation	911 Special Revenue	Police Special Revenue	Fire Special Revenue	CCALS Fire
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	623,829	208,447	78,119	-
Charges for services	-	-	6,025	10,910	-
Fines and forfeitures	-	-	40,630	-	-
Internal services	-	-	-	-	-
Special assessments	155,444	-	-	-	-
Investment income	1,241	8,846	5,747	1,430	88
Other	1,300	235	1,892	4,939	4,402
Total revenues	157,985	632,910	262,741	95,398	4,490
EXPENDITURES					
Current					
General government	161,029	-	-	-	-
Public safety	-	339,362	166,924	46,408	-
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Housing and development	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	52,260	-	10,000
Total expenditures	161,029	339,362	219,184	46,408	10,000
Revenues over (under) expenditures	(3,044)	293,548	43,557	48,990	(5,510)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	(328,209)	-	-	-
Issuance of debt	-	-	-	-	-
Proceeds of general capital asset dispositions	-	-	-	-	-
Total other financing sources (uses)	-	(328,209)	-	-	-
Net changes in fund balance	(3,044)	(34,661)	43,557	48,990	(5,510)
Fund balances -- beginning	47,417	492,414	172,128	30,193	10,078
Fund balances -- ending	\$ 44,373	\$ 457,753	\$ 215,685	\$ 79,183	\$ 4,568

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2009

Special Revenue Funds

	<u>Public Works</u>	<u>Library</u>	<u>Library Foundation</u>	<u>Park Special Revenue</u>	<u>River's Edge Trail</u>
REVENUES					
Taxes	\$ -	\$ 167,550	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	239,643	1,500	11,500	-
Charges for services	-	36,758	-	38,368	-
Fines and forfeitures	-	31,292	-	-	-
Internal services	-	-	-	-	-
Special assessments	-	-	-	-	-
Investment income	708	2,439	1,605	7,324	189
Other	-	740	78,673	26,644	4,000
Total revenues	<u>708</u>	<u>478,422</u>	<u>81,778</u>	<u>83,836</u>	<u>4,189</u>
EXPENDITURES					
Current					
General government	-	-	-	-	19
Public safety	-	-	-	-	-
Public works	272	-	-	-	-
Culture and recreation	-	1,206,138	25,769	75,423	-
Housing and development	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	69,747	132,905	10,679	12,334
Total expenditures	<u>272</u>	<u>1,275,885</u>	<u>158,674</u>	<u>86,102</u>	<u>12,353</u>
Revenues over (under) expenditures	<u>436</u>	<u>(797,463)</u>	<u>(76,896)</u>	<u>(2,266)</u>	<u>(8,164)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	848,807	-	-	-
Transfers out	-	-	-	(74,805)	(7,434)
Issuance of debt	-	-	-	-	-
Proceeds of general capital asset dispositions	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>848,807</u>	<u>-</u>	<u>(74,805)</u>	<u>(7,434)</u>
Net changes in fund balance	436	51,344	(76,896)	(77,071)	(15,598)
Fund balances -- beginning	<u>49,476</u>	<u>353,824</u>	<u>108,987</u>	<u>487,781</u>	<u>17,193</u>
Fund balances -- ending	<u>\$ 49,912</u>	<u>\$ 405,168</u>	<u>\$ 32,091</u>	<u>\$ 410,710</u>	<u>\$ 1,595</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2009

Special Revenue Funds

	Multi-Sports	Natural Resources	Housing Authority Admin	HOME Grant	Community Development
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	42,827
Intergovernmental	-	-	-	248,818	-
Charges for services	-	11,915	1,064,962	9,669	365
Fines and forfeitures	-	-	-	-	-
Internal services	-	27,194	-	-	151,839
Special assessments	-	307,168	-	-	-
Investment income	-	1,596	-	-	1,300
Other	-	5,076	-	-	392
Total revenues	-	352,949	1,064,962	258,487	196,723
EXPENDITURES					
Current					
General government	-	-	1,064,962	-	122
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture and recreation	-	611,564	-	-	-
Housing and development	-	-	-	248,816	230,630
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	1,370
Total expenditures	-	611,564	1,064,962	248,816	232,122
Revenues over (under) expenditures	-	(258,615)	-	9,671	(35,399)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	277,406	-	-	990
Transfers out	(3,221)	-	-	-	-
Issuance of debt	-	-	-	-	-
Proceeds of general capital asset dispositions	-	-	-	-	-
Total other financing sources (uses)	(3,221)	277,406	-	-	990
Net changes in fund balance	(3,221)	18,791	-	9,671	(34,409)
Fund balances -- beginning	3,221	141,650	-	524	83,192
Fund balances -- ending	\$ -	\$ 160,441	\$ -	\$ 10,195	\$ 48,783

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City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2009

Special Revenue Funds

	Economic Revolving	Permits	Licenses	Ag Tech Park	West Bank Urban Renewal
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 177,944	\$ 26,492
Licenses and permits	-	786,890	228,764	-	-
Intergovernmental	-	-	-	-	-
Charges for services	117,268	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Internal services	-	22,817	-	-	-
Special assessments	-	-	-	-	-
Investment income	2,579	12,913	258	4,586	(3,709)
Other	68	1,717	-	11	-
Total revenues	119,915	824,337	229,022	182,541	22,783
EXPENDITURES					
Current					
General government	145,009	-	-	24,200	1,242
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Housing and development	2,155	841,191	227,221	-	-
Debt service					
Principal	17,371	-	-	-	-
Interest	33,995	-	-	-	-
Capital outlay	-	1,370	1,370	-	1,067,805
Total expenditures	198,530	842,561	228,591	24,200	1,069,047
Revenues over (under) expenditures	(78,615)	(18,224)	431	158,341	(1,046,264)
OTHER FINANCING SOURCES (USES)					
Transfers in	160,000	-	-	-	-
Transfers out	(433,290)	-	-	-	-
Issuance of debt	-	-	-	-	-
Proceeds of general capital asset dispositions	633,291	-	-	-	-
Total other financing sources (uses)	360,001	-	-	-	-
Net changes in fund balance	281,386	(18,224)	431	158,341	(1,046,264)
Fund balances -- beginning	109,199	760,270	1	233,508	(44,426)
Fund balances -- ending	\$ 390,585	\$ 742,046	\$ 432	\$ 391,849	\$ (1,090,690)

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2009

Debt Service Funds

	Master Debt SILD	Improvement District Revolving	Soccer Park Bond	Swim Pool Rehab Bond	Tax Increment Bond
REVENUES					
Taxes	\$ -	\$ -	\$ 159,878	\$ 288,294	\$ 2,325,617
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	246	502	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Internal services	-	-	-	-	-
Special assessments	29,520	168,616	-	-	-
Investment income	215	7,550	2,877	711	34,905
Other	53	726	-	-	-
Total revenues	<u>29,788</u>	<u>176,892</u>	<u>163,001</u>	<u>289,507</u>	<u>2,360,522</u>
EXPENDITURES					
Current					
General government	-	51,993	3,846	-	1,060,974
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Housing and development	-	-	-	-	-
Debt service					
Principal	16,164	210,000	100,000	195,000	1,065,000
Interest	5,754	34,167	89,388	84,300	58,454
Capital outlay	-	-	-	-	-
Total expenditures	<u>21,918</u>	<u>296,160</u>	<u>193,234</u>	<u>279,300</u>	<u>2,184,428</u>
Revenues over (under) expenditures	<u>7,870</u>	<u>(119,268)</u>	<u>(30,233)</u>	<u>10,207</u>	<u>176,094</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(1,031,899)
Issuance of debt	-	-	-	-	-
Proceeds of general capital asset dispositions	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,031,899)</u>
Net changes in fund balance	7,870	(119,268)	(30,233)	10,207	(855,805)
Fund balances -- beginning	<u>9,875</u>	<u>362,895</u>	<u>146,379</u>	<u>(16,099)</u>	<u>2,396,829</u>
Fund balances -- ending	<u>\$ 17,745</u>	<u>\$ 243,627</u>	<u>\$ 116,146</u>	<u>\$ (5,892)</u>	<u>\$ 1,541,024</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (Concluded)
Nonmajor Governmental Funds
Year Ended June 30, 2009

	Capital Project Funds				Total Nonmajor Governmental Funds
	General Capital Projects	Street Lighting Construction	Improvement District Projects	Hazard Removal	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,145,775
Licenses and permits	-	-	-	-	1,058,481
Intergovernmental	-	-	-	-	2,592,220
Charges for services	-	-	-	-	1,331,290
Fines and forfeitures	-	-	-	-	71,922
Internal services	-	-	-	-	231,560
Special assessments	-	-	-	8,883	1,937,438
Investment income	6,687	-	88	1,846	105,231
Other	24,047	-	-	2,413	316,270
Total revenues	30,734	-	88	13,142	10,790,187
EXPENDITURES					
Current					
General government	15,311	-	-	-	4,566,266
Public safety	454	-	-	-	553,148
Public works	-	-	-	-	19,895
Culture and recreation	-	-	-	-	1,918,894
Housing and development	-	-	-	19,589	1,569,602
Debt service					
Principal	-	-	-	-	1,603,535
Interest	-	-	-	-	306,058
Capital outlay	485,433	37,234	-	-	2,186,590
Total expenditures	501,198	37,234	-	19,589	12,723,988
Revenues over (under) expenditures	(470,464)	(37,234)	88	(6,447)	(1,933,801)
OTHER FINANCING SOURCES (USES)					
Transfers in	151,805	-	-	-	1,640,637
Transfers out	(10,456)	-	-	-	(2,345,922)
Issuance of debt	-	47,560	-	-	47,560
Proceeds of general capital asset dispositions	-	-	-	-	633,291
Total other financing sources (uses)	141,349	47,560	-	-	(24,434)
Net changes in fund balance	(329,115)	10,326	88	(6,447)	(1,958,235)
Fund balances -- beginning	551,661	(28,726)	3,519	110,167	7,369,549
Fund balances -- ending	\$ 222,546	\$ (18,400)	\$ 3,607	\$ 103,720	\$ 5,411,314

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual
Nonmajor Governmental Funds
Year Ended June 30, 2009

	Special Revenue Funds			
	Tax Increment		Planning	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	468,966	468,966	495,504	419,111
Charges for services	-	-	56,120	35,050
Fines and forfeitures	-	-	-	-
Internal services	-	-	29,710	29,710
Special assessments	-	-	-	-
Investment income	4,100	500	-	(55)
Other	-	-	-	5,490
Total revenues	<u>473,066</u>	<u>469,466</u>	<u>581,334</u>	<u>489,306</u>
EXPENDITURES				
Current				
General government				
Personal services	-	-	517,212	411,245
Operations and maintenance	553	553	244,886	227,285
Public safety				
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	41,210	-	-	-
Total expenditures	<u>41,763</u>	<u>553</u>	<u>762,098</u>	<u>638,530</u>
Revenues over (under) expenditures	<u>431,303</u>	<u>468,913</u>	<u>(180,764)</u>	<u>(149,224)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	165,714	165,714
Transfers out	(430,394)	(430,394)	-	-
Issuance of debt	-	-	-	-
Proceeds of general capital asset dispositions	-	-	-	-
Total other financing sources (uses)	<u>(430,394)</u>	<u>(430,394)</u>	<u>165,714</u>	<u>165,714</u>
Net changes in fund balance	<u>\$ 909</u>	<u>38,519</u>	<u>\$ (15,050)</u>	<u>16,490</u>
Fund balances -- beginning		<u>2,968</u>		<u>7,107</u>
Fund balance -- ending		<u>\$ 41,487</u>		<u>\$ 23,597</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2009

	Special Revenue Funds			
	CTEP Projects		Lighting Districts	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	1,588,119	261,389	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	1,284,473	1,267,807
Investment income	-	1,222	12,915	(226)
Other	164,899	127,573	-	14,799
Total revenues	1,753,018	390,184	1,297,388	1,282,380
EXPENDITURES				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	120,146	118,951	1,293,083	1,279,525
Public safety				
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	19,623
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	1,710,425	262,853	-	-
Total expenditures	1,830,571	381,804	1,293,083	1,299,148
Revenues over (under) expenditures	(77,553)	8,380	4,305	(16,768)
OTHER FINANCING SOURCES (USES)				
Transfers in	10,456	10,456	-	-
Transfers out	(26,213)	(26,214)	-	-
Issuance of debt	-	-	-	-
Proceeds of general capital asset dispositions	-	-	-	-
Total other financing sources (uses)	(15,757)	(15,758)	-	-
Net changes in fund balance	\$ (93,310)	(7,378)	\$ 4,305	(16,768)
Fund balances -- beginning		68,708		722,796
Fund balance -- ending		\$ 61,330		\$ 706,028

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2009

	Special Revenue Funds			
	Historic Bridge		Support and Innovation	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	35,150	30,150	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	160,000	155,444
Investment income	-	(229)	-	1,241
Other	6,080	11,080	3,060	1,300
Total revenues	<u>41,230</u>	<u>41,001</u>	<u>163,060</u>	<u>157,985</u>
EXPENDITURES				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	-	-	165,686	161,029
Public safety				
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	41,230	41,230	-	-
Total expenditures	<u>41,230</u>	<u>41,230</u>	<u>165,686</u>	<u>161,029</u>
Revenues over (under) expenditures	<u>-</u>	<u>(229)</u>	<u>(2,626)</u>	<u>(3,044)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	25,459	25,459	-	-
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Proceeds of general capital asset dispositions	-	-	-	-
Total other financing sources (uses)	<u>25,459</u>	<u>25,459</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ 25,459</u>	<u>25,230</u>	<u>\$ (2,626)</u>	<u>(3,044)</u>
Fund balances -- beginning		<u>(25,160)</u>		<u>47,417</u>
Fund balance -- ending		<u>\$ 70</u>		<u>\$ 44,373</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2009

	Special Revenue Funds			
	911 Special Revenue		Police Special Revenue	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	431,000	623,829	659,170	208,447
Charges for services	-	-	2,100	6,025
Fines and forfeitures	-	-	25,000	40,630
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	15,000	8,846	6,047	5,747
Other	-	235	500	1,892
Total revenues	<u>446,000</u>	<u>632,910</u>	<u>692,817</u>	<u>262,741</u>
EXPENDITURES				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Public safety				
Operation and maintenance	302,392	339,362	472,569	166,924
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	287,012	52,260
Total expenditures	<u>302,392</u>	<u>339,362</u>	<u>759,581</u>	<u>219,184</u>
Revenues over (under) expenditures	<u>143,608</u>	<u>293,548</u>	<u>(66,764)</u>	<u>43,557</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(328,209)	(328,209)	-	-
Issuance of debt	-	-	-	-
Proceeds of general capital asset dispositions	-	-	-	-
Total other financing sources (uses)	<u>(328,209)</u>	<u>(328,209)</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ (184,601)</u>	<u>(34,661)</u>	<u>\$ (66,764)</u>	<u>43,557</u>
Fund balances -- beginning		<u>492,414</u>		<u>172,128</u>
Fund balance -- ending		<u>\$ 457,753</u>		<u>\$ 215,685</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2009

	Special Revenue Funds			
	Fire Special Revenue		CCALS Fire	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	78,132	78,119	-	-
Charges for services	7,720	10,910	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	898	1,430	-	88
Other	4,256	4,939	-	4,402
Total revenues	<u>91,006</u>	<u>95,398</u>	<u>-</u>	<u>4,490</u>
EXPENDITURES				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Public safety				
Operation and maintenance	119,037	46,408	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	10,000	10,000
Total expenditures	<u>119,037</u>	<u>46,408</u>	<u>10,000</u>	<u>10,000</u>
Revenues over (under) expenditures	<u>(28,031)</u>	<u>48,990</u>	<u>(10,000)</u>	<u>(5,510)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Proceeds of general capital asset dispositions	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ (28,031)</u>	<u>48,990</u>	<u>\$ (10,000)</u>	<u>(5,510)</u>
Fund balances -- beginning		<u>30,193</u>		<u>10,078</u>
Fund balance -- ending		<u>\$ 79,183</u>		<u>\$ 4,568</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2009

	Special Revenue Funds			
	Public Works		Library	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ 147,300	\$ 167,550
Licenses and permits	-	-	-	-
Intergovernmental	-	-	206,550	239,643
Charges for services	-	-	30,000	36,758
Fines and forfeitures	-	-	28,700	31,292
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	1,500	708	8,000	2,439
Other	-	-	350	740
Total revenues	<u>1,500</u>	<u>708</u>	<u>420,900</u>	<u>478,422</u>
EXPENDITURES				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Public safety				
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	273	272	-	-
Culture and recreation				
Personal services	-	-	947,743	926,685
Operations and maintenance	-	-	258,290	279,453
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	47,719	69,747
Total expenditures	<u>273</u>	<u>272</u>	<u>1,253,752</u>	<u>1,275,885</u>
Revenues over (under) expenditures	<u>1,227</u>	<u>436</u>	<u>(832,852)</u>	<u>(797,463)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	848,807	848,807
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Proceeds of general capital asset dispositions	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>848,807</u>	<u>848,807</u>
Net changes in fund balance	<u>\$ 1,227</u>	<u>436</u>	<u>\$ 15,955</u>	<u>51,344</u>
Fund balances -- beginning		<u>49,476</u>		<u>353,824</u>
Fund balance -- ending		<u>\$ 49,912</u>		<u>\$ 405,168</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2009

	Special Revenue Funds			
	Library Foundation		Park Special Revenue	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	1,500	1,500	-	11,500
Charges for services	-	-	38,300	38,368
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	4,600	1,605	20,000	7,324
Other	168,100	78,673	78,322	26,644
Total revenues	<u>174,200</u>	<u>81,778</u>	<u>136,622</u>	<u>83,836</u>
EXPENDITURES				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Public safety				
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	18,721	10,728	-	4,865
Operations and maintenance	10,800	15,041	131,752	70,558
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	120,000	132,905	32,000	10,679
Total expenditures	<u>149,521</u>	<u>158,674</u>	<u>163,752</u>	<u>86,102</u>
Revenues over (under) expenditures	<u>24,679</u>	<u>(76,896)</u>	<u>(27,130)</u>	<u>(2,266)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(74,805)	(74,805)
Issuance of debt	-	-	-	-
Proceeds of general capital asset dispositions	-	-	20,000	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(54,805)</u>	<u>(74,805)</u>
Net changes in fund balance	<u>\$ 24,679</u>	<u>(76,896)</u>	<u>\$ (81,935)</u>	<u>(77,071)</u>
Fund balances -- beginning		<u>108,987</u>		<u>487,781</u>
Fund balance -- ending		<u>\$ 32,091</u>		<u>\$ 410,710</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2009

	Special Revenue Funds			
	River's Edge Trail		Multi-Sports	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	750	189	-	-
Other	4,000	4,000	-	-
Total revenues	<u>4,750</u>	<u>4,189</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	19	19	-	-
Public safety				
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	12,000	12,334	-	-
Total expenditures	<u>12,019</u>	<u>12,353</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(7,269)</u>	<u>(8,164)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(7,434)	(7,434)	(3,221)	(3,221)
Issuance of debt	-	-	-	-
Proceeds of general capital asset dispositions	-	-	-	-
Total other financing sources (uses)	<u>(7,434)</u>	<u>(7,434)</u>	<u>(3,221)</u>	<u>(3,221)</u>
Net changes in fund balance	<u>\$ (14,703)</u>	<u>(15,598)</u>	<u>\$ (3,221)</u>	<u>(3,221)</u>
Fund balances -- beginning		<u>17,193</u>		<u>3,221</u>
Fund balance -- ending		<u>\$ 1,595</u>		<u>\$ -</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2009

	Special Revenue Funds			
	Natural Resources		Housing Authority Admin	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	10,000	-	-	-
Charges for services	13,000	11,915	1,099,829	1,064,962
Fines and forfeitures	-	-	-	-
Internal services	29,000	27,194	-	-
Special assessments	312,815	307,168	-	-
Investment income	1,000	1,596	-	-
Other	4,600	5,076	-	-
Total revenues	<u>370,415</u>	<u>352,949</u>	<u>1,099,829</u>	<u>1,064,962</u>
EXPENDITURES				
Current				
General government				
Personal services	-	-	1,083,805	1,048,938
Operations and maintenance	-	-	16,024	16,024
Public safety				
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	491,182	443,043	-	-
Operations and maintenance	171,962	168,521	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>663,144</u>	<u>611,564</u>	<u>1,099,829</u>	<u>1,064,962</u>
Revenues over (under) expenditures	<u>(292,729)</u>	<u>(258,615)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	277,406	277,406	-	-
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Proceeds of general capital asset dispositions	-	-	-	-
Total other financing sources (uses)	<u>277,406</u>	<u>277,406</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ (15,323)</u>	18,791	<u>\$ -</u>	-
Fund balances -- beginning		<u>141,650</u>		-
Fund balance -- ending		<u>\$ 160,441</u>		<u>\$ -</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2009

	Special Revenue Funds			
	HOME Grant		Community Development	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	45,300	42,827
Intergovernmental	396,063	248,818	-	-
Charges for services	1,500	9,669	200	365
Fines and forfeitures	-	-	-	-
Internal services	-	-	151,839	151,839
Special assessments	-	-	-	-
Investment income	-	-	-	1,300
Other	-	-	-	392
Total revenues	<u>397,563</u>	<u>258,487</u>	<u>197,339</u>	<u>196,723</u>
EXPENDITURES				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	122
Public safety				
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	30,465	30,246	180,150	178,532
Operations and maintenance	810,439	218,570	63,215	52,098
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	1,700	1,370
Total expenditures	<u>840,904</u>	<u>248,816</u>	<u>245,065</u>	<u>232,122</u>
Revenues over (under) expenditures	<u>(443,341)</u>	<u>9,671</u>	<u>(47,726)</u>	<u>(35,399)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	990	990
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Proceeds of general capital asset dispositions	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>990</u>	<u>990</u>
Net changes in fund balance	<u>\$ (443,341)</u>	<u>9,671</u>	<u>\$ (46,736)</u>	<u>(34,409)</u>
Fund balances -- beginning		<u>524</u>		<u>83,192</u>
Fund balance -- ending		<u>\$ 10,195</u>		<u>\$ 48,783</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2009

	Special Revenue Funds			
	Economic Revolving		Permits	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	844,500	786,890
Intergovernmental	-	-	-	-
Charges for services	51,876	117,268	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	22,817	22,817
Special assessments	-	-	-	-
Investment income	1,336	2,579	-	12,913
Other	20,100	68	3,000	1,717
Total revenues	<u>73,312</u>	<u>119,915</u>	<u>870,317</u>	<u>824,337</u>
EXPENDITURES				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	208,153	145,009	-	-
Public safety				
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	579,940	528,787
Operations and maintenance	1,971	2,155	326,580	312,404
Debt service				
Principal	18,990	17,371	-	-
Interest	32,377	33,995	-	-
Capital outlay	-	-	1,700	1,370
Total expenditures	<u>261,491</u>	<u>198,530</u>	<u>908,220</u>	<u>842,561</u>
Revenues over (under) expenditures	<u>(188,179)</u>	<u>(78,615)</u>	<u>(37,903)</u>	<u>(18,224)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	160,000	160,000	-	-
Transfers out	(433,290)	(433,290)	-	-
Issuance of debt	-	-	-	-
Proceeds of general capital asset dispositions	241,923	633,291	-	-
Total other financing sources (uses)	<u>(31,367)</u>	<u>360,001</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ (219,546)</u>	<u>281,386</u>	<u>\$ (37,903)</u>	<u>(18,224)</u>
Fund balances -- beginning		<u>109,199</u>		<u>760,270</u>
Fund balance -- ending		<u>\$ 390,585</u>		<u>\$ 742,046</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2009

	Special Revenue Funds			
	Licenses		Agriculture Tech Park	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ 140,000	\$ 177,944
Licenses and permits	225,575	228,764	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	800	258	7,000	4,586
Other	-	-	-	11
Total revenues	<u>226,375</u>	<u>229,022</u>	<u>147,000</u>	<u>182,541</u>
EXPENDITURES				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	-	-	147,000	24,200
Public safety				
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	54,756	53,916	-	-
Operations and maintenance	169,919	173,305	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	1,700	1,370	-	-
Total expenditures	<u>226,375</u>	<u>228,591</u>	<u>147,000</u>	<u>24,200</u>
Revenues over (under) expenditures	<u>-</u>	<u>431</u>	<u>-</u>	<u>158,341</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Proceeds of general capital asset dispositions	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ -</u>	<u>431</u>	<u>\$ -</u>	<u>158,341</u>
Fund balances -- beginning		<u>1</u>		<u>233,508</u>
Fund balance -- ending		<u>\$ 432</u>		<u>\$ 391,849</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2009

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>	
	<u>West Bank</u>	<u>Urban Renewal</u>	<u>Master Debt SILD</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
REVENUES				
Taxes	\$ 20,000	\$ 26,492	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	9,813	29,520
Investment income	-	(3,709)	60	215
Other	-	-	-	53
	<u>20,000</u>	<u>22,783</u>	<u>9,873</u>	<u>29,788</u>
EXPENDITURES				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	425	1,242	-	-
Public safety				
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Debt service				
Principal	-	-	16,165	16,164
Interest	-	-	5,755	5,754
Capital outlay	<u>1,385,551</u>	<u>1,067,805</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,385,976</u>	<u>1,069,047</u>	<u>21,920</u>	<u>21,918</u>
Revenues over (under) expenditures	<u>(1,365,976)</u>	<u>(1,046,264)</u>	<u>(12,047)</u>	<u>7,870</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of debt	1,301,355	-	-	-
Proceeds of general capital asset dispositions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,301,355</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ (64,621)</u>	<u>(1,046,264)</u>	<u>\$ (12,047)</u>	<u>7,870</u>
Fund balances -- beginning		<u>(44,426)</u>		<u>9,875</u>
Fund balance -- ending		<u>\$ (1,090,690)</u>		<u>\$ 17,745</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2009

	Debt Service Funds			
	Improvement District Revolving		Soccer Park Bond	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ 164,800	\$ 159,878
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	246
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	161,807	168,616	-	-
Investment income	15,025	7,550	2,000	2,877
Other	-	726	-	-
Total revenues	<u>176,832</u>	<u>176,892</u>	<u>166,800</u>	<u>163,001</u>
EXPENDITURES				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	51,993	51,993	3,846	3,846
Public safety				
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Debt service				
Principal	210,000	210,000	100,000	100,000
Interest	42,675	34,167	89,388	89,388
Capital outlay	-	-	-	-
Total expenditures	<u>304,668</u>	<u>296,160</u>	<u>193,234</u>	<u>193,234</u>
Revenues over (under) expenditures	<u>(127,836)</u>	<u>(119,268)</u>	<u>(26,434)</u>	<u>(30,233)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Proceeds of general capital asset dispositions	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ (127,836)</u>	<u>(119,268)</u>	<u>\$ (26,434)</u>	<u>(30,233)</u>
Fund balances -- beginning		<u>362,895</u>		<u>146,379</u>
Fund balance -- ending		<u>\$ 243,627</u>		<u>\$ 116,146</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2009

	Debt Service Funds			
	Swim Pool Rehab GO Bond		Tax Increment Bond	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ 280,000	\$ 288,294	\$ 2,300,000	\$ 2,325,617
Licenses and permits	-	-	-	-
Intergovernmental	-	502	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	711	52,000	34,905
Other	-	-	-	-
Total revenues	<u>280,000</u>	<u>289,507</u>	<u>2,352,000</u>	<u>2,360,522</u>
EXPENDITURES				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	-	-	1,624,644	1,060,974
Public safety				
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Debt service				
Principal	195,000	195,000	1,065,000	1,065,000
Interest	84,600	84,300	58,304	58,454
Capital outlay	-	-	-	-
Total expenditures	<u>279,600</u>	<u>279,300</u>	<u>2,747,948</u>	<u>2,184,428</u>
Revenues over (under) expenditures	<u>400</u>	<u>10,207</u>	<u>(395,948)</u>	<u>176,094</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(995,899)	(1,031,899)
Issuance of debt	-	-	-	-
Proceeds of general capital asset dispositions	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(995,899)</u>	<u>(1,031,899)</u>
Net changes in fund balance	<u>\$ 400</u>	<u>10,207</u>	<u>\$ (1,391,847)</u>	<u>(855,805)</u>
Fund balances -- beginning		<u>(16,099)</u>		<u>2,396,829</u>
Fund balance -- ending		<u>\$ (5,892)</u>		<u>\$ 1,541,024</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2009

	Capital Projects Funds			
	General Capital Projects		Street Lighting Construction	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	11,677	6,687	-	-
Other	24,048	24,047	-	-
Total revenues	<u>35,725</u>	<u>30,734</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	14,744	15,311	-	-
Public safety				
Operation and maintenance	454	454	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	15,438	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	726,993	485,433	46,536	37,234
Total expenditures	<u>757,629</u>	<u>501,198</u>	<u>46,536</u>	<u>37,234</u>
Revenues over (under) expenditures	<u>(721,904)</u>	<u>(470,464)</u>	<u>(46,536)</u>	<u>(37,234)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	151,805	151,805	-	-
Transfers out	(10,456)	(10,456)	-	-
Issuance of debt	-	-	73,814	47,560
Proceeds of general capital asset dispositions	-	-	-	-
Total other financing sources (uses)	<u>141,349</u>	<u>141,349</u>	<u>73,814</u>	<u>47,560</u>
Net changes in fund balance	<u>\$ (580,555)</u>	<u>(329,115)</u>	<u>\$ 27,278</u>	<u>10,326</u>
Fund balances -- beginning		<u>551,661</u>		<u>(28,726)</u>
Fund balance -- ending		<u>\$ 222,546</u>		<u>\$ (18,400)</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2009

	Capital Projects Funds			
	Improvement District Projects		Hazard Removal	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	-	8,883
Investment income	-	88	-	1,846
Other	-	-	50,000	2,413
Total revenues	-	88	50,000	13,142
EXPENDITURES				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Public safety				
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	51,637	19,589
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	51,637	19,589
Revenues over (under) expenditures	-	88	(1,637)	(6,447)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Proceeds of general capital asset dispositions	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	\$ -	88	\$ (1,637)	(6,447)
Fund balances -- beginning		3,519		110,167
Fund balance -- ending		\$ 3,607		\$ 103,720

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Concluded)
Nonmajor Governmental Funds
Year Ended June 30, 2009

	Totals	
	Budget	Actual
REVENUES		
Taxes	\$ 3,052,100	\$ 3,145,775
Licenses and permits	1,115,375	1,058,481
Intergovernmental	4,370,154	2,592,220
Charges for services	1,300,645	1,331,290
Fines and forfeitures	53,700	71,922
Internal services	233,366	231,560
Special assessments	1,928,908	1,937,438
Investment income	164,708	105,231
Other	531,315	316,270
	<u>12,750,271</u>	<u>10,790,187</u>
EXPENDITURES		
Current		
General government		
Personal services	1,601,017	1,460,183
Operations and maintenance	3,891,202	3,106,083
Public safety		
Operation and maintenance	894,452	553,148
Public works		
Operations and maintenance	273	19,895
Culture and recreation		
Personal services	1,457,646	1,385,321
Operations and maintenance	588,242	533,573
Housing and development		
Personal services	845,311	791,481
Operations and maintenance	1,423,761	778,121
Debt service		
Principal	1,605,155	1,603,535
Interest	313,099	306,058
Capital outlay	4,465,776	2,186,590
	<u>17,085,934</u>	<u>12,723,988</u>
Revenues over (under) expenditures	<u>(4,335,663)</u>	<u>(1,933,801)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	1,640,637	1,640,637
Transfers out	(2,309,921)	(2,345,922)
Issuance of debt	1,375,169	47,560
Proceeds of general capital asset dispositions	261,923	633,291
	<u>967,808</u>	<u>(24,434)</u>
Net changes in fund balance	<u>\$ (3,367,855)</u>	<u>(1,958,235)</u>
Fund balances -- beginning		<u>7,369,549</u>
Fund balance -- ending		<u>\$ 5,411,314</u>

Nonmajor Enterprise Funds

The enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises, or for operations where periodic determination of revenues, expenses and net income is considered desirable. These funds account for services rendered to the general public on a user charge basis.

Safety Services Fund – This fund is used to account for fund operations including the answering and dispatching of calls for County-wide law enforcements, fire and ambulance services.

Parking Fund – This fund is used to account for fund operations for public parking. The Community Development Department administers a management contract with APCOA for the day-to-day operation of parking facilities and parking enforcement. The fund receipts and processes all citation based revenue.

Swim Pools Fund – This fund is used to account for fund operations for operating four swimming pools, one of which is an indoor pool operating twelve months a year.

Recreation Fund – This fund is used to account for revenues and expenses related to the annual Ice-Breaker road race, and other miscellaneous fee-based recreation programs administered by the Parks and Recreation Department.

Multi-Sports Fund – This fund is used to account for revenues and expenses related to a multi-sports complex.

Civic Center Events Fund – This fund is used to account for fund operations for the promotion and coordination of the use of the Civic Center arena, auditorium, ballroom, and Gibson Room.

City of Great Falls, Montana
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2009

	<u>Safety Services</u>	<u>Parking</u>	<u>Swim Pools</u>	<u>Recreation</u>
ASSETS				
Current assets				
Cash and cash investments	\$ 181,812	\$ 183,524	\$ 299,774	\$ 139,396
Receivables				
Accounts	5,875	28,863	2,072	33,837
Accrued interest	343	904	598	970
Total current assets	<u>188,030</u>	<u>213,291</u>	<u>302,444</u>	<u>174,203</u>
Noncurrent assets				
Restricted cash and investments	-	81,505	-	25,885
Advance to other funds	3,483	20,581	21,054	10,770
Non-depreciable capital assets	-	863,397	-	5,449
Depreciable capital assets, net	192,150	3,716,477	985,260	377,676
Total noncurrent assets	<u>195,633</u>	<u>4,681,960</u>	<u>1,006,314</u>	<u>419,780</u>
Total assets	<u>383,663</u>	<u>4,895,251</u>	<u>1,308,758</u>	<u>593,983</u>
LIABILITIES				
Current liabilities				
Account payable	174	3,146	21,457	6,276
Unearned Revenue	-	-	-	47,855
Capital lease obligation	-	-	107,008	-
Other liabilities	-	-	-	-
Total current liabilities	<u>174</u>	<u>3,146</u>	<u>128,465</u>	<u>54,131</u>
Noncurrent liabilities				
Capital lease obligations	-	-	809,192	-
Notes payable	-	-	-	-
Compensated absences	32,368	6,317	18,402	3,640
Total noncurrent liabilities	<u>32,368</u>	<u>6,317</u>	<u>827,594</u>	<u>3,640</u>
Total liabilities	<u>32,542</u>	<u>9,463</u>	<u>956,059</u>	<u>57,771</u>
NET ASSETS				
Invested in capital assets, net of related debt	192,150	4,579,874	69,060	383,125
Restricted for:				
Unrestricted	158,971	305,914	283,639	153,087
Total net assets	<u>\$ 351,121</u>	<u>\$ 4,885,788</u>	<u>\$ 352,699</u>	<u>\$ 536,212</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Net Assets (Concluded)
Nonmajor Enterprise Funds
June 30, 2009

	<u>Multi-Sports</u>	<u>Civic Center Events</u>	<u>Totals</u>
ASSETS			
Current assets			
Cash and cash investments	\$ 38,247	\$ 379,606	\$ 1,222,359
Receivables			
Accounts	2,490	31,311	104,448
Accrued interest	110	1,457	4,382
Total current assets	<u>40,847</u>	<u>412,374</u>	<u>1,331,189</u>
Noncurrent assets			
Restricted cash and investments	-	15,754	123,144
Advance to other funds	-	-	55,888
Non-depreciable capital assets	-	-	868,846
Depreciable capital assets, net	-	243,292	5,514,855
Total noncurrent assets	<u>-</u>	<u>259,046</u>	<u>6,562,733</u>
Total assets	<u>40,847</u>	<u>671,420</u>	<u>7,893,922</u>
LIABILITIES			
Current liabilities			
Account payable	9,379	3,219	43,651
Unearned Revenue	-	-	47,855
Capital lease obligation	-	13,022	120,030
Other liabilities	-	161,906	161,906
Total current liabilities	<u>9,379</u>	<u>178,147</u>	<u>373,442</u>
Noncurrent liabilities			
Capital lease obligations	-	-	809,192
Notes payable	-	-	-
Compensated absences	312	31,941	92,980
Total noncurrent liabilities	<u>312</u>	<u>31,941</u>	<u>902,172</u>
Total liabilities	<u>9,691</u>	<u>210,088</u>	<u>1,275,614</u>
NET ASSETS			
Invested in capital assets, net of related debt	-	230,270	5,454,479
Restricted for:			
Unrestricted	<u>31,156</u>	<u>231,062</u>	<u>1,163,829</u>
Total net assets	<u>\$ 31,156</u>	<u>\$ 461,332</u>	<u>\$ 6,618,308</u>

City of Great Falls, Montana
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Nonmajor Enterprise Funds
Year Ended June 30, 2009

	<u>Safety Services</u>	<u>Parking</u>	<u>Swim Pools</u>	<u>Recreation</u>
OPERATING REVENUES				
Charges for services	\$ 1,055,503	\$ 599,130	\$ 471,662	\$ 289,190
OPERATING EXPENSES				
Personal services	1,038,060	45,323	372,858	156,647
Supplies and materials	4,479	11,079	115,436	36,178
Purchased services	127,455	386,745	175,935	181,507
Internal services	207,657	66,536	63,898	31,730
Other	-	3	(183)	680
Depreciation	17,157	251,087	73,880	18,730
Total operating expenses	<u>1,394,808</u>	<u>760,773</u>	<u>801,824</u>	<u>425,472</u>
Operating income (loss)	<u>(339,305)</u>	<u>(161,643)</u>	<u>(330,162)</u>	<u>(136,282)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	1,851	3,445	2,103	2,431
Interest expense	-	(25,479)	(67,600)	-
Other	-	-	2,800	282
Total nonoperating revenues (expenses)	<u>1,851</u>	<u>(22,034)</u>	<u>(62,697)</u>	<u>2,713</u>
Change in net assets before transfers	(337,454)	(183,677)	(392,859)	(133,569)
Transfers in	317,119	759,899	564,455	153,371
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,600)</u>
Change in net assets	(20,335)	576,222	171,596	15,202
Net assets, beginning of year	<u>371,456</u>	<u>4,309,566</u>	<u>181,103</u>	<u>521,010</u>
Net assets, end of year	<u>\$ 351,121</u>	<u>\$ 4,885,788</u>	<u>\$ 352,699</u>	<u>\$ 536,212</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets (Concluded)
Nonmajor Enterprise Funds
Year Ended June 30, 2009

	<u>Multi-Sports</u>	<u>Civic Center Events</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for services	\$ 123,820	\$ 487,980	\$ 3,027,285
OPERATING EXPENSES			
Personal services	48,987	260,556	1,922,431
Supplies and materials	41,539	45,015	253,726
Purchased services	31,274	147,899	1,050,815
Internal services	7,949	186,588	564,358
Other	(19)	(13)	468
Depreciation	-	24,257	385,111
Total operating expenses	<u>129,730</u>	<u>664,302</u>	<u>4,176,909</u>
Operating income (loss)	<u>(5,910)</u>	<u>(176,322)</u>	<u>(1,149,624)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	299	5,470	15,599
Interest expense	-	(1,622)	(94,701)
Other	-	44	3,126
Total nonoperating revenues (expenses)	<u>299</u>	<u>3,892</u>	<u>(75,976)</u>
Change in net assets before transfers	(5,611)	(172,430)	(1,225,600)
Transfers in	24,259	214,727	2,033,830
Transfers out	<u>-</u>	<u>-</u>	<u>(4,600)</u>
Change in net assets	18,648	42,297	803,630
Net assets, beginning of year	<u>12,508</u>	<u>419,035</u>	<u>5,814,678</u>
Net assets, end of year	<u>\$ 31,156</u>	<u>\$ 461,332</u>	<u>\$ 6,618,308</u>

City of Great Falls, Montana
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2009

	<u>Safety Services</u>	<u>Parking</u>	<u>Swim Pools</u>	<u>Recreation</u>
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 339,111	\$ 585,116	\$ 470,800	\$ 285,698
Interfund cash flow loans	-	-	-	-
Receipts from interfund services provided	693,526	-	-	-
Receipts from others	40,691	35	2,800	282
Payments to suppliers	(141,625)	(396,687)	(288,280)	(215,474)
Payments to employees	(1,033,999)	(44,892)	(366,709)	(155,475)
Payments for interfund services used	(207,657)	(66,536)	(63,898)	(31,730)
Payments to others	-	-	-	3,465
Net cash provided (used) by operating activities	<u>(309,953)</u>	<u>77,036</u>	<u>(245,287)</u>	<u>(113,234)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	317,119	759,899	564,455	153,371
Transfers out	-	-	-	(4,600)
Net cash provided (used) by noncapital financing activities	<u>317,119</u>	<u>759,899</u>	<u>564,455</u>	<u>148,771</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal payments - advances	-	(734,419)	-	-
Principal payments - capital leases	-	-	(100,335)	-
Interest paid	-	(25,479)	(67,600)	-
Acquisition/construction of capital assets	-	(1,370)	-	1
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(761,268)</u>	<u>(167,935)</u>	<u>1</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends on investments	2,608	4,278	2,088	2,735
Net cash provided (used) by investing activities	<u>2,608</u>	<u>4,278</u>	<u>2,088</u>	<u>2,735</u>
Net increase (decrease) in cash	9,774	79,945	153,321	38,273
Cash, beginning of year	<u>172,038</u>	<u>185,084</u>	<u>146,453</u>	<u>127,008</u>
Cash, end of year (a)	<u><u>\$ 181,812</u></u>	<u><u>\$ 265,029</u></u>	<u><u>\$ 299,774</u></u>	<u><u>\$ 165,281</u></u>
(a) Shown on the statement of net assets as:				
Cash and cash equivalents	\$ 181,812	\$ 183,524	\$ 299,774	\$ 139,396
Restricted cash and investments	-	81,505	-	25,885
	<u><u>\$ 181,812</u></u>	<u><u>\$ 265,029</u></u>	<u><u>\$ 299,774</u></u>	<u><u>\$ 165,281</u></u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Cash Flows (Continued)
Nonmajor Enterprise Funds
Year Ended June 30, 2009

	<u>Multi-Sports</u>	<u>Civic Center Events</u>	<u>Totals</u>
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 121,805	\$ 458,321	\$ 2,260,851
Interfund cash flow loans	-	-	-
Receipts from interfund services provided	-	-	693,526
Receipts from others	-	44	43,852
Payments to suppliers	(68,016)	(192,784)	(1,302,866)
Payments to employees	(49,003)	(255,817)	(1,905,895)
Payments for interfund services used	(7,949)	(186,588)	(564,358)
Payments to others	-	94,105	97,570
Net cash provided (used) by operating activities	<u>(3,163)</u>	<u>(82,719)</u>	<u>(677,320)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	24,259	214,727	2,033,830
Transfers out	-	-	(4,600)
Net cash provided (used) by noncapital financing activities	<u>24,259</u>	<u>214,727</u>	<u>2,029,230</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments - advances	-	-	(734,419)
Principal payments - capital leases	-	(12,237)	(112,572)
Interest paid	-	(1,622)	(94,701)
Acquisition/construction of capital assets	-	-	(1,369)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(13,859)</u>	<u>(943,061)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends on investments	278	6,332	18,319
Net cash provided (used) by investing activities	<u>278</u>	<u>6,332</u>	<u>18,319</u>
Net increase (decrease) in cash	21,374	124,481	427,168
Cash, beginning of year	<u>16,873</u>	<u>270,879</u>	<u>918,335</u>
Cash, end of year (a)	<u>\$ 38,247</u>	<u>\$ 395,360</u>	<u>\$ 1,345,503</u>
(a) Shown on the statement of net assets as:			
Cash and cash equivalents	\$ 38,247	\$ 379,606	\$ 1,222,359
Restricted cash and investments	-	15,754	123,144
	<u>\$ 38,247</u>	<u>\$ 395,360</u>	<u>\$ 1,345,503</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Cash Flows (Continued)
Nonmajor Enterprise Funds
Year Ended June 30, 2009

	<u>Safety Services</u>	<u>Parking</u>	<u>Swim Pools</u>	<u>Recreation</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (339,305)	\$ (161,643)	\$ (330,162)	\$ (136,282)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	17,157	251,087	73,880	18,730
Cash Provided (used) by changes in operating assets and liabilities				
Accounts Receivable	17,825	(13,979)	(862)	(3,492)
Accounts payable	(9,691)	1,140	2,908	2,891
Other liabilities	-	-	-	3,465
Compensated absences payable	4,061	431	6,149	1,172
Other nonoperating revenue	-	-	2,800	282
Total adjustments	\$ 29,352	\$ 238,679	\$ 84,875	\$ 23,048
Net cash provided (used) by operating activities	<u>\$ (309,953)</u>	<u>\$ 77,036</u>	<u>\$ (245,287)</u>	<u>\$ (113,234)</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Cash Flows (Concluded)
Nonmajor Enterprise Funds
Year Ended June 30, 2009

	<u>Multi-Sports</u>	<u>Civic Center Events</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (5,910)	\$ (176,322)	\$ (1,149,624)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	-	24,257	385,111
Cash Provided (used) by changes in operating assets and liabilities	-	-	-
Accounts Receivable	(2,015)	(29,659)	(32,182)
Accounts payable	4,778	117	2,143
Other liabilities	-	94,105	97,570
Compensated absences payable	(16)	4,739	16,536
Other nonoperating revenue	-	44	3,126
	<u>2,747</u>	<u>93,603</u>	<u>472,304</u>
Total adjustments	\$ 2,747	\$ 93,603	\$ 472,304
Net cash provided (used) by operating activities	<u>\$ (3,163)</u>	<u>\$ (82,719)</u>	<u>\$ (677,320)</u>

Internal Service Funds

The internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

Administrative Services Fund – This fund is used to account for providing professional services to the management of the City, its employees and the public through the administration of a comprehensive Human Resources Program.

Central Communications Fund – This fund is used to account for overseeing operations related to all City telephones, telephone leases, and long-distance carriers.

Health and Benefit Fund – This fund is used to account for payroll deductions made to the City’s self-insured group health insurance plan and processes and payments of health insurance claims.

Insurance and Safety Fund – This fund is used to account for central insurance and safety program costs of the City, which includes centralized handling of premium payments, claims processing, and general insurance administration.

Fiscal Services Fund – This fund is used to account for providing centralized services for accounting, cash investments, utility billing and customer service, debt issuance, and capital asset tracking.

Information Tech Fund – This fund is used to account for providing centralized and personal computer operations, equipment services, and support.

Central Garage Fund – This fund is used to account for fleet operations for the City. Functions include maintenance, fuel dispensing, and replacement services for all major vehicles and motor equipment owned by the City and the Great Falls Housing Authority.

Engineering Fund – This fund is used to account for providing technical support for the Utilities and Operation branches of Public Works and other departments within the City. Public service is also rendered through providing information on City ordinances, assisting in the creation of special improvement districts and providing technical advice to various advisory boards appointed by the City Commission.

Public Works Fund – This fund is used to account for the overall planning, organizing, and coordination of the three branches of Public Works: utilities, operations, and engineering.

Facility Services Fund – This fund is used to account for the costs of maintaining and operating the Civic Center and the City departments located there.

City of Great Falls, Montana
Combining Statement of Net Assets
Internal Service Funds
June 30, 2009

	<u>Admini- strative Services</u>	<u>Central Communi- cations</u>	<u>Health and Benefit</u>	<u>Insurance and Safety</u>
ASSETS				
Current assets				
Cash and cash investments	\$ 17,710	\$ 47,633	\$ 2,288,869	\$ 89,656
Receivables				
Accounts	-	-	23,647	-
Accrued interest	107	199	7,580	446
Due from other city funds	-	-	-	-
Interfund loans receivable	-	-	-	-
Inventories	-	-	-	-
	<u>17,817</u>	<u>47,832</u>	<u>2,320,096</u>	<u>90,102</u>
Total current assets				
Noncurrent assets				
Restricted cash and investments	-	-	-	-
Advance to other funds	-	-	-	-
Non-depreciable capital assets	-	-	-	-
Depreciable capital assets, net	2,669	29,455	-	574
	<u>2,669</u>	<u>29,455</u>	<u>-</u>	<u>574</u>
Total noncurrent assets	<u>2,669</u>	<u>29,455</u>	<u>-</u>	<u>574</u>
Total assets	<u>20,486</u>	<u>77,287</u>	<u>2,320,096</u>	<u>90,676</u>
LIABILITIES				
Current liabilities				
Account payable	212	-	778,703	2,379
Other liabilities	-	-	-	-
	<u>212</u>	<u>-</u>	<u>778,703</u>	<u>2,379</u>
Total current liabilities	<u>212</u>	<u>-</u>	<u>778,703</u>	<u>2,379</u>
Non current liabilities				
Compensated absences payable	33,621	768	-	1,366
Other liabilities	-	-	123,166	-
	<u>33,621</u>	<u>768</u>	<u>123,166</u>	<u>1,366</u>
Total noncurrent liabilities	<u>33,621</u>	<u>768</u>	<u>123,166</u>	<u>1,366</u>
Total liabilities	<u>33,833</u>	<u>768</u>	<u>901,869</u>	<u>3,745</u>
NET ASSETS				
Invested in capital assets, net of related debt	2,669	29,455	-	574
Restricted for:				
Equipment replacement reserves	-	-	-	-
Unrestricted	(16,016)	47,064	1,418,227	86,357
	<u>(16,016)</u>	<u>47,064</u>	<u>1,418,227</u>	<u>86,357</u>
Total net assets	<u>\$ (13,347)</u>	<u>\$ 76,519</u>	<u>\$ 1,418,227</u>	<u>\$ 86,931</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Net Assets (Continued)
Internal Service Funds
June 30, 2009

	<u>Fiscal Services</u>	<u>Information Tech</u>	<u>Central Garage</u>	<u>Engineering</u>
ASSETS				
Current assets				
Cash and cash investments	\$ 279,847	\$ 128,975	\$ 270,794	\$ 251,507
Receivables				
Accounts	-	45	978	30,480
Accrued interest	1,263	1,426	12,218	1,720
Due from other city funds	-	-	1,038,830	-
Interfund loans receivable	-	-	19,532	-
Inventories	-	-	140,113	-
	<u>281,110</u>	<u>130,446</u>	<u>1,482,465</u>	<u>283,707</u>
Noncurrent assets				
Restricted cash and investments	-	273,966	2,004,457	123,323
Advance to other funds	-	-	318,522	-
Non-depreciable capital assets	-	-	-	28,239
Depreciable capital assets, net	27,055	141,758	3,373,311	84,652
	<u>27,055</u>	<u>415,724</u>	<u>5,696,290</u>	<u>236,214</u>
Total noncurrent assets	<u>27,055</u>	<u>415,724</u>	<u>5,696,290</u>	<u>236,214</u>
Total assets	<u>308,165</u>	<u>546,170</u>	<u>7,178,755</u>	<u>519,921</u>
LIABILITIES				
Current liabilities				
Account payable	4,358	1,542	34,615	11,175
Other liabilities	(50)	-	-	-
	<u>4,308</u>	<u>1,542</u>	<u>34,615</u>	<u>11,175</u>
Total current liabilities	<u>4,308</u>	<u>1,542</u>	<u>34,615</u>	<u>11,175</u>
Non current liabilities				
Compensated absences payable	76,685	70,666	68,296	110,771
Other liabilities	-	-	-	-
	<u>76,685</u>	<u>70,666</u>	<u>68,296</u>	<u>110,771</u>
Total noncurrent liabilities	<u>76,685</u>	<u>70,666</u>	<u>68,296</u>	<u>110,771</u>
Total liabilities	<u>80,993</u>	<u>72,208</u>	<u>102,911</u>	<u>121,946</u>
NET ASSETS				
Invested in capital assets, net of related debt	27,055	141,758	3,373,311	112,891
Restricted for:				
Equipment replacement reserves	-	-	-	-
Unrestricted	200,117	332,204	3,702,533	285,084
	<u>200,117</u>	<u>332,204</u>	<u>3,702,533</u>	<u>285,084</u>
Total net assets	<u>\$ 227,172</u>	<u>\$ 473,962</u>	<u>\$ 7,075,844</u>	<u>\$ 397,975</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Net Assets (Concluded)
Internal Service Funds
June 30, 2009

	<u>Public Works</u>	<u>Facility Services</u>	<u>Totals</u>
ASSETS			
Current assets			
Cash and cash investments	\$ 163,514	\$ 1,185	\$ 3,539,690
Receivables			
Accounts	-	-	55,150
Accrued interest	667	394	26,020
Due from other city funds	-	-	1,038,830
Interfund loans receivable	-	-	19,532
Inventories	-	-	140,113
	<u>164,181</u>	<u>1,579</u>	<u>4,819,335</u>
Noncurrent assets			
Restricted cash and investments	2,113	84,317	2,488,176
Advance to other funds	17,645	30,800	366,967
Non-depreciable capital assets	-	-	28,239
Depreciable capital assets, net	44,898	194,834	3,899,206
	<u>64,656</u>	<u>309,951</u>	<u>6,782,588</u>
Total noncurrent assets	<u>64,656</u>	<u>309,951</u>	<u>6,782,588</u>
Total assets	<u>228,837</u>	<u>311,530</u>	<u>11,601,923</u>
LIABILITIES			
Current liabilities			
Account payable	3,678	7,404	844,066
Other liabilities	-	-	(50)
	<u>3,678</u>	<u>7,404</u>	<u>844,016</u>
Total current liabilities	<u>3,678</u>	<u>7,404</u>	<u>844,016</u>
Non current liabilities			
Compensated absences payable	23,481	20,960	406,614
Other liabilities	-	-	123,166
	<u>23,481</u>	<u>20,960</u>	<u>529,780</u>
Total noncurrent liabilities	<u>23,481</u>	<u>20,960</u>	<u>529,780</u>
Total liabilities	<u>27,159</u>	<u>28,364</u>	<u>1,373,796</u>
NET ASSETS			
Invested in capital assets, net of related debt	44,898	194,834	3,927,445
Restricted for:			
Equipment replacement reserves	-	84,317	84,317
Unrestricted	156,780	4,015	6,216,365
	<u>156,780</u>	<u>4,015</u>	<u>6,216,365</u>
Total net assets	<u>\$ 201,678</u>	<u>\$ 283,166</u>	<u>\$ 10,228,127</u>

City of Great Falls, Montana
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Internal Service Funds
Year Ended June 30, 2009

	<u>Admin- istrative Services</u>	<u>Central Communi- cations</u>	<u>Health and Benefit</u>	<u>Insurance and Safety</u>
OPERATING REVENUES				
Charges for services	\$ 316,785	\$ 81,776	\$ 6,214,954	\$ 1,326,793
OPERATING EXPENSES				
Personal services	261,041	62,085	-	65,691
Supplies and materials	2,836	-	-	2,852
Purchased services	7,040	11,581	5,813,953	1,247,225
Internal services	35,532	3,092	-	3,352
Other	-	-	-	-
Depreciation	214	5,355	-	164
Total operating expenses	<u>306,663</u>	<u>82,113</u>	<u>5,813,953</u>	<u>1,319,284</u>
Operating income (loss)	<u>10,122</u>	<u>(337)</u>	<u>401,001</u>	<u>7,509</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	295	840	30,091	2,943
Gain (loss) on disposal of assets	-	-	-	-
Other	-	-	-	-
Total nonoperating revenues (expenses)	<u>295</u>	<u>840</u>	<u>30,091</u>	<u>2,943</u>
Change in net assets before transfers	10,417	503	431,092	10,452
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net assets	10,417	503	431,092	10,452
Net assets, beginning of year	<u>(23,764)</u>	<u>76,016</u>	<u>987,135</u>	<u>76,479</u>
Net assets, end of year	<u>\$ (13,347)</u>	<u>\$ 76,519</u>	<u>\$ 1,418,227</u>	<u>\$ 86,931</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets (Continued)
Internal Service Funds
Year Ended June 30, 2009

	<u>Fiscal Services</u>	<u>Information Tech</u>	<u>Central Garage</u>	<u>Engineering</u>
OPERATING REVENUES				
Charges for services	\$ 1,754,288	\$ 1,215,769	\$ 1,638,092	\$ 989,839
OPERATING EXPENSES				
Personal services	938,669	542,609	583,515	898,170
Supplies and materials	30,836	137,108	438,600	20,021
Purchased services	261,552	433,592	56,549	30,901
Internal services	415,164	58,661	113,484	160,973
Other	(20)	-	(2,279)	-
Depreciation	13,318	53,249	514,322	14,477
Total operating expenses	<u>1,659,519</u>	<u>1,225,219</u>	<u>1,704,191</u>	<u>1,124,542</u>
Operating income (loss)	<u>94,769</u>	<u>(9,450)</u>	<u>(66,099)</u>	<u>(134,703)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	4,485	4,511	83,361	7,235
Gain (loss) on disposal of assets	-	-	9,440	2,880
Other	-	-	2,986	-
Total nonoperating revenues (expenses)	<u>4,485</u>	<u>4,511</u>	<u>95,787</u>	<u>10,115</u>
Change in net assets before transfers	99,254	(4,939)	29,688	(124,588)
Transfers in	-	22,180	2,160	167,099
Transfers out	<u>-</u>	<u>-</u>	<u>(2,790)</u>	<u>-</u>
Changes in net assets	99,254	17,241	29,058	42,511
Net assets, beginning of year	<u>127,918</u>	<u>456,721</u>	<u>7,046,786</u>	<u>355,464</u>
Net assets, end of year	<u>\$ 227,172</u>	<u>\$ 473,962</u>	<u>\$ 7,075,844</u>	<u>\$ 397,975</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets (Concluded)
Internal Service Funds
Year Ended June 30, 2009

	<u>Public Works</u>	<u>Facility Services</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for services	\$ 408,663	\$ 469,001	\$ 14,415,960
OPERATING EXPENSES			
Personal services	177,770	217,747	3,747,297
Supplies and materials	9,238	18,729	660,220
Purchased services	140,008	194,455	8,196,856
Internal services	28,787	43,812	862,857
Other	-	-	(2,299)
Depreciation	6,114	31,064	638,277
Total operating expenses	<u>361,917</u>	<u>505,807</u>	<u>14,103,208</u>
Operating income (loss)	<u>46,746</u>	<u>(36,806)</u>	<u>312,752</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	2,532	1,655	137,948
Gain (loss) on disposal of assets	(6,364)	-	5,956
Other	-	-	2,986
Total nonoperating revenues (expenses)	<u>(3,832)</u>	<u>1,655</u>	<u>146,890</u>
Change in net assets before transfers	42,914	(35,151)	459,642
Transfers in	-	-	191,439
Transfers out	<u>-</u>	<u>-</u>	<u>(2,790)</u>
Changes in net assets	42,914	(35,151)	648,291
Net assets, beginning of year	<u>158,764</u>	<u>318,317</u>	<u>9,579,836</u>
Net assets, end of year	<u>\$ 201,678</u>	<u>\$ 283,166</u>	<u>\$ 10,228,127</u>

City of Great Falls, Montana
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2009

	<u>Admin- istrative Services</u>	<u>Central Communi- cations</u>	<u>Health and Benefit</u>	<u>Insurance and Safety</u>
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 283	\$ -	\$ 489,898	\$ -
Interfund cash flow loans	-	-	-	-
Receipts from interfund services provided	316,785	81,776	-	1,326,793
Receipts from others	-	-	5,715,337	-
Payments to suppliers	(9,933)	(16,960)	(5,614,397)	(1,257,598)
Payments to employees	(257,250)	(62,588)	-	(66,263)
Payments for interfund services used	(35,532)	(3,092)	-	(3,352)
Payments to others	-	-	123,166	-
Net cash provided (used) by operating activities	<u>14,353</u>	<u>(864)</u>	<u>714,004</u>	<u>(420)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of assets	-	-	-	-
Principal payments received/loans made - advances	-	-	-	-
Acquisition/construction of capital assets	(1)	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends on investments	<u>338</u>	<u>1,062</u>	<u>33,066</u>	<u>3,398</u>
Net cash provided (used) by investing activities	<u>338</u>	<u>1,062</u>	<u>33,066</u>	<u>3,398</u>
Net increase (decrease) in cash	14,690	198	747,070	2,978
Cash, beginning of year	<u>3,020</u>	<u>47,435</u>	<u>1,541,799</u>	<u>86,678</u>
Cash, end of year (a)	<u>\$ 17,710</u>	<u>\$ 47,633</u>	<u>\$ 2,288,869</u>	<u>\$ 89,656</u>
(a) Shown on the statement of net assets as:				
Cash and cash equivalents	\$ 17,710	\$ 47,633	\$ 2,288,869	\$ 89,656
Restricted cash and investments	-	-	-	-
	<u>\$ 17,710</u>	<u>\$ 47,633</u>	<u>\$ 2,288,869</u>	<u>\$ 89,656</u>

City of Great Falls, Montana
Combining Statement of Cash Flows (Continued)
Internal Service Funds
Year Ended June 30, 2009

	<u>Fiscal Services</u>	<u>Information Tech</u>	<u>Central Garage</u>	<u>Engineering</u>
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,774	\$ 2,790	\$ 11,944	\$ 178,511
Interfund cash flow loans	-	-	(1,038,830)	-
Receipts from interfund services provided	1,752,624	1,046,005	1,626,104	806,566
Receipts from others	-	12,347	4,508	39,441
Payments to suppliers	(314,602)	(577,007)	(451,799)	(56,266)
Payments to employees	(935,337)	(536,805)	(580,361)	(913,732)
Payments for interfund services used	(415,164)	95,966	(113,484)	(160,973)
Payments to others	(50)	-	-	-
	<u>89,245</u>	<u>43,296</u>	<u>(541,918)</u>	<u>(106,453)</u>
Net cash provided (used) by operating activities				
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	22,180	2,160	167,099
Transfers out	-	-	(2,790)	-
	<u>-</u>	<u>22,180</u>	<u>(630)</u>	<u>167,099</u>
Net cash provided (used) by noncapital financing activities				
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of assets	-	-	9,440	2,880
Principal payments received/loans made - advances	-	-	1,229,539	-
Acquisition/construction of capital assets	-	-	(633,220)	(63,206)
	<u>-</u>	<u>-</u>	<u>605,759</u>	<u>(60,326)</u>
Net cash provided (used) by capital and related financing activities				
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends on investments	5,138	5,503	82,457	8,928
	<u>5,138</u>	<u>5,503</u>	<u>82,457</u>	<u>8,928</u>
Net cash provided (used) by investing activities				
Net increase (decrease) in cash	94,383	70,979	145,668	9,248
Cash, beginning of year	<u>185,464</u>	<u>331,962</u>	<u>2,129,583</u>	<u>365,582</u>
Cash, end of year (a)	<u>\$ 279,847</u>	<u>\$ 402,941</u>	<u>\$ 2,275,251</u>	<u>\$ 374,830</u>
(a) Shown on the statement of net assets as:				
Cash and cash equivalents	\$ 279,847	\$ 128,975	\$ 270,794	\$ 251,507
Restricted cash and investments	-	273,966	2,004,457	123,323
	<u>\$ 279,847</u>	<u>\$ 402,941</u>	<u>\$ 2,275,251</u>	<u>\$ 374,830</u>

City of Great Falls, Montana
Combining Statement of Cash Flows (Continued)
Internal Service Funds
Year Ended June 30, 2009

	<u>Public Works</u>	<u>Facility Services</u>	<u>Totals</u>
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ -	\$ -	\$ 685,200
Interfund cash flow loans	-	-	(1,038,830)
Receipts from interfund services provided	407,400	468,653	7,832,706
Receipts from others	1,263	348	5,773,244
Payments to suppliers	(150,570)	(209,010)	(8,658,142)
Payments to employees	(175,416)	(215,005)	(3,742,757)
Payments for interfund services used	(28,787)	(43,812)	(708,230)
Payments to others	-	-	123,116
	<u>53,890</u>	<u>1,174</u>	<u>266,307</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	-	191,439
Transfers out	-	-	(2,790)
	<u>-</u>	<u>-</u>	<u>188,649</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of assets	-	-	12,320
Principal payments received/loans made - advances	-	-	1,229,539
Acquisition/construction of capital assets	1	-	(696,426)
	<u>1</u>	<u>-</u>	<u>545,433</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends on investments	<u>2,814</u>	<u>2,275</u>	<u>144,979</u>
	<u>2,814</u>	<u>2,275</u>	<u>144,979</u>
Net increase (decrease) in cash	56,705	3,449	1,145,368
Cash, beginning of year	<u>108,922</u>	<u>82,053</u>	<u>4,882,498</u>
Cash, end of year (a)	<u>\$ 165,627</u>	<u>\$ 85,502</u>	<u>\$ 6,027,866</u>
(a) Shown on the statement of net assets as:			
Cash and cash equivalents	\$ 163,514	\$ 1,185	\$ 3,539,690
Restricted cash and investments	2,113	84,317	2,488,176
	<u>\$ 165,627</u>	<u>\$ 85,502</u>	<u>\$ 6,027,866</u>

City of Great Falls, Montana
Combining Statement of Cash Flows (Continued)
Internal Service Funds
Year Ended June 30, 2009

	<u>Admin- istrative Services</u>	<u>Central Commun- ications</u>	<u>Health and Benefits</u>	<u>Insurance and Safety</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 10,122	\$ (337)	\$ 401,001	\$ 7,509
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	214	5,355	-	164
Cash provided (used) by changes in operating assets and liabilities				
Accounts receivable	283	-	(9,719)	-
Inventories	-	-	-	-
Accounts payable	(57)	(5,379)	199,556	(7,521)
Due to other city funds	-	-	-	-
Other liabilities	-	-	(123,166)	-
Compensated absences payable	3,791	(503)	-	(572)
Other nonoperating revenue	-	-	-	-
Total adjustments	<u>4,231</u>	<u>(527)</u>	<u>313,003</u>	<u>(7,929)</u>
Net cash provided (used) by operating activities	<u>\$ 14,353</u>	<u>\$ (864)</u>	<u>\$ 714,004</u>	<u>\$ (420)</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Cash Flows (Continued)
Internal Service Funds
Year Ended June 30, 2009

	<u>Fiscal Services</u>	<u>Information Tech</u>	<u>Central Garage</u>	<u>Engineering</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 94,769	\$ (9,450)	\$ (66,099)	\$ (134,703)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	13,318	53,249	514,322	14,477
Cash provided (used) by changes in operating assets and liabilities				
Accounts receivable	110	-	1,478	34,679
Inventories	-	-	9,314	-
Accounts payable	(22,234)	(6,307)	31,757	(5,344)
Due to other city funds	-	-	(1,038,830)	-
Other liabilities	50	-	-	-
Compensated absences payable	3,332	5,804	3,154	(15,562)
Other nonoperating revenue	-	-	2,986	-
Total adjustments	(5,524)	52,746	(475,819)	28,250
Net cash provided (used) by operating activities	<u>\$ 89,245</u>	<u>\$ 43,296</u>	<u>\$ (541,918)</u>	<u>\$ (106,453)</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Cash Flows (Concluded)
Internal Service Funds
Year Ended June 30, 2009

	<u>Public Works</u>	<u>Facility Services</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 46,746	\$ (36,806)	\$ 312,752
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	6,114	31,064	638,277
Cash provided (used) by changes in operating assets and liabilities			
Accounts receivable	-	-	26,831
Inventories	-	-	9,314
Accounts payable	(1,324)	4,174	187,321
Due to other city funds	-	-	(1,038,830)
Other liabilities	-	-	(123,116)
Compensated absences payable	2,354	2,742	4,540
Other nonoperating revenue	-	-	2,986
Total adjustments	7,144	37,980	(46,445)
Net cash provided (used) by operating activities	<u>\$ 53,890</u>	<u>\$ 1,174</u>	<u>\$ 266,307</u>

Private Purpose Trust Funds

Private-purpose trust funds are used to report all trust arrangements, other than those reported trust funds or investments trust funds, under which principal and income benefit individuals, private organizations, or other governments.

Castle Pines Trust Fund – This fund is used to account for assessments collected from the buyers of Castle Pines Subdivision lots as closing costs to be used for future construction of off-site public improvements related to the subdivision.

City of Great Falls, Montana
Combining Statement of Fiduciary Net Assets
Private Purpose Trust
June 30, 2009

	<u>Castle Pines</u>
ASSETS	
Cash and cash equivalents	\$ 146,847
Accounts receivable	1,353
Accrued interest receivable	<u>507</u>
Total assets	<u>148,707</u>
LIABILITIES	
NET ASSETS	
Held in trust	<u><u>\$ 148,707</u></u>

City of Great Falls, Montana
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Funds
Year Ended June 30, 2009

	Castle Pines
ADDITIONS	
Private contributions	\$ 33,795
Investment income	2,052
	35,847
DEDUCTIONS	
Refunds of contributions	-
	35,847
Net assets, beginning of year	112,860
	\$ 148,707
Net assets, end of year	\$ 148,707

Agency Funds

Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Court Agency Fund – This fund is used to account for appearance bond and restitution money.

Payroll Agency Fund – This fund is used to account for federal, state, and other payroll deductions.

ULRRWSD (Upper Lower River Road Water Sewer District) – This fund is used to account for assessments and expenses for the District for the addition of the District to the City's water and sanitary sewer systems.

ULRRWS Phase II – This fund is used to account for assessments and expenses for the District for the addition of the District to the City's water and sanitary sewer systems phase two.

City of Great Falls, Montana
Combining Statement of Fiduciary Net Assets
Agency Funds
Year Ended June 30, 2009

	<u>Court</u>	<u>Payroll</u>	<u>ULRRWSD</u>	<u>ULRRWS Phase II</u>	<u>Totals</u>
ASSETS					
Cash and cash equivalents	\$ 63,114	\$ 47,209	\$ 59,688	\$ 3,423	\$ 173,434
Accrued interest receivable	-	-	218	12	230
Special assessments receivable	-	-	587,637	-	587,637
Due from other governments	-	-	13	-	13
	<u>63,114</u>	<u>47,209</u>	<u>647,556</u>	<u>3,435</u>	<u>761,314</u>
Total assets	<u>63,114</u>	<u>47,209</u>	<u>647,556</u>	<u>3,435</u>	<u>761,314</u>
LIABILITIES					
Accounts payable	-	47,209	-	-	47,209
Assets held for others	-	-	647,556	3,435	650,991
Other liabilities	63,114	-	-	-	63,114
	<u>63,114</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,114</u>
Total liabilities	<u>\$ 63,114</u>	<u>\$ 47,209</u>	<u>\$ 647,556</u>	<u>\$ 3,435</u>	<u>\$ 761,314</u>

City of Great Falls, Montana
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2009

	Beginning Balance	Additions	Deductions	Ending Balance
COURT AGENCY				
ASSETS				
Cash and cash equivalents	\$ 53,286	\$ 1,371,084	\$ (1,361,256)	\$ 63,114
Total assets	<u>53,286</u>	<u>1,371,084</u>	<u>(1,361,256)</u>	<u>63,114</u>
LIABILITIES				
Other liabilities	53,286	1,371,084	(1,361,256)	63,114
Total liabilities	<u>\$ 53,286</u>	<u>\$ 1,371,084</u>	<u>\$ (1,361,256)</u>	<u>\$ 63,114</u>
PAYROLL AGENCY				
ASSETS				
Cash and cash equivalents	\$ 50,615	\$ 16,649,906	\$ (16,653,313)	\$ 47,209
Total assets	<u>50,615</u>	<u>16,649,906</u>	<u>(16,653,313)</u>	<u>47,209</u>
LIABILITIES				
Accounts payable	50,615	18,875,262	(18,878,668)	47,209
Total liabilities	<u>\$ 50,615</u>	<u>\$ 18,875,262</u>	<u>\$ (18,878,668)</u>	<u>\$ 47,209</u>
ULRRWSD AGENCY				
ASSETS				
Cash and cash equivalents	\$ 44,802	\$ 74,308	\$ (59,422)	\$ 59,688
Special assessments receivable	616,131	68,924	(97,418)	587,637
Accrued interest receivable	340	271	(393)	218
Due from other governments	-	-	13	13
Total assets	<u>661,273</u>	<u>143,503</u>	<u>(157,220)</u>	<u>647,556</u>
LIABILITIES				
Assets held for others	661,273	79,755	(93,492)	647,556
Total liabilities	<u>\$ 661,273</u>	<u>\$ 79,755</u>	<u>\$ (93,492)</u>	<u>\$ 647,556</u>
ULRRWSD AGENCY PHASE II				
ASSETS				
Cash and cash equivalents	\$ -	\$ 9,234	\$ (5,811)	\$ 3,423
Special assessments receivable	-	778,893	(778,893)	-
Accrued interest receivable	-	40	(28)	12
Total assets	<u>-</u>	<u>788,167</u>	<u>(784,732)</u>	<u>3,435</u>
LIABILITIES				
Assets held for others	-	782,328	(778,893)	3,435
Total liabilities	<u>\$ -</u>	<u>\$ 782,328</u>	<u>\$ (778,893)</u>	<u>\$ 3,435</u>
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 148,703	\$ 18,104,532	\$ (18,079,802)	\$ 173,434
Special assessments receivable	616,131	847,817	(876,311)	587,637
Accrued interest receivable	340	311	(421)	230
Due from other governments	-	-	13	13
Total assets	<u>765,174</u>	<u>18,952,660</u>	<u>(18,956,521)</u>	<u>761,314</u>
LIABILITIES				
Accounts payable	50,615	18,875,262	(18,878,668)	47,209
Deferred revenue - special assessments	661,273	862,083	(872,385)	650,991
Other liabilities	53,286	1,371,084	(1,361,256)	63,114
Total liabilities	<u>\$ 765,174</u>	<u>\$ 21,108,429</u>	<u>\$ (21,112,309)</u>	<u>\$ 761,314</u>



Statistical Section





Statistical Section

This part of the City of Great Falls' comprehensive annual 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.

Contents	Page
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.	144
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	149
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.	153
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.	175
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.	177

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in Fiscal Year 2003; schedules presenting government-wide information include information beginning in that year.

City of Great Falls, Montana
Changes in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental Activities:							
General government	\$ 7,733,417	\$ 7,968,020	\$ 8,651,809	\$ 7,219,070	\$ 7,551,204	\$ 6,113,949	\$ 6,280,562
Public safety	11,769,875	11,983,789	12,658,498	13,011,552	13,707,939	15,703,112	16,053,948
Public works	4,225,922	3,985,723	3,820,802	3,928,438	4,032,194	4,395,673	4,794,550
Culture and recreation	3,129,879	3,490,282	4,043,817	4,021,127	4,190,877	4,568,967	5,607,567
Housing and development	2,416,995	2,572,602	3,327,328	3,059,338	2,788,802	3,141,049	2,958,565
Interest and Fees	750,348	271,990	464,260	408,151	311,447	405,626	332,216
Total governmental activities expenses	<u>30,026,436</u>	<u>30,272,406</u>	<u>32,966,514</u>	<u>31,647,676</u>	<u>32,582,463</u>	<u>34,328,376</u>	<u>36,027,408</u>
Business-type activities							
Water	4,833,493	5,325,599	5,362,998	6,469,092	6,791,109	7,223,313	7,313,512
Sewer	4,629,286	5,416,556	5,484,053	6,120,164	6,620,414	7,215,076	7,281,065
Storm drain	694,124	662,616	622,512	1,164,236	1,215,422	1,227,116	1,245,318
Sanitation	2,641,732	2,806,848	2,773,495	2,992,216	3,072,465	3,330,166	3,231,635
Electric	-	30,888	1,674,686	4,471,710	6,711,809	9,441,675	10,724,225
Port authority	-	-	-	-	-	87,046	340,881
Golf courses	1,453,833	1,449,714	1,457,117	1,467,156	1,421,903	1,384,226	1,460,828
Other	5,178,355	3,356,510	3,359,635	3,677,162	4,045,283	4,273,470	4,271,610
Total business-type activities expenses	<u>19,430,823</u>	<u>19,048,731</u>	<u>20,734,496</u>	<u>26,361,736</u>	<u>29,878,405</u>	<u>34,182,088</u>	<u>35,869,074</u>
Total primary government expenses	<u>\$ 49,457,259</u>	<u>\$ 49,321,137</u>	<u>\$ 53,701,010</u>	<u>\$ 58,009,412</u>	<u>\$ 62,460,868</u>	<u>\$ 68,510,464</u>	<u>\$ 71,896,482</u>
Program Revenues							
Governmental Activities:							
Charges for services							
General government	\$ 1,990,173	\$ 2,260,293	\$ 2,358,059	\$ 2,770,849	\$ 2,584,146	\$ 2,773,279	\$ 2,895,553
Public safety	1,565,608	2,009,573	1,848,504	2,082,032	2,096,607	2,280,255	2,486,246
Public works	1,740,588	2,128,619	2,318,073	2,481,096	2,801,439	3,075,156	3,451,404
Culture and recreation	671,557	652,260	728,754	558,479	496,740	517,337	510,812
Housing and development	2,433,163	2,487,130	2,968,094	2,916,787	3,235,059	3,594,034	3,105,833
Operating grants and contributions	583,207	281,504	1,594,762	813,017	867,359	922,426	825,758
Capital grants and contributions	2,336,484	3,701,084	3,857,853	2,457,109	1,945,499	2,190,536	2,174,440
Total governmental activities program revenues	<u>11,320,780</u>	<u>13,520,463</u>	<u>15,674,099</u>	<u>14,079,369</u>	<u>14,026,849</u>	<u>15,353,023</u>	<u>15,450,046</u>

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Business-type activities							
Charges for services							
Water	\$ 6,283,904	\$ 7,648,142	\$ 8,018,153	\$ 7,427,648	\$ 7,578,259	\$ 8,301,295	\$ 8,116,362
Sewer	5,260,591	5,836,954	5,661,367	6,516,115	7,089,612	7,656,887	7,788,927
Storm Drain	1,410,274	1,692,103	1,764,261	2,086,414	1,929,820	1,824,052	1,863,553
Sanitation	2,436,498	2,601,775	2,602,383	2,762,201	2,881,638	3,224,927	3,173,768
Electric	-	159,877	1,288,133	4,051,244	6,440,336	8,867,623	9,500,725
Port Authority	-	-	-	-	-	440,364	465,187
Golf Courses	1,080,084	1,084,129	1,049,535	1,090,309	1,168,802	1,254,453	1,309,590
Other	3,622,900	2,162,681	1,071,775	2,587,631	2,800,943	2,841,539	3,027,285
Operating grants and contributions	-	-	6,335	3,500	-	3,570	3,082
Capital grants and contributions	-	-	98,012	137,992	1,258,171	28,409	433,792
Total business-type activities program revenues	<u>20,094,251</u>	<u>21,185,661</u>	<u>21,559,954</u>	<u>26,663,054</u>	<u>31,147,581</u>	<u>34,443,119</u>	<u>35,682,271</u>
Total primary government program revenues	<u>\$ 31,415,031</u>	<u>\$ 34,706,124</u>	<u>\$ 37,234,053</u>	<u>\$ 40,742,423</u>	<u>\$ 45,174,430</u>	<u>\$ 49,796,142</u>	<u>\$ 51,132,317</u>
Net (Expense)/Revenue							
Governmental activities	\$ (18,705,656)	\$ (16,751,943)	\$ (17,292,415)	\$ (17,568,307)	\$ (18,555,614)	\$ (18,975,353)	\$ (20,577,362)
Business-type activities	663,428	2,136,930	825,458	301,318	1,269,176	261,031	(186,803)
Total primary government net expense	<u>\$ (18,042,228)</u>	<u>\$ (14,615,013)</u>	<u>\$ (16,466,957)</u>	<u>\$ (17,266,989)</u>	<u>\$ (17,286,438)</u>	<u>\$ (18,714,322)</u>	<u>\$ (20,764,165)</u>
General Revenues and Other Changes in Net Assets							
Governmental Activities:							
Property taxes	\$ 10,889,623	\$ 10,979,102	\$ 11,778,547	\$ 12,041,935	\$ 12,601,752	\$ 14,634,494	\$ 16,004,331
Grants and contributions not restricted to specific programs	7,218,956	7,906,709	7,801,713	7,755,847	7,809,913	8,190,388	8,532,724
Unrestricted investment earnings	538,257	228,687	336,545	383,907	697,066	666,468	294,352
Miscellaneous	2,328,926	620,169	233,695	311,702	683,004	887,591	728,078
Transfers	(1,560,421)	(685,734)	(1,676,415)	(1,065,222)	(1,327,408)	(2,520,767)	(2,292,865)
Total governmental activities general revenues	<u>19,415,341</u>	<u>19,048,933</u>	<u>18,474,085</u>	<u>19,428,169</u>	<u>20,464,327</u>	<u>21,858,174</u>	<u>23,266,620</u>
Business Type Activities:							
Unrestricted investment earnings	560,609	202,854	481,461	660,977	997,854	664,264	308,639
Miscellaneous	311,177	94,433	68,690	106,501	224,678	571,884	19,240
Transfers	1,560,421	685,734	1,676,415	1,065,222	1,327,408	2,520,767	2,292,865
Total business-type activities general revenues	<u>2,432,207</u>	<u>983,021</u>	<u>2,226,566</u>	<u>1,832,700</u>	<u>2,549,940</u>	<u>3,756,915</u>	<u>2,620,744</u>
Total primary government general revenues	<u>\$ 21,847,548</u>	<u>\$ 20,031,954</u>	<u>\$ 20,700,651</u>	<u>\$ 21,260,869</u>	<u>\$ 23,014,267</u>	<u>\$ 25,615,089</u>	<u>\$ 25,887,364</u>
Change in Net Assets							
Governmental activities	\$ 709,685	\$ 2,296,990	\$ 1,181,670	\$ 1,859,862	\$ 1,908,713	\$ 2,882,821	\$ 2,689,258
Business-type activities	3,095,635	3,119,951	3,052,024	2,134,018	3,819,116	4,017,946	2,433,941
Total primary government	<u>\$ 3,805,320</u>	<u>\$ 5,416,941</u>	<u>\$ 4,233,694</u>	<u>\$ 3,993,880</u>	<u>\$ 5,727,829</u>	<u>\$ 6,900,767</u>	<u>\$ 5,123,199</u>

GASB Statement No. 34 reporting requirements were implemented in fiscal year 2003.

General government encompasses the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds and Internal Service Funds.

Business-type activities Electric fund implemented in fiscal year 2004.

Port Authority became a major business-type activity fund in fiscal year 2008. Previous years activity is in the Other category.

City of Great Falls, Montana
Net Assets by Component
Last Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Governmental activities							
Invested in capital assets, net of related debt	\$ 39,469,877	\$ 36,396,557	\$ 40,668,483	\$ 42,200,941	\$ 63,427,216	\$ 67,957,014	\$ 69,299,156
Restricted	9,052,524	7,452,602	7,078,177	7,568,295	8,111,215	5,329,260	2,217,136
Unrestricted	7,605,744	14,674,981	11,245,840	11,074,181	13,732,946	14,867,924	19,327,164
Total governmental activities net assets	<u>\$ 56,128,145</u>	<u>\$ 58,524,140</u>	<u>\$ 58,992,500</u>	<u>\$ 60,843,417</u>	<u>\$ 85,271,377</u>	<u>\$ 88,154,198</u>	<u>\$ 90,843,456</u>
Business-Type activities							
Invested in capital assets, net of related debt	\$ 64,253,674	\$ 69,331,957	\$ 72,337,960	\$ 73,539,134	\$ 79,077,768	\$ 84,029,556	\$ 86,137,271
Restricted	9,050,791	8,835,470	12,266,972	12,556,046	9,100,250	9,668,238	10,182,501
Unrestricted	12,143,378	10,594,873	7,630,741	8,199,511	9,935,789	8,433,959	8,245,922
Total business-type activities net assets	<u>\$ 85,447,843</u>	<u>\$ 88,762,300</u>	<u>\$ 92,235,673</u>	<u>\$ 94,294,691</u>	<u>\$ 98,113,807</u>	<u>\$ 102,131,753</u>	<u>\$ 104,565,694</u>
Primary government							
Invested in capital assets, net of related debt	\$ 103,723,551	\$ 105,728,514	\$ 113,006,443	\$ 115,740,075	\$ 142,504,984	\$ 151,986,570	\$ 155,436,427
Restricted	18,103,315	16,288,072	19,345,149	20,124,341	17,211,465	14,997,498	12,399,637
Unrestricted	19,749,122	25,269,854	18,876,581	19,273,692	23,668,735	23,301,883	27,573,086
Total primary government net assets	<u>\$ 141,575,988</u>	<u>\$ 147,286,440</u>	<u>\$ 151,228,173</u>	<u>\$ 155,138,108</u>	<u>\$ 183,385,184</u>	<u>\$ 190,285,951</u>	<u>\$ 195,409,150</u>

GASB Statement No. 34 reporting requirements were implemented in fiscal year 2003.

City of Great Falls, Montana
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 427,064	\$ 598,417	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,412,476	4,413,741	4,280,639	4,232,030	3,944,843	3,280,357	2,922,542	3,108,412	2,659,961	3,511,924
Total general fund	<u>\$ 4,839,540</u>	<u>\$ 5,012,158</u>	<u>\$ 4,880,639</u>	<u>\$ 4,232,030</u>	<u>\$ 3,944,843</u>	<u>\$ 3,280,357</u>	<u>\$ 2,922,542</u>	<u>\$ 3,108,412</u>	<u>\$ 2,659,961</u>	<u>\$ 3,511,924</u>
All Other Governmental Funds										
Reserved	\$ 5,684,177	\$ 4,692,586	\$ 5,099,652	\$ 4,793,978	\$ 4,291,575	\$ 3,525,194	\$ 3,534,454	\$ 6,133,856	\$ 3,250,907	\$ 2,017,239
Unreserved, reported in										
Special revenue funds	4,481,900	5,908,120	6,366,575	7,390,385	5,742,055	4,671,886	4,931,722	5,921,390	6,132,570	6,591,215
Debt service funds	-	-	-	-	-	-	-	-	-	(5,892)
Capital projects funds	584,945	612,438	474,697	305,586	2,142,427	991,436	538,056	171,635	285,593	212,776
Total all other governmental funds	<u>\$10,751,022</u>	<u>\$11,213,144</u>	<u>\$11,940,924</u>	<u>\$12,489,949</u>	<u>\$12,176,057</u>	<u>\$ 9,188,516</u>	<u>\$ 9,004,232</u>	<u>\$12,226,881</u>	<u>\$ 9,669,070</u>	<u>\$ 8,815,338</u>

The decrease in General Fund reserved fund balance in 2003 was due to the close-out of a long-term loan from the General Fund to Montana Expo Park.

The decrease in General Fund unreserved fund balance in 2005 was due to an intentional drawdown of fund balance to fund priority projects such as Medical Master Plan, Med Tech Park and the Lewis and Clark Signature Event.

The decrease in General Fund unreserved fund balance in 2006 was due to funding the remaining deficit of the Lewis and Clark Signature Event.

The fluctuations in 2000, 2001, 2002, 2003, 2004, and 2005 All Other Governmental Funds reserved balances were due to the changing needs for debt service reserves in the funds.

The increase in Capital projects funds unreserved balance in 2004 was due to the issuance of \$2,500,000 general obligation bonds to finance a soccer park.

The increase in Capital projects funds reserved funds in 2007 is due to the issuance of \$2,270,000 general obligation bonds to finance swim pool rehabilitation

Many trust funds were recharacterized as Special Revenue funds in fiscal year 2003 to comply with GASB Statement No. 34 reporting requirements.

Fiscal Years before 2003 have been restated to include the Trust Funds that were restated to Special Revenue Funds to comply with GASB Statement No. 34 reporting requirements.

City of Great Falls, Montana
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	\$10,318,781	\$11,529,919	\$10,098,658	\$10,889,623	\$10,979,102	\$11,537,954	\$11,949,430	\$12,932,609	\$14,197,988	\$15,280,089
Special Assessments	3,509,834	3,317,790	3,702,690	3,705,324	3,895,149	4,117,111	4,205,112	4,456,879	4,762,317	5,079,030
Licenses & Permits	1,423,775	1,594,877	1,331,757	1,361,798	1,430,941	1,589,688	1,556,336	1,797,639	2,060,296	1,815,363
Intergovernmental	8,052,262	9,326,013	10,021,405	10,338,056	11,458,997	12,321,287	10,677,996 ³	10,250,929	10,946,651	11,179,465
Charges for Services	1,549,126	1,571,087	1,716,896	1,856,700	2,111,331	2,280,358	2,377,124	2,699,858	2,674,751	3,081,602
Fines & Forfeitures	1,268,357	1,016,965	1,054,074	1,135,743	1,299,754	1,301,902	1,531,578	1,465,106	1,477,982	1,502,122
Internal Service	1,061,794	886,597	884,819	868,762	950,850	888,307	928,582	1,133,596	1,180,411	1,166,834
Other	1,492,497	732,753	848,871	2,323,893	1,460,724	1,137,632	540,017	492,258	441,304	381,030
Investment Income	614,048	1,066,953	460,246	386,037	112,530 ¹	244,172 ¹	242,674	560,508	448,583	156,404
Total revenues	<u>29,290,474</u>	<u>31,042,954</u>	<u>30,119,416</u>	<u>32,865,936</u>	<u>33,699,378</u>	<u>35,418,411</u>	<u>34,008,849</u>	<u>35,789,382</u>	<u>38,190,283</u>	<u>39,641,939</u>
Expenditures										
General Government	5,462,645	6,267,578	5,687,500	7,303,040	7,720,091	7,385,712	6,920,346	6,813,067	6,884,548	7,254,140
Public Safety	9,502,882	10,499,562	11,102,189	11,198,867	11,523,420	12,378,962	12,713,281	13,391,537	15,336,682	15,792,570
Public Works	2,446,734	2,336,651	2,804,567	3,578,526	3,292,422	3,225,539	3,190,200	3,192,983	3,516,983	3,843,043
Culture & Recreation	2,699,033	3,061,072	3,149,888	2,766,316	3,096,873	3,630,589	3,329,144	3,562,237	3,820,102	3,816,577
Housing & Community Development	2,995,814	2,391,783	2,316,254	2,339,091	2,581,540	2,978,451	2,688,276	2,395,756	2,714,537	2,548,111
Debt Service										
Principal	1,409,262	1,243,500	1,123,500	1,353,500	1,534,000	1,250,073	1,336,433	1,302,531	1,434,620	1,603,535
Interest & fees	745,803	713,677	640,649	799,474	330,282	434,638	383,585	327,021	388,524	320,830
Capital Outlay	1,505,872	2,633,665	1,653,805	3,089,452	5,704,265 ²	6,065,725 ²	2,619,789	2,175,938	4,696,802	2,666,399
Total Expenditures	<u>26,768,045</u>	<u>29,147,488</u>	<u>28,478,352</u>	<u>32,428,266</u>	<u>35,782,893</u>	<u>37,349,689</u>	<u>33,181,054</u>	<u>33,161,070</u>	<u>38,792,798</u>	<u>37,845,205</u>
Excess of revenues over (under) expenditures	<u>2,522,429</u>	<u>1,895,466</u>	<u>1,641,064</u>	<u>437,670</u>	<u>(2,083,515)</u>	<u>(1,931,278)</u>	<u>827,795</u>	<u>2,628,312</u>	<u>(602,515)</u>	<u>1,796,734</u>
Other Financing Sources (Uses)										
Transfers In	1,597,606	2,302,786	1,649,341	2,583,925	3,215,676	3,271,637	2,983,184	2,362,396	2,858,289	2,199,261
Transfers Out	(2,472,600)	(3,080,576)	(2,279,435)	(4,054,975)	(4,357,346)	(5,432,223)	(4,478,400)	(4,089,753)	(5,864,248)	(4,680,775)
Transfer to component unit	-	-	(85,000)	-	-	-	-	-	-	-
Issuance of debt	-	-	-	(84,287)	2,530,256	833,354	73,093	2,311,675	41,562	47,560
Sale of capital assets	476,498	129,592	29,394	14,743	93,253	11,884	52,038	195,886	560,650	635,451
Total other financing sources (uses)	<u>(398,496)</u>	<u>(648,198)</u>	<u>(685,700)</u>	<u>(1,540,594)</u>	<u>1,481,839</u>	<u>(1,315,348)</u>	<u>(1,370,085)</u>	<u>780,204</u>	<u>(2,403,747)</u>	<u>(1,798,503)</u>
Net change in fund balance	<u>\$ 2,123,933</u>	<u>\$ 1,247,268</u>	<u>\$ 955,364</u>	<u>\$ (1,102,924)</u>	<u>\$ (601,676)</u>	<u>\$ (3,246,626)</u>	<u>\$ (542,290)</u>	<u>\$ 3,408,516</u>	<u>\$ (3,006,262)</u>	<u>\$ (1,769)</u>
Debt service as a percentage of noncapital expenditures	8.53%	7.38%	6.58%	7.34%	6.20%	5.39%	5.63%	5.26%	5.35%	5.47%

¹ This year's drop in investment income is due to adjustments which 'mark investments to market'.

² This year's increase in capital outlay is due primarily to construction of a \$2,500,000 soccer park.

³ This year's decrease in intergovernmental revenue is due primarily to decrease in grants received.

Many trust funds were recharacterized as Special Revenue funds in fiscal year 2003 to comply with GASB Statement No. 34 reporting requirements.

Fiscal Years before 2003 have been restated to include the Trust Funds that were restated to Special Revenue Funds to comply with GASB Statement No. 34 reporting requirements.

City of Great Falls, Montana
Taxable Assessed and Market Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property		Total Real & Personal Property		Ratio of Taxable Assessed Value to Total Market	Direct Mills Applied
	Market Value	Taxable Assessed Value	Market Value	Taxable Assessed Value	Market Value	Taxable Assessed Value		
TAXABLE ASSESSED AND MARKET VALUE OF TAXABLE PROPERTY - TOTAL								
2000	\$1,855,952,079	\$ 61,721,997	\$ 68,831,773	\$ 2,051,092	\$1,924,783,852	\$ 72,551,276	3.77%	92.77
2001	1,906,503,157	53,309,288	139,913,509	3,871,081	2,046,416,666	64,899,235	3.17%	108.12
2002	2,008,846,072	53,890,011	140,636,341	3,910,670	2,149,482,413	65,473,306	3.05%	111.32
2003	1,766,980,994	53,378,591	138,095,399	6,906,844	1,905,076,393	64,776,978	3.40%	119.00
2004	2,094,766,611	54,303,806	141,784,188	4,086,270	2,236,550,799	65,328,553	2.92%	124.33
2005	1,864,909,252	53,781,399	138,013,207	4,028,424	2,002,922,459	66,377,650	3.31%	131.64
2006	1,957,030,185	55,391,383	148,813,371	4,394,817	2,105,843,556	68,026,995	3.23%	138.27
2007	2,022,021,187	66,155,226	162,329,143	4,835,189	2,184,350,330	70,990,415	3.25%	140.94
2008	2,136,035,079	68,330,586	183,294,177	5,445,746	2,319,329,256	73,776,332	3.18%	158.21
2009	2,221,906,501	70,564,088	197,087,531	5,841,602	2,418,994,032	76,405,690	3.16%	162.76

TAXABLE ASSESSED AND MARKET VALUE OF TAXABLE PROPERTY - NET OF TAX INCREMENT DISTRICTS (TID)

2000	N/A	\$ 61,721,997	N/A	\$ 2,051,092	N/A	\$ 63,773,089	N/A	92.77
2001	N/A	53,309,288	N/A	3,871,081	N/A	57,180,369	N/A	108.12
2002	1,772,880,685	53,707,159	134,540,666	3,727,818	1,907,421,351	57,434,977	3.01%	111.32
2003	1,517,970,513	53,152,749	130,488,269	3,681,002	1,648,458,782	56,833,751	3.45%	119.00
2004	1,841,138,828	54,106,999	135,156,959	3,889,463	1,976,295,787	57,996,462	2.93%	124.33
2005	1,633,891,050	53,580,593	131,270,000	3,827,618	1,765,161,050	57,408,211	3.25%	131.64
2006	1,733,415,472	55,186,069	141,894,158	4,189,503	1,875,309,630	59,375,572	3.17%	138.27
2007	1,758,314,047	56,758,308	155,612,446	4,636,065	1,913,926,493	61,394,373	3.21%	140.94
2008	1,878,082,643	58,627,901	174,548,420	5,185,463	2,052,631,063	63,813,364	3.11%	158.21
2009	1,929,034,650	60,446,133	188,043,344	5,567,746	2,117,077,994	66,013,879	3.12%	162.76

TAXABLE ASSESSED VALUE (TAV) OF TAXABLE PROPERTY - ALL TAX INCREMENT DISTRICTS

	Real Property			Personal Property			Total TID Real Property TAV	Total TID Personal Property TAV		
	Downtown Urban Renewal	Industrial		Downtown Urban Renewal	Industrial					
		International	Urban Renewal		International	Urban Renewal				
TID TAV	Malting Co. TID TAV	West Bank TID TAV	TID TAV	Malting Co. TID TAV	West Bank TID TAV	TAV	TAV			
2000	\$ 8,778,187	N/A	N/A	N/A	N/A	N/A	\$ 8,778,187	N/A	N/A	86.77 ¹
2001	7,718,866	N/A	N/A	N/A	N/A	N/A	7,718,866	N/A	N/A	102.12 ¹
2002	7,855,477	N/A	N/A	182,852	N/A	N/A	7,855,477	182,852	3.32%	105.32 ¹
2003	7,717,385	N/A	N/A	225,842	N/A	N/A	7,717,385	225,842	3.10%	113.00 ¹
2004	7,135,284	N/A	N/A	196,807	N/A	N/A	7,135,284	196,807	2.82%	118.33 ¹
2005	8,768,633	N/A	N/A	200,806	N/A	N/A	8,768,633	200,806	3.77%	125.64 ¹
2006	8,446,109	N/A	N/A	205,314	N/A	N/A	8,446,109	205,314	3.75%	132.27 ¹
2007	8,902,107	494,811	N/A	199,124	N/A	N/A	9,396,918	199,124	3.77%	134.94 ¹
2008	9,144,399	558,286	N/A	186,562	73,721	N/A	9,702,685	260,283	3.50%	152.21 ¹
2009	9,167,952	627,020	322,983	194,982	73,520	5,354	10,117,955	273,856	3.44%	156.76 ¹

Source: Cascade County, Montana, Appraisal and Assessment Office through Fiscal Year 1999.

Montana State Department of Revenue from Fiscal Year 1999 through Fiscal Year 2001. Cascade County, Montana, Assessment Office from Fiscal Year 2002.

¹ University mill levies of 6 mills are excluded from tax increment districts.

Note: The City's real estate property tax is levied as of November 1 on the assessed value listed as of January 1 of the same year, for all property located in the City. Assessed values are established by the Montana Department of Revenue based on a market value. A revaluation of all property is required to be completed on a periodic basis. Taxable value is defined by State statute as a fixed percentage of assessed value.

**City of Great Falls, Montana
Property Tax Mills Direct and Overlapping Governments
Last Ten Fiscal Years**

Fiscal Year	Overlapping Governments							Direct	Total
	State University	State School Equalization	Assumed Public Assistance	Cascade County	County-Wide School	Great Falls School Districts	Transit District	City of Great Falls	
2000	6.00	40.00	9.00	74.27	87.93	169.13	10.97	92.77	490.07
2001	6.00	40.00	9.00	87.44	102.10	164.81	12.68	108.12	530.15
2002	6.00	40.00	-	98.55	97.82	183.54	13.31	111.32	550.54
2003	6.00	40.00	-	101.73	101.46	195.25	13.76	119.00	577.20
2004	6.00	40.00	-	111.22	99.60	208.17	14.07	124.33	603.39
2005	6.00	40.00	-	107.70	103.41	209.51	14.76	131.64	613.02
2006	6.00	40.00	-	107.96	102.09	199.47	15.06	138.27	608.85
2007	6.00	40.00	-	121.55	102.18	188.23	15.80	140.94	614.70
2008	6.00	40.00	-	122.02	103.87	184.34	16.40	158.21	630.84
2009	6.00	40.00	-	122.54	94.32	178.89	16.35	162.76	620.86

Source: Treasurer, Cascade County, Montana.

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 Great Falls. 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.

**City of Great Falls, Montana
Principal Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation
Northwestern Energy, LLC	\$ 3,498,164	1	4.58%	\$ 7,844,320	2 ¹	10.81%
Great Falls Gas Co. (Energy West)	1,259,891	2	1.65%	-		-
Qwest Corporation	1,062,416	3	1.39%	2,626,775	3 ²	3.62%
Montana Refining Co.	982,915	4	1.29%	633,718	8	0.87%
Holiday Village Partners LLC	877,484	5 ³	1.15%	-		-
General Mills, Inc	643,470	6	0.84%	416,563	10	0.57%
International Malting Company LLC	625,549	7	0.82%	-		-
Orix Great Falls LLC Etal	531,296	8 ³	0.70%	-		-
Federal Express Corp	385,788	9	0.84%	-		-
Burlington Northern Santa Fe Railroad	344,868	10	0.82%	812,212	6	1.12%
PP&L Montana, LLC	-		-	10,241,414	1	14.12%
Front Range Pipeline, LLC	-		-	1,167,361	4	1.61%
Macerich Partnership, LP	-		-	990,606	5 ³	1.37%
Burlington Northern Railroad	-		-	724,642	7	1.00%
Touch America, Inc.	-		-	579,876	9	0.80%
	<u>\$10,211,841</u>		<u>14.07%</u>	<u>\$26,037,487</u>		<u>35.89%</u>
Total Assessed Value	<u>\$76,405,690</u>			<u>\$72,551,276</u>		

Source: Treasurer's Office, Cascade County, Montana

¹ In this previous period, Northwestern Energy, LLC was Montana Power Company.

² In this previous period, Qwest Corporation was US West Communications.

³ In Fiscal Year 2007, Holiday Village Partners LLC and Orix Great Falls LLC Etal were disbanded from Macerich Partnership, LP

**City of Great Falls, Montana
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy	Collected Within the Fiscal Year of the Levy	% Levy Collected	Collection in Subsequent Years	Total Tax Collections	% Total Tax Collections to Total Tax Levy
PROPERTY TAX LEVIES AND COLLECTIONS - TOTAL						
2000	\$ 8,410,943	\$ 5,858,814	92.52%	\$ 475,115	\$ 8,478,793	100.81%
2001	8,803,465	8,303,809	94.32%	949,219	9,253,028	105.11%
2002	9,242,990	8,420,712	91.10%	580,831	9,001,543	97.39%
2003	9,682,109	9,011,269	93.07%	676,703	9,687,972	100.06%
2004	10,358,234	9,409,577	90.84%	653,339	10,062,916	97.15%
2005	10,747,814	9,500,571	88.40%	1,076,335	10,576,906	98.41%
2006	11,168,847	10,171,657	91.07%	786,105	10,957,762	98.11%
2007	11,951,767	10,940,702	91.54%	936,069	11,876,771	99.37%
2008	13,431,139	12,002,811	89.37%	1,001,032	13,003,843	96.82%
2009	14,199,478	13,089,535	92.18%	1,115,345	14,204,880	100.04%
PROPERTY TAX LEVIES AND COLLECTIONS - NET OF TAX INCREMENT DISTRICTS ³						
2000	\$ 6,332,199	\$ 5,858,814	92.52%	\$ 475,115	\$ 6,333,929	100.03%
2001	6,552,605	6,230,233	95.08%	679,305	6,909,538	105.45%
2002	6,786,261	6,279,988	92.54%	380,957	6,660,945	98.15%
2003	7,189,079	6,523,929	90.75%	514,042	7,037,971	97.90%
2004	7,907,307	7,162,049	90.58%	622,728	7,784,777	98.45%
2005	8,731,041	7,720,601	88.43%	679,741	8,400,342	96.21%
2006	9,119,393	8,327,389	91.32%	545,599	8,872,988	97.30%
2007	9,624,311	8,862,777	92.09%	690,595	9,553,372	99.26%
2008	10,891,406	9,799,479	89.97%	748,097	10,547,576	96.84%
2009	11,481,132	10,749,613	93.63%	925,215	11,674,828	101.69%
PROPERTY TAX LEVIES AND COLLECTIONS - TAX INCREMENT DISTRICTS ³						
2000	\$ 2,078,744	Included In Total	Included In Total	Included In Total	\$ 2,144,864	103.18%
2001	2,250,859	2,073,576	92.12%	269,914	2,343,490	104.12%
2002	2,456,730	2,140,724	87.14%	199,874	2,340,598	95.27%
2003	2,493,030	2,487,340	99.77%	162,661	2,650,001	106.30%
2004	2,450,927	2,247,528	91.70%	30,611	2,278,139	92.95%
2005	2,016,773	1,779,970	88.26%	396,594	2,176,564	107.92%
2006	2,049,454	1,844,268	89.99%	240,506	2,084,774	101.72%
2007	2,327,456	2,077,925	89.28%	245,474	2,323,399	99.83%
2008	2,539,733	2,203,332	86.75%	252,935	2,456,267	96.71%
2009	2,718,346	2,339,922	86.08%	190,130	2,530,052	93.07%

Source: City of Great Falls, Montana

¹ Protested monies held in fund, authorized distribution in the amount of \$347,665

² Protested tax settlement in the amount of \$131,049

³ Downtown Urban Renewal Tax Increment District; Industrial International Malting Co. Tax Increment District; Urban Renewal West Bank Tax Increment District

⁴ Protested tax settlement in the amount of \$268,543

⁵ Collection in subsequent years includes all delinquent taxes collected in that fiscal year. Historical data is not available to break out amounts collected for individual years.

City of Great Falls, Montana
Special Improvement Districts Outstanding
June 30, 2009

	SID Number	Issue Date	Original Issue	Accumulated Cash Balance	Maturity Date	Outstanding Balance	C/Y Principal and Interest Assessments Outstanding	Delinquent Principal and Interest Assessments
Special Improvement District (SID)								
Fox Farm Road	1210	12/15/1993	\$ 409,000	\$ 21,700	07/01/2009	\$ -	\$ 82	\$ 256
Central Streetscape (Sidewalks, Vaults)	1266	10/15/1992	636,000	4,575	07/01/2013	10,000	-	596
26th Street (SD, Paving, Curb & Gutter)	1268	08/02/1995	858,000	42,694	07/01/2010	-	53,339	139
Fairway Addition Roadway	1275	10/30/1997	547,000	14,752	08/01/2013	90,000	58,643	518
Medical Tech Park	1301	05/15/2005	630,000	35,768	06/30/2021	455,000	445,800	-
Total Bonds Outstanding			<u>\$ 3,080,000</u>	<u>\$ 119,489</u>		<u>\$ 555,000</u>	<u>\$ 557,864</u>	1,509
Assessments Outstanding	Misc.							1,333
Total assessments outstanding								<u>\$ 2,842</u>

Source: City of Great Falls

City of Great Falls, Montana
Statement of Changes in Fund Balances of the Special Improvement District Revolving Fund
Last Ten Fiscal Years

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Beginning fund balance, July 1	\$ 771,096	\$ 757,599	\$ 514,315	\$ 469,467	\$ 469,136	\$ 434,664	\$ 289,528	\$ 315,688	\$ 178,756	\$ 143,817
Receipts over (under) disbursements	(13,497)	(243,284)	(44,848)	(330)	(34,472)	(145,136)	26,160	(136,932)	(34,939)	(44,966)
Ending fund balance, June 30	<u>\$ 757,599</u>	<u>\$ 514,315</u>	<u>\$ 469,467</u>	<u>\$ 469,137</u>	<u>\$ 434,664</u>	<u>\$ 289,528</u>	<u>\$ 315,688</u>	<u>\$ 178,756</u>	<u>\$ 143,817</u>	<u>\$ 98,851</u>
Assets										
Cash	\$ 519,080	\$ 353,015	\$ 432,055	\$ 433,300	\$ 432,266	\$ 287,401	\$ 291,718	\$ 177,516	\$ 142,540	\$ 98,419
Loans to districts	231,216	158,893	33,196	33,196	-	-	-	-	-	-
Assessments receivable	81,995	47,644	33,110	15,355	5,444	24,402	18,519	10,385	5,805	1,333
Accrued interest	6,664	1,556	1,359	2,641	2,398	1,440	1,709	1,240	1,277	432
Due from Other City Funds	-	-	-	-	-	-	21,006	-	-	-
Total assets	<u>\$ 838,955</u>	<u>\$ 561,108</u>	<u>\$ 499,720</u>	<u>\$ 484,492</u>	<u>\$ 440,108</u>	<u>\$ 313,243</u>	<u>\$ 332,952</u>	<u>\$ 189,141</u>	<u>\$ 149,622</u>	<u>\$ 100,184</u>
Liabilities										
Deferred revenue	81,356	46,793	30,253	15,355	5,444	23,715	17,264	10,385	5,805	1,333
Total Fund Balance	757,599	514,315	469,467	469,137	434,664	289,528	315,688	178,756	143,817	98,851
Total Liabilities/Fund Balances	<u>\$ 838,955</u>	<u>\$ 561,108</u>	<u>\$ 499,720</u>	<u>\$ 484,492</u>	<u>\$ 440,108</u>	<u>\$ 313,243</u>	<u>\$ 332,952</u>	<u>\$ 189,141</u>	<u>\$ 149,622</u>	<u>\$ 100,184</u>

Source: City of Great Falls, Montana

City of Great Falls, Montana
Special Improvement District Revolving Fund
Last Ten Fiscal Years

Fiscal Year	Revolving Fund Cash Balance	Principal Amount of Bonds	Percentage
2000	\$ 519,080	\$ 2,515,500	20.64%
2001	353,015	2,027,000	17.42%
2002	432,055	1,698,500	25.44%
2003	433,300	1,184,000	36.60%
2004	432,266	880,000	49.12%
2005	287,432	1,305,000	22.03%
2006	291,718	1,055,000	27.65%
2007	177,516	875,000	20.29%
2008	150,002	765,000	19.61%
2009	105,658	555,000	19.04%

Individual Special Improvement Districts - Continuing Disclosure

	SID 1275	SID 1301
Properties with assessments outstanding		
Number	55	1
Amount	\$ 59,161	\$ 405,273
Market Value	\$ 4,917,396	\$ 329,977
Undeveloped properties with assessments outstanding		
Number	5	-
Amount	\$ 6,559	\$ -

Source: City of Great Falls, Montana

**City of Great Falls, Montana
Special Improvement District Assessment Billings and Collections
Last Ten Fiscal Years**

Fiscal Year	Assessment Billing	Collections in Year Assessed		Total Annual Collections¹	
		Amount	Percent	Amount	Percent
2000	\$ 529,388	\$ 517,522	97.8%	\$ 659,626	124.6%
2001	495,006	431,286	87.1%	496,817	100.4%
2002 ²	430,304	503,829	117.1%	650,593	151.2%
2003	384,350	380,132	98.9%	428,319	111.4%
2004	354,498	352,851	99.5%	403,390	113.8%
2005 ³	269,538	298,808	110.9%	385,126	142.9%
2006 ³	242,501	306,408	126.4%	357,355	147.4%
2007 ³	202,864	213,286	105.1%	226,922	111.9%
2008	188,397	187,304	99.4%	194,251	103.1%
2009	180,620	160,166	88.7%	168,616	93.4%

¹ Includes principal and interest assessed and delinquent assessment collections.

² In 2002, collections were higher than normal because the delinquent assessments were brought current on the majority of SID 1285.

³ These years have collections higher than billing because of SID payoffs made when properties were sold or refinanced.

Source: City of Great Falls

**City of Great Falls, Montana
Special Assessment Billings and Collections
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Assessment Billing</u>	<u>Collections in Year Assessed</u>		<u>Total Outstanding Assessment</u>
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
2000	\$ 3,301,711	\$ 3,085,967	93.5%	\$ 2,767,147
2001	3,420,425	3,095,497	90.5%	2,604,059
2002	3,444,319	3,275,768	95.1%	2,115,802
2003	3,651,915	3,330,659	91.2%	1,857,319
2004	3,811,871	3,512,490	92.1%	1,496,901
2005	3,847,285	3,597,062	93.5%	1,054,487
2006	4,155,885	3,859,436	92.9%	1,417,515 ¹
2007	4,372,241	4,071,459	93.1%	1,848,516
2008	4,654,945	4,342,412	93.3%	1,615,882
2009	5,134,365	4,756,416	92.6%	1,628,591

Assessments are Street Maintenance, Boulevard Districts, Lighting Districts, Business Improvement District, and Special Improvement Districts.

¹ Special Improvement District 1301 was assessed in this fiscal year.

Source: City of Great Falls

City of Great Falls, Montana
Urban Renewal Tax Increment - Historical Statement of Revenues, Expenditures and Changes in Fund Balances
Last Ten Fiscal Years

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	\$ 2,144,865	\$ 2,812,456	\$ 2,340,598	\$ 2,650,001	\$ 2,278,139	\$ 2,176,564	\$ 2,084,774	\$ 2,323,399	\$ 2,456,267	\$ 2,325,617
Investment Income	118,650	234,323	100,640	109,797	26,993	59,185	64,480	130,647	103,123	34,905
Other	-	-	-	-	-	-	(2,192)	9,961	919	-
Total revenues	<u>2,263,515</u>	<u>3,046,779</u>	<u>2,441,238</u>	<u>2,759,798</u>	<u>2,305,132</u>	<u>2,235,749</u>	<u>2,147,062</u>	<u>2,464,007</u>	<u>2,560,309</u>	<u>2,360,522</u>
Expenditures										
General Government	43,896	1,527,605	884,618	1,361,109	1,255,133	834,758	894,986	859,816	839,738	1,060,974
Debt Service										
Principal	725,000	755,000	795,000	840,000	960,000	950,000	970,000	1,000,000	1,035,000	1,065,000
Interest & fees	513,086	475,469	432,840	539,065	206,949	179,548	151,866	123,470	92,741	58,454
Total Expenditures	<u>1,281,982</u>	<u>2,758,074</u>	<u>2,112,458</u>	<u>2,740,174</u>	<u>2,422,082</u>	<u>1,964,306</u>	<u>2,016,852</u>	<u>1,983,286</u>	<u>1,967,479</u>	<u>2,184,428</u>
Revenues over (under) expenditures	981,533	288,705	328,780	19,624	(116,950)	271,443	130,210	480,721	592,830	176,094
Other Financing Sources (Uses)	<u>-</u>	<u>(375,790)</u>	<u>(220,710)</u>	<u>(525,687)</u>	<u>(319,500)</u>	<u>(213,376)</u>	<u>(235,260)</u>	<u>(237,720)</u>	<u>(1,278,020)</u>	<u>(1,031,899)</u>
Revenues and other financing uses over (under) expenditures	981,533	(87,085)	108,070	(506,063)	(436,450)	58,067	(105,050)	243,001	(685,190)	(855,805)
Fund balances, beginning of year	2,834,990	3,816,523	3,720,447	3,828,517	3,322,454	2,886,004	2,944,071	2,839,020	3,082,021	2,396,831
Transfers in (out)	-	(8,991)	-	-	-	-	-	-	-	-
Fund balances, end of year	<u>\$ 3,816,523</u>	<u>\$ 3,720,447</u>	<u>\$ 3,828,517</u>	<u>\$ 3,322,454</u>	<u>\$ 2,886,004</u>	<u>\$ 2,944,071</u>	<u>\$ 2,839,020</u>	<u>\$ 3,082,021</u>	<u>\$ 2,396,831</u>	<u>\$ 1,541,026</u>

Source: City of Great Falls, Montana

City of Great Falls, Montana
Major Water, Sanitary Sewerage, and Storm Drain System Users
June 30, 2009

Customer	Water Charges	Rank	Percent of Total Water Revenues	Sewer Charges	Rank	Percent of Total Sewer Revenues	Storm Drain Charges	Rank	Percent of Total Storm Drain Revenues
Malmstrom Air Force Base	\$ 253,609	1	3.09%	\$ 354,875	1	4.49%			
Benefis Healthcare	207,364	2	2.52%	152,759	2	1.93%	\$ 18,802	3	1.01%
Black Eagle	94,103	3	1.15%	101,033	4	1.28%			
Great Falls Public School System	74,130	4	0.90%	121,450	3	1.54%	88,638	1	4.76%
Great Falls Housing Authority	73,166	5	0.89%	55,647	6	0.70%	10,061	7	0.54%
Countryside Village	36,677	6	0.45%						
Sun Healthcare Group	34,789	7	0.42%	29,141	9	0.37%			
Cascade County	31,609	8	0.38%	58,667	5	0.74%			
Highwood Trailer Park	28,633	9	0.35%				10,168	6	0.55%
Meadowgold Dairies	27,977	10	0.34%						
University of Great Falls				35,687	7	0.45%			
General Mills, Inc				33,014	8	0.42%			
Great Falls Soccer Foundation				26,018	10	0.33%			
Burlington Northern							23,293	2	1.25%
Orix Real Estate Capital							15,322	4	0.82%
Holiday Village Mall							15,151	5	0.81%
Wal-Mart							9,991	8	0.54%
Great Falls Clinic							9,977	9	0.54%
MSU College of Technology - GF							7,882	10	0.42%
	<u>\$ 862,057</u>		<u>10.50%</u>	<u>\$ 968,291</u>		<u>12.25%</u>	<u>\$ 209,285</u>		<u>11.23%</u>

Source: Utility Division, City of Great Falls, Montana.

City of Great Falls, Montana
Current Water Rate Structure
June 30, 2009

	<u>Residential</u>	<u>Low Income</u>	<u>Commercial</u>	<u>Black Eagle</u>	<u>Malmstrom AFB</u>
Monthly service charge					
Meter size (in inches)					
3/4	\$ 4.58	\$ 4.12	\$ 4.58	\$ -	\$ -
1	4.88	4.39	4.88	-	-
1 1/4	8.85	7.97	8.85	-	-
1 1/2	8.85	7.97	8.85	-	-
2	11.20	10.08	11.20	-	-
3	29.87	26.88	29.87	-	-
4	43.24	38.91	43.24	-	43.24
6	87.14	78.42	87.14	-	-
8	131.16	118.04	131.16	131.16	-
10	185.48	166.93	185.48	-	185.48
12	273.70	246.33	273.70	-	-
Monthly consumption charge					
First 300 cf	\$ 0.89	\$ 0.80	\$ 1.11	\$ 1.14	\$ 1.26
Over 300 cf	1.49	1.34	1.11	1.14	1.26
Monthly fire hydrant charge					
Meter size (in Inches)					
3/4	\$ 1.63	\$ 1.63	\$ 1.63		
1	1.87	1.87	1.87		
1 1/4	5.18	5.18	5.18		
1 1/2	5.18	5.18	5.18		
2	7.17	7.17	7.17		
3	22.70	22.70	22.70		
4	33.90	33.90	33.90		
6	70.52	70.52	70.52		
Annual fire line charge					
Line size (in inches)					
2			\$ 20.96		
3			31.80		
4			49.14		
6			87.44		
8			118.51		
12			304.95		

Source: Utility Division, City of Great Falls, Montana.

**City of Great Falls, Montana
Historical Water System Connections
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Residential Customers</u>	<u>Commercial /Industrial Customers</u>	<u>Total Customers</u>	<u>% of Residential Customers</u>	<u>Debt per connection</u>
2000	16,731	2,168	18,899	88.5%	\$ 552
2001	16,675	2,141	18,816	88.6%	660
2002	17,062	2,255	19,317	88.3%	484
2003	18,488	2,237	20,725	89.2%	478
2004	18,480	2,262	20,742	89.1%	429
2005	18,460	2,231	20,691	89.2%	402
2006	18,560	2,274	20,834	89.1%	368
2007	18,706	2,235	20,941	89.3%	333
2008	18,767	2,187	20,954	89.6%	299
2009	18,798	2,387	21,185	88.7%	316

Source: Utility Division, City of Great Falls, Montana.

City of Great Falls, Montana
Water System Historical Operating Results and Revenue Bond Covenant Coverage
Last Ten Fiscal Years with Following Fiscal Year Projection

	Fiscal Year										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Projected 2010
Operating Revenues:											
Water charges for services ¹	\$ 6,497,100	\$ 6,832,434	\$ 6,780,685	\$ 6,283,904	\$ 7,613,068	\$ 6,789,945	\$ 7,428,136	\$ 7,748,991	\$ 8,649,041	\$ 8,116,362	\$ 8,262,660
Investment income	308,053	566,938	264,764	238,667	84,416	194,618	242,145	343,622	222,131	92,126	90,000
Gain on disposal of assets	10,100	-	15,232	-	-	-	-	-	3,874	4,635	-
Total operating revenues	<u>6,815,253</u>	<u>7,399,372</u>	<u>7,060,681</u>	<u>6,522,571</u>	<u>7,697,484</u>	<u>6,984,563</u>	<u>7,670,281</u>	<u>8,092,613</u>	<u>8,875,046</u>	<u>8,213,123</u>	<u>8,352,660</u>
Operating Expenses:²											
Personal services	1,276,580	1,326,131	1,322,039	1,388,858	1,462,948	1,586,949	1,673,142	1,783,197	1,910,008	1,951,263	2,174,499
Supplies and materials	333,262	335,408	398,449	360,320	444,514	422,377	481,424	492,161	567,907	660,000	719,170
Purchased services	513,368	506,435	552,170	518,322	746,515	555,964	622,985	822,079	725,945	814,849	918,817
Internal services	880,032	876,224	852,301	917,939	935,706	1,058,511	930,470	1,164,990	1,229,012	1,243,040	1,332,184
Other	1,775	6,138	1,500	12,792	-	-	-	-	-	-	-
Total operating expenses	<u>3,005,017</u>	<u>3,050,336</u>	<u>3,126,459</u>	<u>3,198,231</u>	<u>3,589,683</u>	<u>3,623,801</u>	<u>3,708,021</u>	<u>4,262,427</u>	<u>4,432,872</u>	<u>4,669,152</u>	<u>5,144,670</u>
Net revenue available for debt service	<u>\$ 3,810,236</u>	<u>\$ 4,349,036</u>	<u>\$ 3,934,222</u>	<u>\$ 3,324,340</u>	<u>\$ 4,107,801</u>	<u>\$ 3,360,762</u>	<u>\$ 3,962,260</u>	<u>\$ 3,830,186</u>	<u>\$ 4,442,174</u>	<u>\$ 3,543,971</u>	<u>\$ 3,207,990</u>
Maximum future principal and interest	\$ 1,557,337	\$ 1,776,820	\$ 1,748,457	\$ 1,748,457	\$ 1,748,457	\$ 1,748,457	\$ 1,005,668	\$ 1,005,668	\$ 1,319,066	\$ 1,319,066	\$ 1,318,541
Debt service coverage	244.66%	244.77%	225.01%	190.13%	234.94%	192.21%	393.99%	380.86%	336.77%	268.67%	243.30%
Net revenue	\$ 3,810,236	\$ 4,349,036	\$ 3,934,222	\$ 3,324,340	\$ 4,107,801	\$ 3,360,762	\$ 3,962,260	\$ 3,830,186	\$ 4,442,174	\$ 3,543,971	\$ 3,207,990
Depreciation expense	(1,131,340)	(1,220,394)	(1,338,531)	(1,415,469)	(1,506,868)	(1,625,040)	(2,379,231)	(2,338,936)	(2,559,465)	(2,387,934)	(2,387,934)
Total non-operating income	578,481	68,543	29,119	169,826	52,437	16,423	36,406	512,291	27,284	419,702	5,500
Total non-operating expenses	(533,347)	(475,076)	(574,009)	(144,476)	(99,885)	(57,727)	(347,364)	(188,386)	(230,974)	(256,426)	(325,342)
Transfers in (out)	6,012	-	2,780	2,100	(22,960)	(55,980)	(90,320)	(20,939)	350,870	109,265	-
Net income (loss)	<u>\$ 2,730,042</u>	<u>\$ 2,722,109</u>	<u>\$ 2,053,581</u>	<u>\$ 1,936,321</u>	<u>\$ 2,530,525</u>	<u>\$ 1,638,438</u>	<u>\$ 1,181,751</u>	<u>\$ 1,794,216</u>	<u>\$ 2,029,889</u>	<u>\$ 1,428,578</u>	<u>\$ 500,214</u>
Reserve cash account balances:											
Reserve account	\$ 2,002,545	\$ 1,776,820	\$ 1,748,457	\$ 1,748,457	\$ 1,748,457	\$ 1,748,457	\$ 1,748,457	\$ 1,005,668	\$ 1,005,668	\$ 1,319,066	\$ 1,318,541
Current debt service reserve account	1,141,601	1,280,317	301,697	1,399,476	737,262	744,577	751,431	760,805	779,335	934,078	934,078
Operating reserve account	323,353	342,036	355,894	371,855	384,481	424,713	437,403	437,403	437,403	584,856	588,091
Repair/replacement reserve account	764,218	338,099	563,956	626,570	694,668	795,233	695,477	673,260	722,801	972,857	972,857
Total reserves	<u>\$ 4,231,717</u>	<u>\$ 3,737,272</u>	<u>\$ 2,970,004</u>	<u>\$ 4,146,358</u>	<u>\$ 3,564,868</u>	<u>\$ 3,712,980</u>	<u>\$ 3,632,768</u>	<u>\$ 2,877,136</u>	<u>\$ 2,945,207</u>	<u>\$ 3,810,857</u>	<u>\$ 3,813,567</u>

Source: City of Great Falls, Montana

Note: Series 2000 Water Revenue Bonds issued in Fiscal Year 2001.
Series 2002 Water Revenue Bonds issued in Fiscal Year 2002.
Series 2008 Water Revenue Bonds issued in Fiscal Year 2009.

¹ Includes all operating revenues and interest income other than bonded construction funds and repair and replacement reserve funds interest earnings.

² Total operating expense exclusive of depreciation.

City of Great Falls, Montana
Current Sanitary Sewerage Rate Structure
June 30, 2009

	<u>Residential</u>	<u>Low Income</u>	<u>Commercial</u>	<u>Black Eagle</u>	<u>Malmstrom AFB</u>
Standard Sewer					
Monthly Service Charge	\$ 5.66	\$ 5.10	\$ 5.66	\$ 5.66	\$ 5.66
First 300 cf	1.22	1.09	1.73	1.73	1.50
Over 300 cf	2.02	1.81	1.73	1.73	1.50
Residential, low Income and qualifying commercial customers are billed at a flat rate based on the winter quarter average for the usage in December, January, February and March.					
Sewer Extra-Strength:					
Monthly service charge	\$ 5.66	\$ 5.66	\$ 5.660	\$ 5.660	\$ 5.660
BOD>200 mg/L			0.357 /lb	0.357 /lb	0.357 /lb
TSS.250mg/L			0.243 /lb	0.243 /lb	0.243 /lb
Pre-Treatment:					
Monthly Service Charge			\$ 5.660	\$ 5.660	\$ 5.660
Volume charge/ccf			0.830	0.830	0.830
BOD.200mg/L			0.357 /lb	0.357 /lb	0.357 /lb
TSS>250mg/L			0.243 /lb	0.243 /lb	0.243 /lb

Source: Utility Division, City of Great Falls, Montana.

**City of Great Falls, Montana
Historical Sewerage System Connections
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Residential Customers</u>	<u>Commercial /Industrial Customers</u>	<u>Total Customers</u>	<u>% of Residential Customers</u>	<u>Debt per connection</u>
1999	16,880	2,132	19,012	88.8%	\$ 426
2000	16,572	2,120	18,692	88.7%	\$ 392
2001	16,680	2,144	18,824	88.6%	369
2002	16,929	2,195	19,124	88.5%	455
2003	17,084	2,216	19,300	88.5%	868
2004	17,095	2,227	19,322	88.5%	827
2005	18,308	2,164	20,472	89.4%	976
2006	18,413	2,201	20,614	89.3%	912
2007	18,549	2,177	20,726	89.5%	851
2008	18,626	2,130	20,756	89.7%	791
2009	18,646	2,088	20,734	89.9%	730

Source: Utility Division, City of Great Falls, Montana.

City of Great Falls, Montana
Sanitary Sewerage System Historical Operating Results and Revenue Bond Covenant Coverage
Last Ten Fiscal Years with Following Fiscal Year Projection

	Fiscal Year										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Projected 2010
Operating Revenues:¹											
Sanitary sewer charges for services	\$4,581,070	\$4,791,931	\$4,988,195	\$5,260,591	\$5,947,791	\$5,661,367	\$6,516,115	\$7,089,612	\$7,656,887	\$7,788,927	\$7,749,712
Investment income	224,977	436,240	175,329	181,693	67,370	153,231	281,611	317,819	263,675	116,421	122,000
Gain on disposal of assets	-	-	19,324	-	-	-	-	15,300	3,500	-	-
Total operating revenues	4,806,047	5,228,171	5,182,848	5,442,284	6,015,161	5,814,598	6,797,726	7,422,731	7,924,062	7,905,348	7,871,712
Operating Expenses:²											
Personal services	449,131	431,561	470,498	552,594	571,135	570,725	634,562	684,626	720,032	739,643	787,797
Supplies and materials	37,853	38,792	34,195	42,993	37,759	53,478	62,143	71,241	76,143	67,212	86,935
Purchased services	1,783,409	1,826,130	1,934,676	1,932,950	2,053,530	2,127,854	2,278,659	2,682,808	3,072,287	3,090,253	3,085,113
Internal services	531,732	561,887	597,453	612,460	640,902	647,967	693,128	756,072	811,469	825,744	883,216
Other	13,905	4,690	2,179	14,600	12,702	-	-	-	-	-	-
Total operating expenses	2,816,030	2,863,060	3,039,001	3,155,597	3,316,028	3,400,024	3,668,492	4,194,747	4,679,931	4,722,853	4,843,061
Net revenue available for debt service	\$1,990,017	\$2,365,111	\$2,143,847	\$2,286,687	\$2,699,133	\$2,414,574	\$3,129,234	\$3,227,984	\$3,244,131	\$3,182,496	\$3,028,651
Maximum future principal and interest	\$ 826,223	\$ 826,531	\$1,662,660	\$1,662,660	\$1,662,660	\$1,929,835	\$1,925,965	\$1,925,965	\$1,925,965	\$1,925,965	\$1,968,864
Debt service coverage	240.86%	286.15%	128.94%	137.53%	162.34%	125.12%	162.48%	167.60%	168.44%	165.24%	153.83%
Net revenue	\$1,990,017	\$2,365,111	\$2,143,847	\$2,286,687	\$2,699,133	\$2,414,574	\$3,129,234	\$3,227,984	\$3,244,131	\$3,182,496	\$3,028,651
Depreciation expense	(928,595)	(957,838)	(1,000,928)	(1,232,829)	(1,441,745)	(1,477,084)	(1,727,250)	(1,764,017)	(1,830,452)	(1,877,884)	(1,877,884)
Total non-operating income	249,680	45,501	-	4,710	2,610	44,553	102	805,134	18,917	3,992	-
Total non-operating expenses	(478,043)	(444,463)	(547,171)	(215,530)	(668,862)	(606,945)	(724,442)	(661,746)	(703,538)	(680,329)	(618,570)
Transfers in (out)	4,611	(26,520)	-	-	(8,222)	(9,017)	(16,789)	2,819	59,319	72,849	-
Net income (loss)	\$ 837,670	\$ 981,791	\$ 595,748	\$ 843,038	\$ 582,914	\$ 366,081	\$ 660,855	\$1,610,174	\$ 788,377	\$ 701,124	\$ 532,197
Reserve cash account balances:											
Reserve account	\$1,254,404	\$ 826,531	\$1,662,660	\$1,662,660	\$1,662,660	\$1,929,835	\$1,929,835	\$1,925,965	\$1,925,965	\$1,925,965	\$1,968,864
Current debt service reserve account	539,811	551,654	362,188	1,042,081	1,051,599	1,247,340	1,253,454	1,266,142	1,282,053	1,296,623	1,296,623
Operating reserve account	302,759	309,877	318,408	336,700	365,702	396,481	406,426	406,426	406,426	542,532	550,061
Repair/replacement reserve account	580,511	374,687	491,613	619,771	662,520	768,028	534,077	648,286	781,670	750,369	750,369
Total reserves	\$2,677,485	\$2,062,749	\$2,834,869	\$3,661,212	\$3,742,481	\$4,341,684	\$4,123,792	\$4,246,819	\$4,396,114	\$4,515,489	\$4,565,917

Source: City of Great Falls, Montana

Note: Series 2002A Sewer Revenue Bonds issued in Fiscal Year 2002.
Series 2002B Sewer Revenue Bonds issued in Fiscal Year 2002.
Series 2005 Sewer Revenue Bonds issued in Fiscal Year 2005.

¹ Includes all operating revenues and interest income other than bonded construction funds and repair and replacement reserve funds interest earnings.

² Total operating expense exclusive of depreciation.

City of Great Falls, Montana
Current Storm Drain Land Use Classifications and Standard Monthly Service Charges
June 30, 2009

Classification	Rate
Group A Accounts in this group include Single Family; Mobile Home Single Family; Residence Predominant with Business; & Bed & Breakfast Residential.	\$0.3959604 (per 1,000 sq. ft.) + \$1.319868
Group B Accounts in this group include Two Family Residential; Townhouse Residential; Three/Four Family Residential; Condominium Residential; & Mobile Homes and Trailer Courts.	\$0.4949505 (per 1,000 sq. ft.) + \$1.319868
Group C Accounts in this group include Multiple Dwellings; Boarding and Rooming Houses; Retirement and Nursing; Condominium General Business/Office; Financial Institution Bank; Hotel/Motel (1-10 units); Light Industry; Day Care (owner not living on premises); Railroad/Public Utilities; Schools Public/Private; Churches; & Semi-Public.	\$0.6434357 (per 1,000 sq. ft.) + \$1.319868
Group D Accounts in this group include Hotel/Motel (over 10 units); Heavy Industry; General Business; Shopping Centers; Office Buildings/Banks/Financial Cos.; Public Buildings (Governmental Services); Parking Lots; Parks; & Vacant Land (residential and commercial).	\$0.8909109 (per 1,000 sq. ft.) + \$1.319868
Group E Accounts in this group consist of developed property that does not discharge storm water runoff into an underground storm drainage system.	\$0.0989901 (per 1,000 sq. ft.) + \$1.319868

Source: Utility Division, City of Great Falls, Montana.

**City of Great Falls, Montana
Historical Storm Drainage System Accounts
Last Ten Fiscal Years**

Fiscal Year	Group A		Group B		Group C		Group D		Group E		Total		Debt per Connection
	Number of Accounts	Revenues	Number of Accounts	Revenues	Number of Accounts	Revenues	Number of Accounts	Revenues	Number of Accounts	Revenues	Number of Accounts	Revenues	
2000	14,630	\$ 598,890	1,643	\$ 74,444	815	\$ 231,445	943	\$ 217,872	1,215	\$ 54,564	19,246	\$1,177,215	\$ 120
2001	14,694	603,510	1,663	78,160	837	237,823	971	246,392	1,171	49,589	19,336	1,215,474	113
2002	15,974	618,576	1,845	84,491	937	246,035	1,099	272,931	1,241	51,757	21,096	1,273,790	98
2003	14,342	597,562	1,704	84,246	854	234,234	1,009	272,400	1,083	49,720	18,992	1,238,162	102
2004	16,227	781,715	1,837	104,158	938	305,089	1,131	355,275	1,144	62,530	21,277	1,608,767	192
2005	16,342	825,811	1,746	107,430	807	327,220	1,088	382,532	991	61,043	20,974	1,704,037	278
2006	16,505	844,909	1,729	109,664	804	349,839	1,092	390,739	975	63,672	21,105	1,758,822	261
2007	16,750	857,775	1,675	110,014	804	361,996	1,089	392,990	972	63,818	21,290	1,786,593	243
2008	16,795	868,741	1,589	108,042	807	371,851	1,080	390,343	1,025	66,943	21,296	1,805,921	227
2009	16,936	881,156	1,547	105,756	785	368,042	1,070	401,543	1,064	69,451	21,402	1,825,948	209

Source: Utility Division, City of Great Falls, Montana.

City of Great Falls, Montana
Storm Drain System Historical Operating Results and Revenue Bond Coverage
Last Ten Fiscal Years

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Operating Revenues ¹	\$1,282,696	\$1,404,455	\$1,351,950	\$1,483,189	\$1,724,085	\$1,768,780	\$2,086,414	\$1,942,207	\$1,834,834	\$1,863,553
Operating Expenses:										
Personal services	8,612	7,845	8,196	8,564	8,839	9,911	10,264	14,045	10,960	41,947
Supplies	511	1,393	215	4,558	572	7,680	3,668	3,533	855	5,732
Other services	13,650	16,823	14,691	22,562	20,122	27,984	38,638	27,674	32,421	18,416
Internal support	307,343	250,090	239,980	220,852	227,152	222,534	234,873	248,268	262,009	267,405
Total operating expenses	<u>330,116</u>	<u>276,151</u>	<u>263,082</u>	<u>256,536</u>	<u>256,685</u>	<u>268,109</u>	<u>287,443</u>	<u>293,520</u>	<u>306,245</u>	<u>333,500</u>
Net operating income	<u>\$ 952,580</u>	<u>\$1,128,304</u>	<u>\$1,088,868</u>	<u>\$1,226,653</u>	<u>\$1,467,400</u>	<u>\$1,500,671</u>	<u>\$1,798,971</u>	<u>\$1,648,687</u>	<u>\$1,528,589</u>	<u>\$1,530,053</u>
Bonded Debt Service Requirements (per Operating Year):										
Principal	\$ 110,000	\$ 115,000	\$ 120,000	\$ 130,000	\$ 170,000	\$ 319,000	\$ 329,491	\$ 335,000	\$ 352,000	\$ 358,000
Interest	119,576	114,455	109,430	104,195	66,203	173,689	199,127	183,381	187,908	179,534
Total	<u>\$ 229,576</u>	<u>\$ 229,455</u>	<u>\$ 229,430</u>	<u>\$ 234,195</u>	<u>\$ 236,203</u>	<u>\$ 492,689</u>	<u>\$ 528,618</u>	<u>\$ 518,381</u>	<u>\$ 539,908</u>	<u>\$ 537,534</u>
Operating year coverage	414.93%	491.73%	474.60%	523.77%	621.25%	304.59%	340.32%	318.05%	283.12%	284.64%
Maximum future principal and interest	\$ 234,628	\$ 234,628	\$ 234,628	\$ 234,628	\$ 530,161	\$ 530,161	\$ 476,910	\$ 476,910	\$ 475,710	\$ 475,710
Bond covenant coverage	406.00%	480.89%	464.08%	522.81%	276.78%	283.06%	377.21%	345.70%	321.33%	321.64%

Source: City of Great Falls

Note: Storm Drain System revenue bonds issued in Fiscal Year 2005.

¹ Includes all operating revenues and interest income excluding interest earnings on the construction account, repair and replacement account, and surplus account.

City of Great Falls, Montana
Golf Courses Pass Holder Rounds Played, Counts and Fees
Last Ten Fiscal Years with Following Fiscal Year Projection

	Fiscal Year										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Projected 2010
	Rounds Played										
Pass holders	56,527	51,564	49,767	55,606	53,909	47,869	47,157	39,733	38,411	37,912	39,808
	Number of Pass Holders										
Adult full	705	750	701	790	673	693	583	612	562	560	588
Adult restricted	359	380	290	334	317	283	265	232	208	207	217
Junior full	105	106	80	77	46	41	51	51	41	45	47
Junior restricted	28	36	19	13	19	11	8	14	4	5	5
Total passes	<u>1,197</u>	<u>1,272</u>	<u>1,090</u>	<u>1,214</u>	<u>1,055</u>	<u>1,028</u>	<u>907</u>	<u>909</u>	<u>815</u>	<u>817</u>	<u>858</u>
	Pass Fees										
Joint Both Courses Adult full	\$ 395	\$ 395	\$ 415	\$ 415	\$ 450	\$ 450	\$ 525	\$ 525	\$ 575	\$ 575	\$ 575
Joint Both Courses Adult restricted	295	295	310	310	340	340	400	400	450	450	450
Joint Both Courses Junior full	195	195	205	205	215	215	225	225	225	225	225
Joint Both Courses Junior restricted	145	145	155	155	165	165	170	170	170	170	170
Joint Both Courses Couple full	N/A	700	770	770	850	850	950	950	1,050	1,050	1,050
Joint Both Courses Couple restricted	N/A	500	575	575	630	630	700	700	800	800	800
Anaconda Hills Golf Course Adult full	395	395	415	415	450	450	400	400	450	450	450
Anaconda Hills Golf Course Adult restricted	295	295	310	310	340	340	300	300	350	350	350
Anaconda Hills Golf Course Junior full	195	195	205	205	215	215	190	190	190	190	190
Anaconda Hills Golf Course Junior restricted	145	145	155	155	165	165	150	150	150	150	150
Anaconda Hills Golf Course Couple full	N/A	700	770	770	850	850	750	750	850	850	850
Anaconda Hills Golf Course Couple restricted	N/A	500	575	575	630	630	550	550	650	650	650
Eagle Falls Golf Club Adult full	395	395	415	415	450	450	450	450	500	500	500
Eagle Falls Golf Club Adult restricted	295	295	310	310	340	340	350	350	400	400	400
Eagle Falls Golf Club Junior full	195	195	205	205	215	215	200	200	200	200	200
Eagle Falls Golf Club Junior restricted	145	145	155	155	165	165	160	160	160	160	160
Eagle Falls Golf Club Couple full	N/A	700	770	770	850	850	825	825	925	925	925
Eagle Falls Golf Club Couple restricted	N/A	500	575	575	630	630	625	625	725	725	725

Source: City of Great Falls, Montana

General Note: Restricted passes are for play on weekdays only. The Rounds Played and Number of Pass Holders are from July 1 to June 30 of each fiscal year. The Couple Full and Couple Restricted pass count is included in the Adult Full and Adult Restricted Number of Pass Holders. The schedule of rounds played and greens fees is on the next page.

City of Great Falls, Montana
Golf Courses Non- Pass Holder Rounds Played and Greens Fees
Last Ten Fiscal Years with Following Fiscal Year Projection

	Fiscal Year										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Projected 2010
	Rounds Played										
Green fees - non-pass holders											
9-hole	8,045	9,861	8,253	8,782	9,549	9,098	9,872	12,103	11,483	12,157	12,765
18-hole	10,824	7,787	9,314	8,785	7,846	6,856	8,574	12,194	11,256	12,350	12,968
Junior	1,921	1,612	1,302	1,358	1,187	998	1,083	547	607	1,111	1,167
Total Green fees - non-pass holders	<u>20,790</u>	<u>19,260</u>	<u>18,869</u>	<u>18,925</u>	<u>18,582</u>	<u>16,952</u>	<u>19,529</u>	<u>24,844</u>	<u>23,346</u>	<u>25,618</u>	<u>26,899</u>
	Greens Fees										
Anaconda Hills Golf Course 9-hole Weekday	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 13	\$ 13	\$ 14	\$ 14	\$ 14
Anaconda Hills Golf Course 18-hole Weekday	21	21	21	24	25	25	21	21	23	23	23
Anaconda Hills Golf Course Junior Weekday	11	11	11	11	11	11	13	13	13	13	13
Anaconda Hills Golf Course Swingtime Weekday	N/A	N/A	N/A	15	15	15	16	16	16	16	16
Anaconda Hills Golf Course 9-hole Weekend	15	15	15	15	15	15	15	15	16	16	16
Anaconda Hills Golf Course 18-hole Weekend	21	21	21	24	25	25	24	24	26	26	26
Anaconda Hills Golf Course Junior Weekend	11	11	11	11	11	11	15	15	15	15	15
Anaconda Hills Golf Course Swingtime Weekend	N/A	N/A	N/A	15	15	15	19	19	19	19	19
Eagle Falls Golf Club 9-hole Weekday	15	15	15	15	15	15	15	15	16	16	16
Eagle Falls Golf Club 18-hole Weekday	21	21	21	24	25	25	24	24	26	26	26
Eagle Falls Golf Club Junior Weekday	11	11	11	11	11	11	15	15	15	15	15
Eagle Falls Golf Club Swingtime Weekday	N/A	N/A	N/A	15	15	15	18	18	18	18	18
Eagle Falls Golf Club 9-hole Weekend	15	15	15	15	15	15	16	16	17	17	17
Eagle Falls Golf Club 18-hole Weekend	21	21	21	24	25	25	27	27	29	29	29
Eagle Falls Golf Club Junior Weekend	11	11	11	11	11	11	16	16	16	16	16
Eagle Falls Golf Club Swingtime Weekend	N/A	N/A	N/A	15	15	15	22	22	22	22	22

Source: City of Great Falls, Montana

City of Great Falls, Montana
Golf Courses Historical Operating Results and Revenue Bond Coverage
Last Ten Fiscal Years with Following Fiscal Year Projection

	Fiscal Year										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Projected 2010
Operating Revenues ¹	\$1,097,264	\$1,054,349	\$1,070,131	\$1,107,247	\$1,084,129	\$1,049,533	\$ 1,090,309	\$ 1,168,802	\$ 1,256,900	\$ 1,309,590	\$ 1,294,900
Operating Expenses:											
Personal services	408,208	452,268	536,542	580,635	608,222	598,332	604,479	540,444	543,976	569,879	596,551
Supplies	63,341	90,726	89,994	113,203	100,251	118,313	143,979	133,236	159,398	189,004	244,900
Other services	86,771	95,871	100,136	102,255	133,477	146,986	165,500	166,228	125,811	149,886	181,863
Internal support	140,706	187,945	163,521	166,834	139,983	158,005	119,379	154,015	143,746	151,384	146,444
Total operating expenses	<u>699,026</u>	<u>826,810</u>	<u>890,193</u>	<u>962,927</u>	<u>981,933</u>	<u>1,021,636</u>	<u>1,033,337</u>	<u>993,923</u>	<u>972,931</u>	<u>1,060,153</u>	<u>1,169,758</u>
Net operating income	<u>\$ 398,238</u>	<u>\$ 227,539</u>	<u>\$ 179,938</u>	<u>\$ 144,320</u>	<u>\$ 102,196</u>	<u>\$ 27,897</u>	<u>\$ 56,972</u>	<u>\$ 174,879</u>	<u>\$ 283,969</u>	<u>\$ 249,437</u>	<u>\$ 125,142</u>
Bonded Debt Service Requirements (per Operating Year):											
Principal	\$ 50,000	\$ 70,000	\$ 75,000	\$ 85,000	\$ 125,000	\$ 130,000	\$ 140,000	\$ 145,000	\$ 150,000	\$ 155,000	\$ 170,000
Interest	121,729	121,478	117,965	114,103	109,110	103,068	96,629	89,795	82,801	79,701	71,438
Discount and issuance expense ²	6,367	5,896	5,727	5,541	5,286	5,393	5,057	4,777	4,511	3,528	3,120
Total	<u>\$ 178,096</u>	<u>\$ 197,374</u>	<u>\$ 198,692</u>	<u>\$ 204,644</u>	<u>\$ 239,396</u>	<u>\$ 238,461</u>	<u>\$ 241,686</u>	<u>\$ 239,572</u>	<u>\$ 237,312</u>	<u>\$ 238,229</u>	<u>\$ 244,558</u>
Operating year coverage	223.61%	115.28%	90.56%	70.52%	42.69%	11.70%	23.57%	73.00%	119.66%	104.70%	51.17%
Maximum future principal and interest	\$ 237,717	\$ 237,717	\$ 237,717	\$ 237,717	\$ 237,717	\$ 237,717	\$ 237,717	\$ 237,717	\$ 237,717	\$ 237,717	\$ 234,653
Bond covenant coverage	167.53%	95.72%	75.69%	60.71%	42.99%	11.74%	23.97%	73.57%	119.46%	104.93%	53.33%

Source: City of Great Falls

Note: Series 1998 Golf Course Revenue Bonds issued in Fiscal Year 1998, refunded Series 1988 and issued \$1,000,000 in new debt.
Series 1999 Golf Course Revenue Bonds issued in Fiscal Year 1999.

¹ Includes all revenues from rates, fees, charges, and rentals imposed, sales of property and all income received from investments.

² Includes amortization, discount premium, and fiscal agent fees for bond issues.

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

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Special Improvement Districts Bonds	Tax Incremental Bonds	Capital Leases	Loans and Contracts Payable	Capital Leases	Loans and Contracts Payable	Revenue Bonds Payable			
2000	\$ -	\$ 2,515,500	\$ 9,570,000	\$ -	\$ 270,000	\$ 108,029	\$ -	\$ 22,508,183	\$34,971,712	18.97%	\$ 1,474
2001	-	2,027,000	8,815,000	-	270,000	1,459,213	131,092	23,931,653	36,633,958	19.53%	1,498
2002	-	1,697,500	8,020,000	-	270,000	1,489,182	153,556	22,422,236	34,052,474	17.30%	1,381
2003	-	1,184,000	7,044,499	-	270,000	1,482,629	-	30,819,962	40,801,090	20.07%	1,568
2004	2,500,000	880,000	6,095,003	-	30,256	1,410,023	-	31,067,754	41,983,036	19.87%	1,582
2005	2,420,000	1,305,000	5,153,978	-	218,537	1,339,256	3,813,366	36,104,048	50,354,184	22.93%	1,830
2006	2,330,000	1,055,000	4,191,420	-	265,197	1,246,390	5,659,724	33,804,521	48,552,253	20.78%	1,661
2007	4,526,927	875,000	3,197,288	-	257,415 ^b	1,147,372	6,862,180	31,469,157	48,335,339	19.84%	1,577
2008	4,259,037	765,000	2,166,538	-	274,357 ^b	1,041,795	7,129,885	29,035,071	44,671,682	17.19%	1,407
2009	3,961,366	555,000	1,104,126	-	288,380 ^b	929,222	6,860,149	27,697,993	41,396,236	14.71%	1,203

^a See Demographic Statistics Schedule for personal income and population data. These ratios are calculated using personal income and population for two prior calendar years.

^b According to MCA, 7-7-4201, funds borrowed from Montana Board of Investments are to be included in the total amount of general obligation debt. These funds are included in the loans and contracts payable column of the Ratios of Outstanding Debt by Type statistical information.

City of Great Falls, Montana
Ratios of Net General Bonded Debt Outstanding and Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Real and Personal Taxable Assessed Value	Percentage of Actual Taxable Value of Property	Per Capita ^a	Debt Limit ^b	Total net debt applicable to limit	Legal debt margin	Total net debt applicable to the limit as a percentage of debt limit
2000	\$ -	\$ 72,551,276	0.00%	\$ -	\$17,507,181	\$ -	\$ 17,507,181	0.00%
2001	-	64,899,235	0.00%	-	16,904,719	-	16,904,719	0.00%
2002	-	65,473,306	0.00%	-	16,844,001	-	16,844,001	0.00%
2003	-	64,776,978	0.00%	-	28,766,654	-	28,766,654	0.00%
2004	2,500,000	65,328,553	3.83%	94	33,771,917	2,500,000	31,271,917	7.99%
2005	2,420,000	66,377,650	3.65%	88	30,244,129	2,420,000	27,824,129	8.70%
2006	2,330,000	68,026,995	3.43%	80	31,798,238	2,330,000	29,468,238	7.91%
2007	4,619,795 ^c	70,990,415	6.51%	151	32,983,690	4,526,927	28,456,763	16.23%
2008	4,259,037 ^c	73,776,332	5.77%	134	57,983,231	4,259,037	53,724,194	7.93%
2009	3,961,366 ^c	76,405,690	5.18%	115	60,474,851	3,961,366	56,513,485	7.01%

^a See Demographic Statistics Schedule for personal income and population data. These ratios are calculated using personal income and population for two prior calendar years.

^b Effective July 1, 2007 the legal debt limit increases from 1.51% to 2.5% of the assessed value of taxable property according to MCA 7-4-4201.

^c According to MCA, 7-7-4201, funds borrowed from Montana Board of Investments are to be included in the total amount of general obligation debt. These funds are included in the loans and contracts payable column of the Ratios of Outstanding Debt by Type statistical information.

The debt limitation may not exceed 2.50% of the total assessed value of taxable property within the city as ascertained by the last assessment for state and county taxes.

The general obligation debt does not require any reserves.

City of Great Falls, Montana
Computation of Direct And Overlapping General Obligation Debt
June 30, 2009

Jurisdiction	General Obligation Debt Outstanding¹	Percent Allocable to City¹	Amount Allocable to City
Elementary School District No. 1	\$ -	0.00%	\$ -
High School District No. 1	-	0.00%	-
Cascade County	6,850,000	70.50%	4,829,250
Total overlapping debt			4,829,250
Total direct debt ²			3,961,366
Total direct and overlapping debt			<u>\$ 8,790,616</u>

¹ Accounting Office of Clerk and Recorder Cascade County, Montana

² City of Great Falls, Montana

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 Great Falls. This process recognizes that the entire debt burden borne by the residents and businesses should be taken into account when considering the city's ability to issue and repay long-term debt. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

**City of Great Falls, Montana
Demographic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population ¹	Personal Income ²	Per Capita Income ²	School Enrollment ³	Unemployment Rate ⁴
2000	58,505	\$ 1,843,256	\$ 23,721	12,130	5.1%
2001	56,993	1,875,979	24,463	11,889	5.0%
2002	56,690 ⁵	1,968,099	24,661	11,643	4.0%
2003	56,046	2,033,430	26,016	11,007	4.3%
2004	56,155	2,112,966	26,546	10,891	3.9%
2005	56,503	2,195,749	27,523	10,727	3.9%
2006	56,338	2,336,656	29,231	10,625	3.4%
2007	58,536 ⁶	2,436,097	30,647	10,474	2.5%
2008	58,827	2,599,000	31,740	10,410	3.4%
2009	59,251	2,814,771	34,417	10,336	4.4%

¹ U.S. Census Bureau, Population Estimates, for one calendar year prior.

² U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System for Cascade County, Montana www.bea.doc.gov/bea/regional/bearfacts. The personal income and per capita income information is for two calendar years prior. Personal income estimates are in thousands of dollars.

³ Great Falls School District No. 1. Great Falls, Montana.

⁴ Montana Department of Labor & Industry Research & Analysis Bureau for Cascade County.
<http://data.bls.gov>.

⁵ U.S. Census Bureau, 2000 Census.

⁶ Based on challenge by City of Great Falls accepted by U.S. Census Bureau on November 9, 2007.

**City of Great Falls, Montana
Major Employers
Current Year and Nine Years Ago**

Employer	2009			2000		
	Number of Employees ¹	Rank	Percentage of Total Employment	Number of Employees ¹	Rank	Percentage of Total Employment
Malmstrom Air Force Base	4,004 ²	1	13%	4,081 ²	1	14%
Benefis Health Care Center	2,400	2	8%	2,100	2	7%
Great Falls Public Schools	1,613	3	5%	1,120	3	4%
Montana Air National Guard	1,033 ²	4	3%	-	-	-
Great Falls Clinic	780	5	3%	575	4	2%
N.E.W. Customer Services Cos.	687	6	2%	550	5	2%
City of Great Falls	528	7	2%	469	6	2%
Wal-Mart	501	8	2%	375	9	1%
Cascade County	500	9	2%	428	7	1%
Albertsons	261	10	1%	323	10	1%
Sletten Construction	-	-	-	375	8	1%

Source: Great Falls Tribune, Great Falls Montana Outlook 2009 printed February 22, 2009.
www.greatfallstribune.com.

List completed February 2009. Ranking based on total employees.

¹ Full-time equivalents in full and part time positions.

² Includes military and civilian personnel.

Full-time equivalent is a term used, whereby the number of scheduled hours is divided by the hours in a full work week. The hours of several part time agents may add up to one FTE.

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

Function/Program	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Mayor/City Commission	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Housing Authority	-	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50
City Manager	2.65	3.00	3.00	3.00	4.00	4.40	4.25	4.25	4.29	3.29
City Clerk	1.00	1.50	2.50	3.00	3.00	2.25	1.25	1.25	1.29	1.29
Cable 7	-	-	-	-	-	-	-	1.00	1.00	0.50
Analysis & Budget	8.00	9.00	9.00	2.00	2.00	-	-	-	-	-
Human Resources	5.50	3.10	3.16	3.66	3.66	3.66	3.66	3.66	3.66	3.66
City Planning	8.50	8.50	9.00	8.00	8.00	8.60	7.60	7.60	7.60	7.60
Community Development	37.35	19.50	19.44	19.44	20.44	22.44	23.43	20.94	20.94	21.94
Fairgrounds	20.50	20.50	20.50	24.97	-	-	-	-	-	-
Fire	67.00	67.00	67.00	67.00	67.00	67.00	67.00	67.00	68.00	68.00
Fiscal Services	23.40	27.90	28.30	34.30	34.30	38.12	38.05	37.90	38.40	38.40
Legal	3.70	3.70	4.70	4.00	4.00	4.60	5.80	5.80	6.30	6.30
Library	21.16	21.53	23.38	23.56	22.27	22.52	21.76	21.05	21.30	21.30
Park & Recreation	33.00	34.00	33.00	36.43	39.43	40.98	78.17	77.50	76.77	86.22
Police	110.50	112.00	112.00	115.00	115.00	115.00	117.00	119.00	133.50 ¹	129.50
Public Works	113.50	114.50	113.50	112.50	116.00	119.15	130.93	132.33	132.75	133.95
Total	460.76	469.23	471.98	480.36	462.60	472.22	522.40	522.78	539.30	545.45

Source: City of Great Falls Budget Office

In 2006 seasonal employees were included in the totals.

Full-time equivalent is a term used, whereby the number of scheduled hours is divided by the hours in a full work week.

The hours of several part time employees may add up to one FTE.

¹ This year the City took over operations at the Animal Shelter and the employees were added to the Police Department.

City of Great Falls, Montana
Operating Indicators by Function/Program
Last Ten Years

Function/Program	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Building Permits										
Residential Permits Issued	499	451	540	509	537	465	395	407	455	303
Residential Permits Value	\$31,533,516	\$32,972,543	\$31,481,830	\$44,664,032	\$32,912,658	\$40,853,101	\$34,440,315	\$32,053,509	\$42,329,134	\$23,995,370
Commercial Permits Issued	28	22	26	25	21	29	121	134	111	109
Commercial Permits Value	\$19,779,343	\$22,380,159	\$19,030,864	\$44,007,013	\$14,264,095	\$31,453,650	\$31,833,901	\$61,666,304	\$92,458,267	\$43,959,047
Fire Department										
Structure Fires	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	86	91	82	70
Fire Calls	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	645	646	656	634
EMS/Rescue Calls	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	2,858	2,996	3,238	3,446
Haz-Mat Calls	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	58	67	82	57
Public Service Calls	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	492	555	616	669
Good Intent Calls	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	911	876	762	669
Out of City	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	132	170	147	126
Library										
Yearly Patrons	171,623	165,234	175,982	183,257	181,776	187,912	207,205	217,729	212,985	220,455
Yearly Circulation	341,190	349,141	339,733	367,871	384,207	383,839	384,019	356,651	350,542	342,348
Yearly Internet Users	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75,995	64,459	64,789
Yearly Internet Searches	N/A	N/A	N/A	N/A	N/A	N/A	N/A	240,337	204,490	226,954
Sanitation										
Residential Customers	13,100	13,192	13,295	13,415	13,626	13,743	14,018	14,189	14,512	14,760
Commercial Customers	1,453	1,467	1,522	1,450	1,447	1,466	1,471	1,486	1,614	1,649
Recycling Customers	11,911	12,995	14,593	17,115	16,166	17,800	19,000	22,290	17,800	19,892
Landfill Tonnage	35,950	36,190	36,250	38,265	37,198	36,545	36,446	37,269	39,750	39,937
Recycled Tonnage	425	391	850	811	664	1,100	897	851	810	776
Recycled Motor Oil (gallons)	6,875	6,125	5,795	6,205	5,975	6,800	6,400	6,500	6,400	4,250
Streets										
Weed Violations	408	325	311	1,560	2,055	3,059	2,660	2,684	2,527	2,645
Water Main Breaks										
Number of Breaks	91	85	76	90	77	74	63	55	72	50
Break Cost	\$ 218,890	\$ 208,151	\$ 179,966	\$ 206,590	\$ 254,008	\$ 212,086	\$ 200,215	\$ 153,777	\$ 312,648	\$ 152,657
911 Center Calls										
Police	34,642	34,946	35,294	36,400	36,143	35,522	32,823	30,885	40,130	45,394
Great Falls Fire	3,747	3,924	4,749	5,012	5,070	5,027	5,162	5,359	5,529	5,685
Cascade County	7,975	9,057	8,969	9,076	9,199	8,786	8,585	8,851	15,400	16,961
Medical Calls	4,712	3,518	3,874	4,180	4,327	4,346	4,412	4,565	4,676	7,816
Rural Fire	**	**	681	664	697	701	708	724	745	751
City Planning										
Annexation Applications	27	27	22	11	13	22	10	19	25	16
Subdivision Applications	23	26	16	10	19	19	17	20	19	16
Zoning Applications	12	11	13	15	17	30	9	17	29	25
Court										
Number of Violations	25,692	16,603	15,500	16,382	20,461	24,635	24,860	23,185	18,190	17,529
	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Parking										
Number of Violations	31,665	26,215	22,761	23,956	24,799	20,336	23,824	20,119	19,425	15,198
Number of Monthly Permits Issued	9,334	9,386	8,827	8,928	9,336	10,555	10,689	10,052	9,653	9,860

** Rural Fire included in Cascade County Calls

¹ In 2009, the Fire Department changed the classification of calls for statistics and information is not available for years prior to 2005.

Source: City of Great Falls

City of Great Falls, Montana
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Fire Department										
Number of Stations	4	4	4	4	4	4	4	4	4	4
Number of Training Centers	1	1	1	1	1	1	1	1	1	1
Number of Fire Vehicles	18	18	18	18	18	18	18	18	18	18
Police Department										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Police Vehicles	40	50	51	56	59	59	63	63	64	64
Sanitation										
Number of Collection Trucks	19	21	21	21	21	21	18	21	21	21
Streets										
Miles of Streets/Alleys	343	352	352	352	353	365	361	361	366	366
Miles of Street Stripping	50	50	50	50	50	50	50	50	65	65
Street Signs	10,448	10,475	10,898	10,948	10,585	12,000	11,000	11,000	11,400	11,770
City/State Street Signals	84	84	84	84	84	87	89	89	89	89
Housing Authority										
Affordable Housing Units	16	16	16	16	16	16	16	16	16	16
Public Housing Units	490	490	490	490	490	490	490	490	490	490
Water										
Water mains (miles)	274.38	277.29	278.47	279.60	281.30	283.45	291.96	296.75	303.38	305.38
Fire hydrants	2,765	2,785	2,796	2,804	2,822	2,837	2,925	2,986	3,054	3,085
Storage capacity (million gallons)	12.25 ¹	12.25 ¹	12.25 ¹	12.25 ¹	12.25 ¹	12.25 ¹	12.25 ¹	12.25 ¹	12.25 ¹	12.25 ¹
Sanitary Sewer										
Sanitary sewers (miles)	215.06	216.52	217.67	218.63	219.67	220.76	229.34	233.99	238.82	240.32
Storm sewers (miles)	103.40	104.17	104.37	106.20	106.51	106.77	109.23	111.10	114.00	114.65
Treatment capacity (million gallons)	21 ²	21 ²	21 ²	21 ²	21 ²	21 ²	21 ²	21 ²	21 ²	21 ²
Parks and recreation										
Number of parks	67	68	69	69	70	74	74	74	64	64
Acreage of parks	1,062	1,067	1,067	1,067	1,105	1,138	1,138	1,150	1,150	1,150
Trees (approximately)	33,000	33,000	33,000	37,000	37,000	41,817	46,139	46,139	47,083	47,083
Pools	4	4	4	4	4	4	4	4	4	4
Golf Courses	2	2	2	2	2	2	2	2	2	2
Skate Park	-	-	-	-	1	1	1	1	1	1
	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Parking										
Parking lots	6	6	6	6	6	6	6	6	6	6
Parking garages	1	2	2	2	2	2	2	2	2	2
Off street parking spaces	880	1,143	1,143	1,143	1,143	1,143	1,143	1,143	1,143	1,143
Metered parking spaces	N/A	1,050	1,050	1,050	1,050	1,050	1,050	1,100	1,100	1,100
Library										
Number of Books Purchased	7,594	8,405	9,610	10,018	9,529	10,625	9,342	9,415	7,639	11,014

¹ This storage capacity does not include 3.45 million gallons of clearwells at the Wastewater Treatment Plant

² This treatment capacity is a daily number.



Single Audit Section







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Campanella • Stevens • P.C.**

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Certified Public Accountants and Business Advisors

**To the Honorable Mayor,
City Commissioners, and City Manager
City of Great Falls, Montana**

**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**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Great Falls, Montana as of and for the year ended June 30, 2009, which collectively comprise the City of Great Falls, Montana's basic financial statements and have issued our report thereon dated December 8, 2009. We conducted our audit 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. We did not audit the financial statements of the Great Falls Business Improvement District and the Great Falls Public Library Foundation. Those financial statements were audited by other auditors whose reports have been furnished to us, and our report on compliance and on internal control over financial reporting, insofar as it relates to the Great Falls Business Improvement District, is based upon the reports of the other auditors. The financial statements of the Great Falls Public Library Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Great Falls, Montana's internal control over financial reporting as a basis for designing our auditing procedures 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 of Great Falls, Montana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Great Falls, Montana's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Great Falls, Montana's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Great Falls, Montana's financial statements that is more than inconsequential will not be prevented or detected by the City of Great Falls, Montana's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Great Falls, Montana's internal control.

**To the Honorable Mayor,
City Commissioners and City Manager
City of Great Falls, Montana
Page 2**

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Great Falls, Montana'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*.

We noted certain other matters that we have reported to the management of the City of Great Falls, Montana in a separate letter dated December 8, 2009.

This report is intended solely for the information and use of the audit committee, management, others within the organization, City Commission, the State of Montana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Junkermier, Clark, Campanella, Stevens, P.C.

Great Falls, Montana
December 8, 2009



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Certified Public Accountants and Business Advisors

**To the Honorable Mayor,
City Commissioners and City Manager
City of Great Falls, Montana**

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Compliance

We have audited the compliance of the City of Great Falls, Montana with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The City of Great Falls, Montana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the City of Great Falls, Montana's management. Our responsibility is to express an opinion on the City of Great Falls, Montana's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Great Falls, Montana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Great Falls, Montana's compliance with those requirements.

In our opinion, the City of Great Falls, Montana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the City of Great Falls, Montana, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Great Falls, Montana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Great Falls, Montana's internal control over compliance.

**To the Honorable Mayor,
City Commissioners and City Manager
City of Great Falls, Montana
Page 2**

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Great Falls, Montana's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City of Great Falls, Montana's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City of Great Falls, Montana's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, others within the organization, City Commission, the State of Montana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Junkermier, Clark, Campanella, Stevens, P.C.

Great Falls, Montana
December 8, 2009

City of Great Falls, Montana
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2009

Funding Agency	Federal CFDA Number	Program Number	Program or Award Amount	Balance July 1, 2008	Grant Revenues	Expenditures	Balance June 30, 2009
Department of Housing and Urban Development							
Direct Programs							
Community Development Block Grant Entitlement Program	14.218	B05-MC-30-0002	\$ 1,092,496	\$ -	\$ 100	\$ 100	\$ -
Community Development Block Grant Entitlement Program	14.218	B07-MC-30-0002	983,697	-	71,220	71,220	-
Community Development Block Grant Entitlement Program	14.218	B08-MC-30-0002	917,014	-	848,635	848,635	-
HOME Investment Partnership Program	14.239	M05-MC-30-0218	457,842	-	51,071	51,071	-
HOME Investment Partnership Program	14.239	M06-MC-30-0218	456,266	-	47,539	47,539	-
HOME Investment Partnership Program	14.239	M07-MC-30-0218	435,726	-	105,425	105,425	-
HOME Investment Partnership Program	14.239	M08-MC-30-0218	406,870	-	36,142	36,142	-
Pass-through State of Montana							
HOME ADDI	14.239	M06-SG-3001-14	10,413	-	8,640	8,640	-
Total Department of Housing & Urban Development				-	1,168,772	1,168,772	-
Department of Transportation							
Pass-through Montana Department of Transportation							
Highway Planning and Construction	20.205	N/A	\$ 370,000	\$ -	\$ 304,882	\$ 304,882	\$ -
Community Transportation Enhancement Program	20.205	N/A	259,886	-	261,389	261,389	-
MACI - Purchase Street Sweeper	20.505	N/A	105,000	-	95,341	95,341	-
Recreational Trails Program	20.219	RT2008-28	30,150	-	30,150	30,150	-
STEP Grant	20.600	2009-11-04-35	10,500	-	6,564	6,564	-
Total Department of Transportation				-	698,326	698,326	-
Department of Justice							
Direct Programs							
Bulletproof Vest Program	16.607	N/A	\$ 5,893	\$ -	\$ 4,497	\$ 4,497	\$ -
Pass-through Great Falls Weed & Seed Steering Committee							
Weed and Seed Program 08	16.595	N/A	57,000	-	36,725	36,725	-
Weed and Seed Program 07	16.595	2006-W0216-MT-WS	64,500	-	24,285	24,285	-
Pass-through Montana Board of Crime Control							
Justice Assistance Grant	16.592	2006-DJ-BX-1064	25,745	-	25,745	25,745	-
Justice Assistance Grant	16.592	2007-DJ-BX-0732	67,692	-	17,929	17,929	-
Enforcing Underage Drinking Laws	16.727	06-C01-90198	348,492	-	281,409	281,409	-
COPS Tech Grant	16.710	2008CKWX0586	444,268	-	91,350	91,350	-
Safe Neighborhood	16.609	08-O01-90434	32,530	-	12,413	12,413	-
Total Department of Justice				-	494,353	494,353	-

Continued on next page

City of Great Falls, Montana
Schedule of Expenditures of Federal Awards (Concluded)
Year Ended June 30, 2009

<u>Funding Agency</u>	<u>Federal CFDA Number</u>	<u>Program Number</u>	<u>Program or Award Amount</u>	<u>Balance July 1, 2008</u>	<u>Grant Revenues</u>	<u>Expenditures</u>	<u>Balance June 30, 2009</u>
Department of Homeland Security							
Pass-through State of Montana							
HAZMAT Trailer Equipment	97.067	2006-GE-T6-0062	\$ 33,966	\$ -	\$ 33,966	\$ 33,966	
HAZMAT Trailer Equipment	97.067	2007-GE-T6-0062	44,167	-	44,153	44,153	-
Total Department of Homeland Security				-	78,119	78,119	-
National Park Service							
Direct Programs							
Historic Preservation Fund	15.904	MT-08-016	\$ 5,500	\$ -	\$ 4,125	\$ 4,125	\$ -
Historic Preservation Fund	15.904	MT-09-016	5,500	-	1,375	1,375	-
West Bank Urban Renewal	15.904	PA III-09-002	10,000	-	4,888	4,888	-
Missouri River Corridor		PA II-2008-005	3,500	-	3,496	3,496	-
Total National Park Service				-	13,884	13,884	-
Environmental Protection Agency							
Pass-through State of Montana							
Montana Water Revolving Loan Fund	66.468	WRF-09125	\$ 4,010,000	\$ -	\$ 1,023,461	\$ 1,023,461	\$ -
Montana Water Revolving Loan Fund (ARRA)	66.468	WRF-10149	416,300	-	395,193	395,193	-
Total Environmental Protection Agency				-	1,418,654	1,418,654	-
National Endowment for the Arts							
Pass-through State of Montana							
Festival of the Book	45.129	31-1-7	\$ 1,500	\$ -	\$ 1,500	\$ 1,500	\$ -
Total National Endowment for the Arts				-	1,500	1,500	-
Total Expenditures of Federal Awards				\$ -	\$ 3,873,608	\$ 3,873,608	\$ -

City of Great Falls, Montana
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2009

1. Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance of the City of Great Falls, Montana. The City of Great Falls, Montana's reporting entity is defined in Note 1 to the City's financial statements. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included in the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's financial statements.

City of Great Falls, Montana
Schedule of Findings and Questioned Costs
Year Ended June 30, 2009

A. Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Great Falls, Montana.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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.
3. No instances of noncompliance material to the financial statements of the City of Great Falls, Montana, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the City of Great Falls, Montana expresses an unqualified opinion.
6. There were no audit findings related to federal award programs for the City of Great Falls, Montana that we are required to report.
7. The programs tested as a major program include:
 - a. Environmental Protection Agency –(CFDA #66.468)
 - b. Department of Transportation – (CFDA #20.205)
8. The threshold for distinguishing Types A and B programs was \$300,000 in expenditures.
9. The City of Great Falls, Montana qualified as a low-risk auditee.

B. Findings – Financial Statement Audit

None.

C. Findings and Questioned Costs – Major Federal Program Award Audit

None.

**City of Great Falls, Montana
Independent Auditor's Report on Compliance and on
Internal Control Over Financial Reporting
Status of Prior Year Comments
June 30, 2009**

There were no prior year audit findings relative to major federal award programs.





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Certified Public Accountants and Business Advisors

December 8, 2009

To the Audit Committee
City of Great Falls, Montana

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Great Falls, Montana for the year ended June 30, 2009. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 8, 2009. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Great Falls, Montana are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimates of the lives of depreciable assets and timetables for replacements of assets as set forth in the Equipment Revolving Schedule (ERS). Estimated replacement reserves as calculated in the ERS affects the restricted cash in many funds. We evaluated the key factors and assumptions used to develop the estimated lives of depreciable assets and calculations of the estimated replacement reserves in determining that they are reasonable in relation to the financial statements as a whole.

Management's estimate of the impairment of the asset related to the Highwood Generating Station (HGS) in the Electric enterprise fund. The impairment was identified in the current fiscal year after plans to construct a coal-fired generating facility at the HGS were curtailed and is based on the amount of the City's investment that was capitalized in previous years. We evaluated the key factors and assumptions used to develop the impairment calculation and subsequent adjustment in determining that it is reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosures regarding the Electric enterprise fund are deemed sensitive due to the publicity received with regard to this fund. The disclosures in the notes to the financial statements that address this fund include Note 6 (page 51), Note 13 (page 68), Note 14 (page 69), and Note 17 (pages 71-72). These notes provide added details to the users of the financial statements regarding the impairment of the asset, the agreement with Electric City Power, the security agreement with Electric City Power, and the deficit net assets of the Electric enterprise fund.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 8, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other matters

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City of Great Falls, Montana's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Status of Prior Year Comments

Compliance with Ordinance 2925

Section 5.20.070 of Ordinance 2925 states the rates and charges of Electric City Power (included in the Electric Utility Fund) "shall be designed to enable the Corporation to operate on a self-sufficient and self-sustaining basis and to produce revenues at all times sufficient to pay all operating, maintenance, debt service, repair and replacement costs of the Corporation and to provide reserves necessary or desirable for working capital, capital improvements and replacements and rate stabilization purposes." The City was not in compliance with this section of the Ordinance. We recommended the City review this Ordinance and the operations of Electric City Power to be in compliance with this Ordinance.

Current Status

The City is not in compliance with this Ordinance in the current year. We continue to make the above recommendation.

**To the Audit Committee
City of Great Falls, Montana
Page3**

Debt

During the years ended June 30, 2001 through the current year under audit, the City did not meet the rate covenant provision for the Golf Course revenue bonds. The percent of bond coverage was less than the required 140%. The bond covenants require the City to prepare a schedule of altered rates, charges and rentals.

Current Status

The rate covenant was not met in 2009. The City continues to explore long-term solutions to the financial health of the Golf Course Fund.

This information is intended solely for the use of the Audit Committee of the City of Great Falls, Montana and management of the City of Great Falls, Montana and is not intended to be and should not be used by anyone other than those specified parties.

Respectfully submitted,

Junkermier, Clark, Campanella, Stevens, P. C
Great Falls, Montana



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Certified Public Accountants and Business Advisors

December 8, 2009

**To the Audit Committee and City Manager
City of Great Falls, Montana**

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the City Manager, City of Great Falls management, and as suggested by the Audit Committee solely to assist with testing and verifying specific concerns regarding the Electric enterprise fund for the year ended June 30, 2009. The City's management is responsible for the City's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

- I. Review the Blended Rate Contract (Rate Rider #2) between Southern Montana Electric and Electric City Power (ECP), which the City entered into in order to blend their electricity rate with other cooperatives. Ensure the related entries are being accounted for reasonably.

We reviewed the monthly entries related to the buying and selling of power, the amount billed and paid to Southern Montana Electric, the recognition of deferred expenses, and the recognition of interest earned on the security deposit. These entries appear to be recorded reasonably.

2. Review the Cogeneration Contract (Rate Rider #1 contract) between Southern Montana Electric and Electric City Power (ECP), which the City entered into to facilitate the sale of energy produced by the Wastewater Treatment Plant to Southern Montana Electric, and then also to facilitate the buy back of the energy at the same price plus an administrative fee by Electric City Power. Ensure this process is being accounted for properly.

The Cogeneration Contract entered into on February 3, 2009, was effective retroactive to May 1, 2008. The contract acknowledges that the City may operate a Cogeneration facility at its Wastewater Treatment Facility. It also states the City will sell the power generated by the Cogeneration facility to Southern Montana Electric, and in return Southern Montana will resell that power back to ECP at the same price plus an administrative fee. Income and expenses/expenditures are accounted for in ECP and the City's Sewer fund. ECP purchases power from Southern Montana Electric. This purchase, plus the administrative fee charged by Southern Montana Electric, is recorded as an expense in the City's Electric enterprise fund. ECP sells this power to the Wastewater Treatment Facility. The City's Electric enterprise fund recognizes income from this sale and the City's Sewer fund recognizes an expenditure for the purchase of the energy. The Sewer fund generates power and sells it to Southern Montana

Electric, at which time the Sewer fund recognizes income. The price of the power purchased by ECP from Southern Montana Electric and the power purchased by Southern Montana Electric from the Wastewater Treatment Facility are the same. This process appears reasonable.

3. Review the procedures used in the deferred charges process and ensure the process and balances appear reasonable.

Based on management's current projections using average consumption of ECP customers and the current factor, the imbalances will be completely expensed out the first quarter of 2012. The amount that is expended each month for the deferred imbalances is the consumption in kWh's for the month divided by 1,000 and then multiplied by the imbalance factor (\$2.93608 through June 30, 2009). The imbalance factor used is based on judgment and is what the fund could bear and still have a positive bottom line from January through June 2009. This factor should be evaluated by the Electric City Power board and City management on a regular basis to determine reasonableness. We recommend this evaluation take place close to the City's year end.

4. Review the deposit on hand with Southern Montana Electric, being generated due to the Blended Rate Contract, and ensure it is being properly accounted for.

The Blended Rate Contract states a deposit equal to one month's bill must be maintained with Southern Montana Electric. The contract also notes that to fund the deposit the City will continue to pay the amount that would have been paid using the prior payment contract and any amount paid over the new contract rate will be applied towards the deposit. The contract also notes the deposit should be fully funded by December 2010. ECP has been paying on the deposit since January 2009. As of June 30, 2009, ECP's financials note a deposit in the amount of \$334,954, which was confirmed with Southern Montana Electric. Southern Montana Electric is paying ECP interest on the deposit monthly, as noted in the contract. At the current rate the deposit is being funded (\$20,000-\$50,000 per month), it appears the deposit will be fully funded by December 2010. Accounting for the deposit appears reasonable.

5. Review the interest earnings on the deposit on hand with Southern Montana Electric. Ensure it is being calculated and then reported correctly.

The Blended Rate Contract states Southern Montana Electric will calculate and pay ECP interest on the deposit held by them. The contract also states the interest will be credited to the deposit until the deposit is fully funded, at which time the interest will be paid to ECP. Southern Montana Electric's books reflect interest credited to the account. The daily calculation of interest and ECP's accounting entries for interest appear to be calculated correctly.

6. Review the construction in process balances and review any asset impairments to ensure the amount is reasonable and valid.

We reviewed a letter from Southern Montana Electric's outside accountant along with Southern Montana's auditor and noted they recommended ECP write down their investment by \$905,019. Southern Montana Electric wrote down their assets by 44.16% as recommended by two consultants after an asset valuation. As such, the write down of \$905,019 is 44.16% of ECP's investment. ECP also elected to write off an additional \$239,485 of capitalized interest. The write down of \$1,144,504 (\$905,019+\$239,485) appears reasonable and was recorded in the City's Electric enterprise fund. The remaining balance in construction in process has been

moved and is now reported as "Investment in Joint Venture" to more accurately reflect the asset classification.

7. Review the water credit contract and ensure the credit ended December 2008.

The Water Credit Contract indicates the water credit will end December 31, 2008. This liability will remain on the books at the balance it reached at December 31, 2008 (\$1,186,062), and will begin to decrease when a generating facility comes online and begins to consume water purchased from the City. There has been no change to the liability account balance between January and June as would be expected.

8. Review the City's procedures to ensure they are in accordance with the Ordinances governing the Electric enterprise fund.

We reviewed the City's procedures to ensure they are in accordance with the Ordinances governing the Electric enterprise Fund. We reviewed Ordinances 2861 "An Ordinance Amending Title 5, OCCGF, to include Chapter 20 Authorizing the City of Great Falls to Establish and Operate an Electric Utility and to Market Electric Power Service to Consumers Within the City of Great Falls"; 2925 "An Ordinance Amending Title 5, Chapter 20, OCCGF, Authorizing and Approving the Creation of Electric City Power, Inc. Pursuant to the Montana Nonprofit Corporation Act in Order to Secure and Provide Reliable and Economic Supplies of Electricity for the City of Great Falls, its Residents and Other Consumers"; and 2972 "An Ordinance Amending OCCGF 13 Chapter 2 Section 070(C) Pertaining to the Utility Service Area." Section 5.20.070 of Ordinance 2925 states the rates and charges of ECP "shall be designed to enable the Corporation to operate on a self-sufficient and self-sustaining basis and to produce revenues at all times sufficient to pay all operating, maintenance, debt service, repair and replacement costs of the Corporation and to provide reserves necessary or desirable for working capital, capital improvements and replacements and rate stabilization purposes."

The City is not in compliance with Section 5.20.070 of Ordinance 2925. According to the City, as stated in the June 30, 2009, Comprehensive Annual Financial Report (CAFR), "increased rates paid by customers along with proposed rate decreases offered by Southern, pending commission approval, will cause the deficit balance to decline and be eliminated over time." We found the City to be in compliance with the remaining Ordinances as they relate to the accounting and monitoring of the Electric enterprise fund.

We were not engaged to, and did not, conduct an audit, the objectives of which would be the expression of an opinion, on the accounting records of the Electric enterprise Fund. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the City of Great Falls management, Audit Committee, Honorable Mayor, City Commissioners, City Manager, and Electric City Power Board of Directors and is not intended to be and should not be used by anyone other than those specified parties.

Junkermier, Clark, Campanella, Stevens, P.C.
Certified Public Accountants and Business Advisors

**Electric Fund as Extracted
from the Audited
Comprehensive Annual Financial Report
City of Great Falls, Montana
For the Fiscal Year Ended June 30, 2009**



**Prepared by the
City of Great Falls Fiscal Services Department
Coleen Balzarini, Fiscal Services Director**



This information does not replace the Fiscal Year 2009 Comprehensive Annual Financial Report (CAFR); it is meant to provide extracted information of the City's electric utility fund. For a complete review of the City's financial position for FY 2009, consult the CAFR, available on the City's website or from the City. The following notes are related to the City's electric utility fund activities as reflected in the FY 2009 CAFR. The number preceding the heading indicates the CAFR note section where the comment is located.

1. Summary of Significant Accounting Policies

c. Investment in Joint Venture

During fiscal year 2004, the City entered into a joint venture with Southern Montana Electric Generation and Transmission Cooperative, Inc (Southern). The joint venture was organized by five electric cooperatives and the City of Great Falls to provide electric services to its members and to construct Highwood Generating Station (HGS), which is an electric generating facility, intended to serve the energy needs of its six members. The City has an 8.66 percent equity interest in the joint venture with Southern. A joint venture is an organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or an ongoing financial responsibility. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture. This joint venture does not meet the criteria for inclusion in the City's financial report as a component unit since the City does not exercise administrative control. The City does report its equity interest in the joint venture using the equity method. An equity interest in a joint venture is manifest in the government having an explicit, measurable right to the net present or future resources of the joint venture. The investment in joint venture in the statement of net assets (page 26) is included in the unrestricted portion of the total net assets. The corporate office of Southern is located at the following address: 3521 Gable Road, Suite 5, Billings, Montana 59102.

See FY 2009 CAFR page #37

e. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a set of self-balancing accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Electric Fund

The Electric Fund accounts for all aspects of the City electric system operations: providing electricity for City operations, other government agencies, and retail customers. The costs of preliminary design and engineering of the HGS facility is included in this fund.

See FY 2009 CAFR page #38

2. Cash, Cash Equivalents and Investments

Restricted Cash and Investments

Security reserves	\$100,000
Cash on deposit with others	<u>334,954</u>
Subtotal Electric	\$434,954

See FY 2009 CAFR page #45

4. Interfund Receivables, Payables, and Transfers

The due to other City funds balances reported in the fund financial statements represent credit cash balances in the individual funds at year-end with an offsetting due from other City funds in the corresponding funds.

Due to/from other City funds at June 30, 2009, consists of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Electric	1,368,236

The interfund loans represent the current portion due from the advances from other funds which represent the long term portion. The advance from the general fund reported in the electric fund resulted from the establishment of a financial assurance reserve required by the Montana Public Service Commission. The advances to the electric fund reported in the general fund, street fund, lighting districts fund, library fund, natural resources fund, water fund, sewer fund, sanitation fund, golf fund, safety services fund, parking fund, swim pools fund, recreation fund, public works admin fund, and facility services fund resulted from an interfund liability. Advances to all funds are being repaid to the respective funds in annual installments including interest.

Advances to/from other funds at June 30, 2009, consists of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Electric	\$ 100,000
General		59,696
Street		16,507
Nonmajor governmental funds		
Lighting Districts	\$ 577,514	
Library	19,382	
Natural Resources	155	
Subtotal nonmajor governmental funds		597,051
Water		300,477
Sewer		278,802
Sanitation		3,219
Golf		39,915
Nonmajor enterprise funds		
Safety Services	3,483	
Parking	20,581	
Swim Pools	21,054	
Recreation	10,770	
Subtotal nonmajor enterprise funds		55,888
Internal service funds		
Public Works Admin	17,645	
Facility Services	30,800	
Subtotal internal service funds		48,445
Total		\$ 1,500,000

See FY 2009 CAFR pages #47 and 48

6. Capital Assets

Primary Government

During the year the City recognized a \$1,144,504 impairment loss on the value of the Highwood Generation Station due to the change from a coal fired to a gas-fired generating station. At the same time there was a reclassification of the remaining \$629,393 from construction in progress to investment in joint venture. With this change certain costs incurred in past years will no longer have earnings value in generating revenues in future years.

See FY 2009 CAFR page #51

8. Long -Term Debt

Notes Payable

The City Commission adopted Resolution No. 9534 on December 6, 2005, authorizing the borrowing of \$1,500,000 from First Interstate Bank in the form of a taxable non-voted general obligation note by the electric fund for the purpose of preliminary design, engineering, feasibility and environmental review costs related to the construction of HGS. The term of the note is twenty (20) years with a maximum interest rate of 7.21%.

This rate is adjusted on each fifth year anniversary date of the closing of the note. The interest rate varies equal to the constant rate of the Five Year US Treasury Index as reported in the Wall Street Journal on the adjustment date. It is intended the debt will be repaid from operating funds of the electric utility. A pledge from the General fund provides backup security for the debt obligation.

	<u>Start Date</u>	<u>Interest Rate</u>	<u>Term (Years)</u>	<u>Maturity Date</u>	<u>Loan Issued</u>	<u>Balance June 30, 2009</u>
Electric Improvements	12-15-2005	6.79%	20	01-01-2026	1,500,000	\$ 1,431,490

Annual

debt service is as follows:

<u>Year Ending June 30</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 49,247	\$ 96,423	\$ 145,670
2011	52,648	93,022	145,670
2012	56,041	89,629	145,670
2013	60,153	85,517	145,670
2014	64,307	81,363	145,670
2015-2019	394,366	333,985	728,351
2020-2024	550,690	177,662	728,351
2025-2026	204,037	14,075	218,112
Totals	<u>\$ 1,431,490</u>	<u>\$ 971,675</u>	<u>\$ 2,403,165</u>

See FY 2009 CAFR page #55

8. Long-Term Debt – continued

Other Liabilities

Other liabilities in the Electric Fund result from prepaid water charges from Southern in the amount of \$1,186,062. This liability occurs in conjunction with the intentional effort to mitigate unknown expenses incurred in this startup enterprise. The liability has ceased to increase and will begin decreasing when a generating facility comes online and begins to consume process water, purchased from the City necessary to operate the plant.

Projected Year Ending June 30	Business-Type Activities		
	Additions	Deductions	Total
2009	\$ 102,148	\$ -	\$ (1,186,062)
2010	-	-	(1,186,062)
2011	-	-	(1,186,062)
2012	-	187,639	(998,423)
2013	-	187,639	(810,784)
2014-2018	-	810,784	-
Totals	\$ 102,148	\$ 1,186,062	\$ -

The City became a member of Southern in fiscal year 2004. In fiscal year 2005, the City began supplying electricity to customers within the City. The first customer group included City, Housing Authority, School District, Airport Authority, Montana Air National Guard, and FedEx. Southern secured a five megawatt per hour block of power for the City at a cost of \$41.70 per megawatt hour. The 5 megawatt per hour block of power was the average energy demand of the customer base. Through December 31, 2008, payment for this block of power was comprised of a cash component of \$36 per megawatt hour, and credit towards future water purchases necessary for the operation of the HGS in the amount of \$5.70 per megawatt hour. Any surplus or shortage of energy consumed related to this block of power is sold or purchased on the energy imbalance market and is also recorded as a prepaid water credit.

In the beginning, the City’s energy customers and their previous electricity suppliers were able to provide only a very limited amount of information on actual energy demand at the hourly/daily/monthly/seasonal periods. In addition, the City and Southern were aware of the price volatility in the imbalance market that occurs throughout the year. Therefore, an agreement was reached between the City and Southern, in which a portion of the energy supply from the first block of power would be paid for at a future date when the HGS comes online and begins using raw water, supplied by the City, to generate electricity on behalf of all Southern members, including the City, Great Falls Public Schools, and Great Falls International Airport.

See FY 2009 CAFR pages #62 and 63

13. Contracted Services

Electric City Power

Electric City Power (ECP) is licensed through the Public Service Commission to supply electricity. On November 1, 2005, the City created and organized a nonprofit corporation under Ordinance 2925, to own, operate and take all other actions necessary or desirable in connection with the municipal electric utility of the City, including the provision of electricity supply services to consumers and others located within or outside of the City. The City has contracted with Southern Montana Electric Generation and Transmission Cooperative, Inc (Southern) for its energy supply contracts necessary to serve the City's electric utility customers.

On September 21, 2004, the City Commission approved a Wholesale Power Purchase Contract with Southern. The result of the contract was to allow the City to provide enough electricity to supply the City's needs, and the needs of ECP customers which are comprised of Great Falls Public Schools, Veolia Water North America, Great Falls Housing Authority, Montana Refining Company, Pilot Program, Barretts Minerals, Federal Express, Montana Air National Guard, Great Falls Airport Authority, Benefis Healthcare, Meadow Gold Dairies, General Mills, Pacific Steel and Recycling, Davidson Investment Partnership, D A Davidson and Company, McLaughlin Research Institute, Lumber Yard Supply Company, and Southern Foods Group. On October 2, 2007, the City Commission approved a revised Wholesale Power Purchase Contract with Southern. The revisions extended the expiration date to December 30, 2048 and provided language necessary to satisfy various agencies, and financial institutions regarding the relationship of Southern and the City.

On February 3, 2009 two rate riders were added to the October 2007 contract to specify methodology used to determine amounts due to Southern with the implementation of a blended/transition rate as well as reporting of wastewater treatment plant co-generation to Southern in compliance with the contract.

On March 15, 2005 the City Commission approved the water service agreement with Southern outlining the rates charged for water service through June 30, 2010 for raw water, and applicable fees. The agreement also outlines the responsibilities of the parties in regards to the reporting of data, the ownership of the meters and system, and the payment requirements, along with addressing the water rights transfer application necessary to utilize available municipal raw water.

On October 2, 2007 an assignment and assumption agreement between ECP and the City was approved by the City Commission. This agreement transfers and assigns all the City's rights, title and interest in the City's power supply contracts and customer contracts to the nonprofit utility, ECP. The agreement was created under the Interlocal Cooperation Act provided for under Montana Code and would allow ECP to assume all of the existing customer contracts.

On June 17, 2008 the City Commission approved a fire protection and emergency services agreement between the City and Southern related to City services to be provided to the Highwood Generating Station facility.

See FY 2009 CAFR page #68

14. Contingencies

On July 17, 2007 the City Commission approved a security agreement in the amount of \$1,400,000 on behalf of Electric City Power for Southern purchases of energy necessary to supply ECP customers. It is a standard industry practice to require some form of security equal to two months of energy supply costs. Certificates of deposit are held in the name of the City by a third party banking institution. The terms of the security agreement authorize the use of funds in the event payment is not made in accordance with the terms of the energy supply contracts entered into by Southern on behalf of ECP customers. The certificates of deposit are part of the City's pooled cash and investments. Interest earnings on the certificates of deposit accrue to the City. There has never been a draw exercised against these funds. All ECP customers are current in payments to ECP. ECP is current in payments to Southern. Southern is current in payments to the energy supplier.

See FY 2009 CAFR page #68

17. Deficit Fund Balances and Net Assets

The Electric enterprise fund has a net asset deficit of \$2,329,188. This is due, in part, to the account payable for electricity (prepaid water) from Southern in the amount of \$1,186,062. This occurs in conjunction with the intentional effort to mitigate unknown expenses incurred in the startup enterprise. In addition, there has been a \$1,144,504 impairment loss on the value of the Highwood Generating Station due to a change in construction efforts from a coal-fired generating facility to a gas-fired generating facility. The Electric enterprise fund has an unrestricted net asset deficit of \$2,764,142. This is due to the restriction of funds in the amount of \$100,00 required by the Public Service Commission and \$334,954 that is held by Southern in accordance with Southern policy to have one month's average billing on deposit to be used for the payment of expenses to its suppliers in advance of Southern's billings to its members. The account payable for electricity (prepaid water) increased through fiscal year 2009 and will begin decreasing when a generating plant comes online and begins utilizing raw water provided by the City to operate the plant.

Long term energy supply contracts were entered into prior to 2007 in anticipation of an expanding customer base. In 2007, Montana legislative actions placed limitations on ECP's ability to sign new customers resulting in energy supply obligations in excess of customer needs in the short term.

On February 3, 2009 the City Commission approved the wholesale power rate adjustment offer from Southern authorizing a transition rate through December 31, 2010 that will be charged for actual kwh's consumed by ECP customers instead of actual costs adjusted for net imbalance sales and purchases on the open market.

City of Great Falls Ordinance 2925, An Ordinance amending Title 5, Chapter 20, OCCGF, Authorizing and Approving the Creation of Electric City Power, Inc. Pursuant to the Montana Nonprofit Corporation Act in order to Secure and Provide reliable and economic supplies of Electricity for the City of Great Falls, its Residents and Other Consumers, was passed by the Commission November 1, 2005. Section 5.20.070 Rates. states "Such rates and charges shall be designed to enable the Corporation to operate on a self-sufficient and self-sustaining basis and to produce revenues at all times sufficient to pay all operating, maintenance, debt service, repair and replacement costs of the Corporation and to provide reserves necessary or desirable for working capital, capital improvements and replacements and rate stabilization purposes." Future rate increases for electricity customers are provided in the customer service contracts. Increased rates paid by customers along with rate decreases occurring as a result of new rate structuring offered by Southern will cause the deficit balance to decline and be eliminated over time.

See FY 2009 CAFR pages #71 and 72

City of Great Falls, Montana
Statement of Net Assets
Electric Utility
June 30, 2009

ASSETS

Current assets	
Receivables	
Accounts	\$ 1,426,044
Prepaid Items	1,142,768
Total current assets	<u>2,568,812</u>
Long-term assets	
Restricted cash and investments	434,954
Investment in joint venture	1,144,390
Total long-term assets	<u>1,579,344</u>
Total assets	<u>4,148,156</u>

LIABILITIES

Current liabilities	
Account Payable	991,556
Due to other City funds	1,368,236
Notes payable	49,247
Total current liabilities	<u>2,409,039</u>
Long-term liabilities	
Advances from other funds	1,500,000
Notes Payable	1,382,243
Other Long Term Liabilities	1,186,062
Total long-term liabilities	<u>4,068,305</u>
Total liabilities	<u>6,477,344</u>

NET ASSETS

Restricted for:	
Financial assurance reserve	100,000
Deposits with others	334,954
Unrestricted	<u>(2,764,142)</u>
Total net assets	<u>\$ (2,329,188)</u>

The accompanying notes are an integral part of these financial statements.

See FY 2009 CAFR page 26

City of Great Falls, Montana
Statement of Revenues, Expenses and Changes in Net Assets
Electric Utility Fund
Year Ended June 30, 2009

OPERATING REVENUES

Charges for services	\$ 9,500,725
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OPERATING EXPENSES

Purchased services	9,458,653
Internal services	21,726
Asset impairment	1,144,504

Total operating expenses	10,624,883
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Operating income (loss)	(1,124,158)
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NONOPERATING REVENUES (EXPENSES)

Investment income	(6,066)
Interest expense	(99,342)

Total nonoperating revenues (expenses)	(105,408)
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Change in net assets before transfers	(1,229,566)
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Changes in net assets	(1,229,566)
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Net assets, beginning of year	(1,099,622)
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Net assets, end of year	\$ (2,329,188)
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The accompanying notes are an integral part of these financial statements.

See FY 2009 CAFR page 28

City of Great Falls, Montana
Statement of Cash Flows
Electric Utility Fund
Year Ended June 30, 2009

**CASH FLOW FROM
OPERATING ACTIVITIES**

Receipts from customers and users	\$ 9,027,329
Interfund cash flow loans	826,505
Payments to suppliers	(9,346,214)
Payments for interfund services used	<u>(21,726)</u>
Net cash provided (used) by operating activities	<u>485,894</u>

**CASH FLOWS FROM NONCAPITAL
FINANCIAL ACTIVITIES**

Net cash provided (used) by noncapital financing activities	<u>-</u>
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**CASH FLOWS FROM CAPITAL AND
RELATED FINANCIAL ACTIVITIES**

Principal payments - revenue bonds	(46,328)
Interest paid	<u>(99,342)</u>
Net cash provided (used) by capital and related financing activities	<u>(145,670)</u>

**CASH FLOWS FROM
INVESTING ACTIVITIES**

Interest and dividends on investments	<u>(6,066)</u>
Net cash provided (used) by investing activities	<u>(6,066)</u>
Net increase (decrease) in cash	334,158

Cash, beginning of year 100,796

Cash, end of year (a) \$ 434,954

(a) Shown on the statement of net assets as:

Cash and cash equivalents	\$ -
Restricted cash and investments	<u>434,954</u>
	<u><u>\$ 434,954</u></u>

The accompanying notes are an integral part of these financial statements.

See FY 2009 CAFR page 30

City of Great Falls, Montana
Statement of Cash Flows
Electric Utility Fund
Year Ended June 30, 2009

	Electric
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (1,124,158)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Asset impairment	1,144,504
Cash provided (used) by changes in	
Accounts receivable	(473,396)
Prepaid expense	159,676
Accounts payable	(47,237)
Due to other city funds	826,505
Other nonoperating revenue	-
Total adjustments	\$ 1,610,052
Net cash provided (used) by operating activities	\$ 485,894

The accompanying notes are an integral part of these financial statements.

See FY 2009 CAFR page 32



**CITY OF GREAT FALLS
COMMISSION AGENDA REPORT**

Item: Transfer B.A.S.E Funds to Central Montana Deference Alliance (operating under the Great Falls Chamber of Commerce).

From: Greg Doyon – City Manager

Initiated By: Central Montana Defense Alliance

Presented By: Greg Doyon – City Manager

Action Requested: Authorize transfer of remaining B.A.S.E Funds to the Chamber of Commerce for use by the Central Montana Defense Alliance

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission authorize the City Manager to transfer the remaining B.A.S.E. Funds from the City’s custody to the Great Falls Chamber of Commerce for use by the Central Montana Defense Alliance.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Background: In 2004, Great Falls prepared for the Base Realignment and Closure (BRAC) process. The community initiative was called B.A.S.E. (Building Alliances for Strategic Enhancement). Over \$251,000 in cash contributions were raised to finance efforts to support the ICBM mission at MAFB and convert the MANG flying mission to an F-15 squadron. During this time a study on Malmstrom’s strengths and opportunities for future missions was also prepared by a Virginia consulting firm experienced in Department of Defense issues.

Originally, the BRAC funds were managed by a steering committee and placed in an interest bearing trust account, held and invested by the City of Great Falls. The funds were held so they would be available to prepare for the next BRAC process or related activities to enhance the military presence in the region.

After the 2005 BRAC round, the steering committee dissolved. In order to oversee the fiduciary responsibilities of the trust account, the Commission appointed Trustees to manage the B.A.S.E Funds and six members (one city official, the mayor, one county commissioner, airport director, Committee of 80 member, and GFDA representative) were appointed on July 3, 2007.

On April 13, 2009, the Great Falls Area Chamber of Commerce announced the formation of the Central Montana Defense Alliance. The new Alliance will support existing organizations in the region including Malmstrom AFB, Montana Air National Guard and other guard and reserve units, Homeland Security, Border Patrol and others as identified. The Alliance will be the region's officially recognized organization, providing "one message," to local, state and federal representatives to maintain current missions, promote new missions, increase capabilities and growth that is in the best interest of the region, Montana and our Nation.

Transferring B.A.S.E Funds to CMDA makes sense as this organization has combined with the former Committee of 80 and the Chamber to be the regions voice on military mission retention and expansion.

Fiscal Impact: There is no fiscal impact to the City as the funds will be managed in an interest bearing account by the Great Falls Chamber of Commerce. The total amount to be transferred is \$90,839.79

The new CMDA Board would be in control of the funds and is comprised of almost the same representatives of the B.A.S.E Board. The CMDA Board includes:

- Cascade County – Joe Briggs
- City of Great Falls – Greg Doyon
- Great Falls Airport Authority – Susan Humble
- Great Falls Development Authority – Brett Doney
- Great Falls Area Chamber of Commerce – Steve Malicott

The difference: The addition of a Chamber representative and no mayoral representation or Committee of 80 representative (which no longer exists).

Alternatives: The funds could remain in the City's custody and the Commission could appoint trustees consistent with the CMDA Board.



Item: Revolving Loan Fund Agreement, City and Great Falls Development Authority

From: Great Falls Development Authority (GFDA)

Initiated By: Commission Action of August 18, 2009 Authorizing the Establishment of a Revolving Loan Fund

Presented By: Coleen Balzarini, Fiscal Services Director

Action Requested: Approve Revolving Loan Fund Agreement

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (approve/not approve) the Revolving Loan Fund Agreement between the City and Great Falls Development Authority and authorize the City Manager to execute the Agreement.

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Background: The City of Great Falls created the Urban Renewal Central Place Revitalization District in December of 1977 with a provision to use Tax Increment Financing (TIF) to reach the goals of the district. The district was sunset after the final payment of tax increment bond debt in August of 2009. As of November 2009, the taxing jurisdictions began to receive the full benefit of the property taxes levied within the district and the tax increment portion is no longer segregated.

Funds from the retired TIF remained following debt payoff which could be used to finish projects eligible within the tax increment urban renewal laws and benefitting the district. On August 18, 2009, the City Commission authorized creation of a revolving loan fund to be administered by the Great Falls Development Authority in the amount of \$300,000.

Significant Impacts

The remaining cash on hand and the cash that will come to the district from bond reserves as well as from delinquent taxes over the next two years is expected to exceed \$700,000. There is adequate cash available to implement this \$300,000 revolving loan fund.

Citizen Participation

Citizens may comment during City Commission consideration of the agenda item at the meeting.

Workload Impact

Authorization of the agreement will result in the transfer of funds, as well as the administrative duties related to management of the revolving loan funds, over to GFDA.

Purpose

Certain key objectives of the original Central Place Revitalization Program would be accomplished if this agreement is approved. The applicable objectives are:

- A. To maintain and expand the vitality of the Downtown Urban Renewal District and support its role as the focal point of urban life in Great Falls by breaking the cycle of economic, cultural, physical and environmental decay.
- B. To upgrade property values in the area and provide opportunities for new, private investment, thereby increasing the tax base.
- C. To provide a method and incentive for the adaptive reuse of sound, but functionally obsolete, buildings for commercial and residential use.

Evaluation and Selection Process

Staff reviewed projects that were suggested by the Great Falls Development Authority, the Business Improvement District and the Park & Recreation Department. The projects that were recommended and approved by the Commission would complete or add to improvements that were undertaken with tax increment revenue during the district's life. A status update of the previously approved projects is attached. The list of other potential projects provided for Commission consideration is also included in the attached status update.

Concurrences: GFDA provided the initial draft agreement for review and revision by City Staff. GFDA has reviewed and accepted the recommended changes.

Alternatives: The City Commission can direct GFDA and Staff to make additional changes to the agreement prior to approving the release of the \$300,000 in funds to GFDA.

Attachments: Revolving Loan Fund Agreement
Status Update of previously approved Project list

**THE CITY OF GREAT FALLS
REVOLVING LOAN FUND AGREEMENT
THE CITY OF GREAT FALLS, MONTANA, AND
GREAT FALLS DEVELOPMENT AUTHORITY**

GREAT FALLS DEVELOPMENT AUTHORITY, hereinafter referred to as the Grantee, and the City of Great Falls, a Municipal Corporation of the State of Montana, hereinafter referred to as the City, does hereby agree to enter into this Agreement.

PROJECT PURPOSE

The purpose of the Revolving Loan Fund is to continue advancing certain key objectives of the original Central Place Revitalization Program adopted by the City in 1979. The specific Central Place Revitalization objectives to be advanced are:

- A. To maintain and expand the vitality of the Central City and support its role as the focal point of urban life in Great Falls by breaking the cycle of economic, cultural, physical and environmental decay.
- B. To upgrade property values in the area and provide opportunities for new, private investment, thereby increasing the tax base.
- C. To provide a method and incentive for the adaptive reuse of sound, but functionally obsolete, buildings for commercial use.

PROJECT DESCRIPTION

The Grantee has approved of, and hereby agrees to, the following project description:

The project budget consists of \$300,000 granted from the City of Great Falls to be matched by a minimum of \$1 for \$1 through funds derived by a line-of-credit provided by local banking institutions to the Grantee for the purpose of establishing a Downtown Revolving Loan Fund (RLF). This fund will be used to provide gap financing in the Downtown Loan District. The boundaries of the Downtown Loan District are the same boundaries established for the Downtown Urban Renewal District in 1979. They are:

- Northern boundary will be 10th Avenue North
- Southern boundary will be 10th Avenue South
- Western boundary will be the Missouri River
- Eastern boundary will be from 10th Avenue South north along 10th Street South to 1st Avenue South, then east along 1st Avenue South to 16th Street South, then north along 16th Street to 2nd Avenue North, and then west along 2nd Avenue North to 10th Street North, and then north on 10th Street North to its intersection with 10th Avenue North.

See map exhibit attached to this agreement for reference.

GENERAL CONDITIONS

The Grantee will use funds from the Downtown RLF to provide gap financing for real estate development investment and business loans in the Downtown Loan District as defined in the project description of this agreement. The City funds will be used to fund the first \$300,000 in loans, drawn down as needed for loan closings. Loans will be made per project to a maximum of \$150,000 or 25% of project cost whichever is less. All loans are subject to application and approval by the Great Falls Development Authority Loan Committee. Loan review must take into consideration the Project Purpose objectives. The City has, and will continue to have, representation on the Loan Committee throughout the term of this agreement. The Grantee will take subordinate position on all loans made through this fund. The loan fund will be used as collateral for the bank line of credit. Grantee will handle all marketing and management of the funds. The GFDA Board must approve all write-offs prior to their occurrence.

HOLD HARMLESS

The Grantee agrees to hold harmless, defend, and indemnify the City of Great Falls, their agents, employees, and assigns and agrees to assume the risk of any damages, losses, and expenses, including attorneys fees from and against any and all liability arising out of, or resulting from, the City of Great Falls' performance of its obligations and any work contemplated by this agreement.

SUSPENSION/TERMINATION

The Grantee agrees that suspension or termination of this project may occur if the Grantee materially fails to comply with any term of this Agreement, or any rules, regulations or provisions referred to within. Grantee shall have a 90 day period to cure any default.

REVERSION OF ASSETS

1. Should this project be suspended or terminated (and only if there are no subsequent Agreements) the Grantee shall transfer to the City any City funds on hand at the time of expiration and any accounts receivable attributable to the use of City funds.
2. The Grantee agrees to reimburse the City all City cash on hand, any accounts receivable, and any program income if at any time the Great Falls Development Authority's Downtown Revolving Loan Fund becomes no longer viable, or ceases to operate for any reason.

TERM OF AGREEMENT

The term of this Agreement shall expire when all obligations of the Grantee to the City are fulfilled.

FINANCIAL MANAGEMENT

1. The Grantee agrees to provide the City with the following documents (if applicable) before City funds are disbursed to the Grantee:
 - This signed Agreement

- A copy of GFDA's lending policies
 - Any other pertinent information which the City requests
2. The Grantee shall comply with the requirements and standards of OMB Circular No. A-122, "Cost Principles for Non Profit Organizations" as applicable, and with the following Attachments to OMB Circular No. A-110:
- (1) "Cash Depositories", except for paragraph 4 concerning deposit insurance;
 - (2) "Bonding and Insurance";
 - (3) "Retention and Custodial Requirements for Records"
 - (4) "Standards for Financial Management Systems";
 - (5) "Monitoring and Reporting Program Performance," Paragraph 2;
 - (6) "Property Management Standards";
 - (7) "Procurement Standards".

DOCUMENTATION AND RECORD-KEEPING

The Grantee agrees to provide regular reporting and maintain records for this RLF on a quarterly basis. Reports will be sent to the City Manager, PO Box 5021, Great Falls, MT, 59403. Grantee agrees to notify the City Manager in writing when a new loan is approved up to the first \$300,000, and annually thereafter. Such records/reporting shall include, but not be limited to:

- a. Records providing a full description of the activity undertaken;
- b. Records documenting number and type of loans created since last report;
- c. Records documenting current performance on all existing loans in the fund;
- d. Records pertaining to any write-offs from the fund during the reporting period.

The Grantee shall retain all records with respect to any matters covered by this Agreement for a minimum of five (5) years after the termination of all activities funded under this Agreement.

All Grantee records with respect to any matters covered by this Agreement shall be made available to the City at any time during normal business hours, as often as the City deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Grantee within 30 days after receipt by the Grantee. Failure of the Grantee to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments.

PROGRAM INCOME

The Grantee hereby agrees that the only activities that are to be undertaken with Downtown Revolving Loan Fund program income are real estate and business loans in the designated Downtown Loan District in Great Falls, MT and program administration

expenses. Program income in the form of loan interest is the only source of funding for program administration expenses.

MERGER

The Parties hereby agree that the terms contained in the foregoing writing is the entire agreement of the Parties and that no other verbal or written communication shall be considered to amend, modify, or define any of the terms, rights, or obligations listed herein.

SEVERABILITY

The Parties hereby agree that should any term of this agreement be found to be invalid or be without force or effect ,whether by conflict of law or factual impossibility, the remaining terms of the agreement shall be considered valid and have force and effect for and against the parties to the agreement.

NONDISCRIMINATION

The Grantee will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital/familial status, or status with regard to public assistance. The Grantee will take affirmative action to insure that all employment practices are free from such discrimination.

APPROVED BY:

THE CITY OF GREAT FALLS

Gregory T. Doyon, City Manager

DATE: _____

ATTEST:

(Seal of the City)

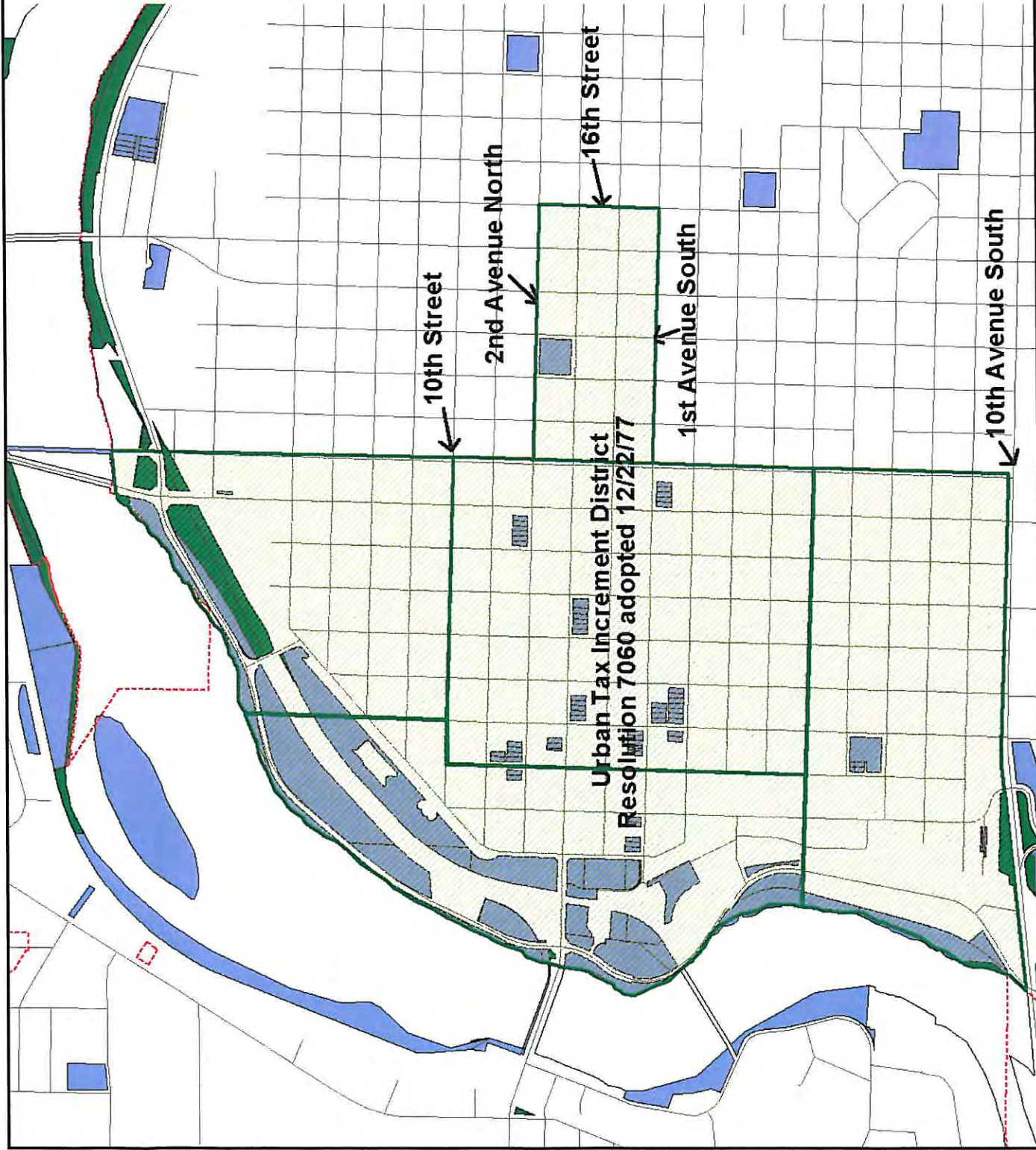
Lisa Kunz, City Clerk

APPROVED FOR LEGAL CONTENT

Chad Parker, Acting City Attorney

ACCEPTANCE OF THIS AGREEMENT BY THE GRANTEE
GREAT FALLS DEVELOPMENT AUTHORITY

Brett M. Doney, President



-  City Limit
-  Streets
-  Airport
-  MAFB
-  City Properties
-  Parks
-  Water Features

Urban Tax Increment District
Resolution 7060 adopted 12/22/77

10th Street

2nd Avenue North

16th Street

1st Avenue South

10th Avenue South



Urban Tax Increment District Boundaries

1 in. = 1,425.9 feet



Central Place Urban Renewal District

Status Update of Final Tax Increment Projects

Rationale:

On August 18, 2009 the City Commission approved the following list of projects to be funded from the remaining funds collected or to be collected from the Central Place Revitalization Urban Renewal Tax Increment District. The projects are in various stages of completion and status updates are noted below.

1. **\$300,000** to reimburse the Economic Revolving Loan Fund for loans made from TI funding which were written off (\$476,244 from the Rainbow Hotel and \$600,000 from the Pennington Place building). Staff recommends that \$300,000 be returned to the Economic Revolving Fund and then transferred to the Great Falls Development Authority to establish the Downtown Revolving Loan Fund which was proposed by GFDA in its July 20, 2009 letter to the City Commission. GFDA has secured matching commitments from six local banks to capitalize the new fund. GFDA requested \$500,000.

STATUS UPDATE: Revolving Loan Fund Agreement, City and GFDA presented to Commission for consideration December 15, 2009

2. **\$50,000** to the Business Improvement District to undertake a Downtown street tree trimming, and removal/replacement effort. The BID is the appropriate organization to undertake a contract to provide this service to their district. This also would remove the City from responsibility for providing tree maintenance to the district and allow the City staff to concentrate on the Boulevard District. The private sector should be able to complete this work more cost effectively than the City Forestry division.

STATUS UPDATE: Discussion with BID staff regarding process of bidding and related compliance requirements necessary to access City government funds.

3. **\$52,000** was left from the Broadwater Bay Landscaping project. Staff proposes to use that remaining balance to landscape the portion of River Drive and Broadwater Bay Park adjacent to the undeveloped boat dock parking lot. Staff proposes to relocate the entrance to the boat dock parking area away from the current 3rd Ave. S. intersection to minimize traffic conflicts. Staff plans to add these funds to HB645 funds for the completion of this project.

STATUS UPDATE: Work has not commenced. Pending cash availability.

4. **\$120,000** for a multi-year contract for tree trimming in the TIF district separate from Downtown. It is apparent, looking at the street trees on the one ways as well as the Second Street Corridor into Downtown from Tenth Avenue South, that the street trees desperately need trimming. The Second Street Corridor is an entryway into our downtown and visible to many visitors. Most of the Second Street Corridor is not within the BID district or the Boulevard District Boundaries. Trimming will be a visual improvement as well as a safety improvement, helping to clear dead limbs that risk falling, damaging property and people during storms. City forestry staff does not have the resources to provide this service in a timely manner. Staff recommends contracting with a private firm after formal bidding.

STATUS UPDATE: Work on Phase 1 of 3 Phases will commence in 2010, Pending cash availability and contractor availability due to other tree replacement projects throughout City.

5. **\$38,500** to remove and repair “bad spots” in the Gibson Park Walking Path. It is contemplated to apply for CTEP funding to do a complete path replacement in the upcoming year. However, the “bad spots” need to be addressed now.

STATUS UPDATE: Bids for work received, work has not commenced. Costs to be reimbursed to Park Maintenance upon cash availability.

6. **\$50,000** to finance a new Downtown Master Plan with responsibility assigned to the City Planning Department. The Business Improvement District made this project suggestion to the City Commission in their July 22, 2009 letter. Staff recommends the Master Plan be assigned to City Planning Department, the appropriate professional staff to oversee a master plan contract for the Downtown.

STATUS UPDATE: Matching EDA Planning Grant application has been approved by City and submitted to EDA for review. Consultant selection to begin upon EDA Grant approval anticipated in 1st quarter 2010.

7. **\$167,000** for FY 2011 Water Attraction Debt Service Payment

STATUS UPDATE: Pending cash availability in FY 2011.

Other worthwhile projects considered prior to Staff making recommendations to City Commission:

1. Replacement of Gibson Park Path – (recommend looking to CTEP)	\$143,000
2. Install ADA curb cut & walkway to flower garden (look to CDBG)	6,000
3. Repair Asphalt walkway around Gibson Pond	23,500
4. Replace 25% irrigation system in Gibson Park (south end)	250,000
5. Civic Center Landscaping	25,000
6. Broadwater Bay Parking	250,000
7. Pave off-road parking at Sight & Sound Park	7,800
8. Pave off-road parking at Tourist Park	7,000
9. Overlay basketball court at Natatorium Park	8,000
10. New automated irrigation system at Natatorium Park	100,000
11. Remove & replace asphalt basketball court at Carter Park	20,000
12. Remove & replace two tennis courts at Elks Riverside Park (Hurd)	250,000
13. BID Recommendation: study to create new TIF district	25,000
14. BID Recommendation: Downtown Park	125,000



**CITY OF GREAT FALLS
COMMISSION AGENDA REPORT**

Item: Resolution 9873, to levy and assess the cost of removal and disposal of nuisance weeds on property located at Lot 10, Block 114, Fourth Addition to Great Falls Townsite, addressed at 2217 7th Avenue North, Great Falls, MT

From: Martha Capps, Operations Supervisor

Initiated By: 7-22-4101 Montana Code Annotated (MCA)

Presented By: Coleen Balzarini, Fiscal Services Director

Action Requested: Adoption of Resolution 9873

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (adopt/deny) Resolution 9873”

2. Mayor calls for a second, discussion, inquiries from the public, and calls for the vote.

Staff Recommendation: Staff recommends adoption of Resolution 9873, to levy and assess the costs of nuisance weed removal and disposal.

Background: The Nuisance Weed Program, through the Public Works Department, investigates and notifies property owners of complaints received for unmaintained weeds and grasses in alleys, boulevards, vacant lots, yards, etc within City limits. After receipt of a complaint, the investigation process involves an on-site inspection followed by notification letters of violations to the legal owner of the offending properties.

In accordance with City Code 8.44.040, owners are given seven business days from the date of the notification to comply with the weed ordinance. After the allotted time has expired, properties are again inspected for compliance. Properties found still in violation are scheduled for cutting by City staff. Photographs are taken before and after cutting for verification. The costs for cutting are then billed monthly to the property owners.

On 6/8/2009, and again on 7/14/2009 the City was notified of nuisance weeds at 2217 7th Avenue North. An initial inspection determined violation of the ordinance and notification was sent to the property owner. Upon re-inspection, the property was still in violation, and the weeds were cut by City Staff on 6/29/2009 and 8/5/2009. The property owner has been billed monthly for these charges beginning 8/1/2009 through present.

Fiscal Services has been notified of a pending Trustee's Sale on this property, scheduled for February 16, 2010. In the event the property is sold, a new owner is not held responsible for the charges, and the City would not receive reimbursement for expenses incurred and not yet approved as a property lien.

In normal circumstances, and in accordance with 7-22-4101 MCA, the costs of removal and disposal of nuisance weeds which the City incurs, and remain unpaid by the property owners, are levied and assessed during the annual assessment process in August of each year. Due to the notification of the pending Trustee Sale, and to insure the City is reimbursed accordingly, it is necessary to lien the assessment to the property prior to the sale.

Concurrences: Public Works staff is responsible for the operational duties of the Nuisance Weed Program, and Fiscal Services staff is responsible for billing, assessing, and collecting the funds.

Fiscal Impact: Nuisance weeds on this property were cut by City staff on two separate occasions, at a rate of \$200/per hour (minimum of one hour), for a total of \$400. This resolution will allow the City to be reimbursed for expenses from proceeds of the sale.

Alternatives: The City Commission could deny adopting Resolution 9873; however the City will not be reimbursed for expenses related to the work. This may cause a necessary reduction in services to the community, and unmaintained properties could be harmful and render land unfit for agriculture, forestry, wildlife, native plants and the general public.

Attachments/Exhibits: Resolution 9873

RESOLUTION 9873

A RESOLUTION LEVYING AND ASSESSING THE COST OF REMOVAL AND DISPOSAL OF NUISANCE WEEDS ON THE PROPERTY LOCATED AT LOT 10, BLOCK 114, FOURTH ADDITION TO GREAT FALLS TOWNSITE, GREAT FALLS, MONTANA, ADDRESSED AS 2217 7TH AVENUE NORTH AGAINST SAID PROPERTY

WHEREAS, 2217 7th Ave N Family Land Trt, owner of the property located on Lot 10, Block 114, Fourth Addition to Great Falls Townsite, Great Falls, Montana, addressed as 2217 7th Avenue North, was issued a notice of weed violation;

WHEREAS, the City Commission of the City of Great Falls declares after due notice and re-inspection, the weeds had not been removed and were subsequently cut by the City.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF GREAT FALLS, MONTANA:

1. The cost of said weed removal and disposal are hereby assessed upon the aforementioned property in accordance with City of Great Falls Municipal Code 8.44.040 and Section 7-22-4101, MCA.
2. The legal description of the lot or parcel of land is: Lot 10, Block 114, Fourth Addition to Great Falls Townsite, addressed as 2217 7th Avenue North, Great Falls, Montana, hereby levied upon and assessed, with the name of the owner, the amount of \$400.00 for the assessment.

PASSED by the Commission of the City of Great Falls, Montana, on this 15th day of December, 2009.

Dona R. Stebbins, Mayor

ATTEST:

Lisa Kunz, City Clerk

(SEAL OF CITY)

Approved for Legal Content:
Chad Parker, Acting City Attorney

Regular City Commission Meeting

Mayor Pro Tempore Bronson presiding

CALL TO ORDER: 7:00 PM

PLEDGE OF ALLEGIANCE

ROLL CALL: City Commissioners present: Bill Bronson, John Rosenbaum, Mary Jolley and Bill Beecher. Mayor Stebbins was excused. Also present were the City Manager, Assistant City Manager, Acting City Attorney, Directors of Community Development, Fiscal Services, Park and Recreation, Planning and Public Works, the Interim Library Director, Fire Chief, Police Chief and the City Clerk.

NEIGHBORHOOD COUNCILS

Swearing In Ceremony of Neighborhood Council Representatives.

1. SWEARING IN CEREMONY OF NEIGHBORHOOD COUNCIL REPRESENTATIVES.

Mayor Pro Tempore Bronson swore in 19 of the 29 elected neighborhood council representatives.

NC 2.

2. Robert Mehlhoff, NC 2, read a letter signed by representatives of NC 2 recommending that the city work with the West Great Falls Flood Control District toward a goal of requiring the Corp of Engineers to continue certifying levies.

* Mayor Pro Tempore Bronson announced that, with no objection from other members of the Commission, he was going to skip ahead to Item 13.

BOARDS & COMMISSIONS

Malissa R. Hollan appointed, and Deryk Copperwheat reappointed, to the Tourism Business Improvement District.

13. APPOINTMENTS, TOURISM BUSINESS IMPROVEMENT DISTRICT.

Commissioner Jolley moved, seconded by Commissioner Beecher, that the City Commission appoint Malissa R. Hollan to fill the remainder of a term through December 31, 2012, and reappoint Deryk Copperwheat for a four-year term through December 31, 2013, to the Tourism Business Improvement District.

Mayor Pro Tempore Bronson asked if there was any discussion amongst the Commissioners or inquiries from the public. No one responded.

Motion carried 4-0.

PUBLIC HEARINGS

Res. 9867 and 9868 and
Ord. 3046. Adopted.

**3A. RESOLUTIONS 9867 AND 9868, ANNEXES CASTLE PINES
ADDITION, PHASE VIII.**

**3B. ORDINANCE 3046, ASSIGNS ZONING CLASSIFICATION OF
R-3 SINGLE-FAMILY HIGH DENSITY DISTRICT.**

Planning Director Mike Haynes reported that Castle Pines Addition Phase VIII comprises 14 single-family residential lots and extensions of ROW for 15th Street South, 16th Street South and 29th Avenue South. Neighborworks intends to acquire 10 lots in Phase 8 for construction of homes in the “self-help” program. The remaining lots will be sold for private, single-family development.

Mr. Haynes noted that the late revision to Exhibit A clearly delineates the 10 Neighborworks lots, four lots on the north side and six lots on the south side of the new 29th Avenue South ROW.

Mr. Haynes requested that the City Commission adopt Resolution 9867 to annex the ROW and four lots into the city; adopt Resolution 9868 to annex of the 10 Neighborworks lots into the city after the homes are constructed (allowing rural development funds to be used); approve the Annexation Agreement between the developer and the city; adopt Ordinance 3046 assigning R-3 zoning to Castle Pines Phase VIII consistent with earlier phases of development.

Mayor Pro Tempore Bronson asked if the Commission had any questions for Mr. Hayes. Hearing none, Mayor Pro Tempore Bronson declared the public hearing open. No one spoke in favor of or opposition to Resolutions 9867 and 9868 and Ordinance 3046.

Mayor Pro Tempore Bronson declared the public hearing closed and asked for the direction of the City Commission.

Commissioner Rosenbaum moved, seconded by Commissioner Beecher, that the City Commission adopt Resolutions 9867 and 9868, approve the final plat of Castle Pines Addition, Phase VIII, and the accompanying Annexation Agreement.

Mayor Pro Tempore Bronson asked if there was any discussion amongst the Commissioners. No one responded.

Motion carried 4-0.

Commissioner Beecher moved, seconded by Commissioner Rosenbaum, that the City Commission adopt Ordinance 3046.

Mayor Pro Tempore Bronson asked if there was any discussion amongst the Commissioners. No one responded.

Motion carried 4-0.

Sale of City-Owned Park Land: Lot 1, Salvation Army Addition, 1000 17th Avenue South. Approved.

4. SALE OF CITY-OWNED PARK LAND, 1000 17TH AVENUE SOUTH.

Park and Recreation Director Marty Basta reported that the Salvation Army has leased 3.68 acres in the Highland Park Addition located in the southeast corner of 10th Street and 17th Avenue South for \$1.00 per year since 1974. The Salvation Army has constructed a family and youth center on the property that has served as its headquarters, as well as installed irrigation and other improvements associated with the baseball field. The Salvation Army has expressed an interest in purchasing the property to provide security for the substantial investment made to the property since 1974. The property has been appraised at \$470,000, and the Salvation Army has agreed to pay the appraised value. Mr. Basta read 3.4.050 of the OCCGF. The determination that there was no actual potential bidders was based on (1) the length of the 35 year lease between the city and the Salvation Army; (2) the significant improvements made to the property which include a Family and Youth Center, offices, classrooms, a gymnasium, as well as a parking lot and a baseball field; and (3) that no other party has expressed an interest in leasing the area. The Park and Recreation Board recommended the sale of this property to the Salvation Army for its appraised value, and Neighborhood Council 6 also endorsed the sale of the property to the Salvation Army. Proceeds from the sale would be deposited in the Park Trust Fund.

Mayor Pro Tempore Bronson asked if the Commission had any questions for Mr. Basta. Hearing none, Mayor Pro Tempore Bronson declared the public hearing open.

Speaking in favor of the sale of Lot 1 of the Salvation Army Addition to the Salvation Army were:

Duane Herigon, (no address provided), encouraged the approval of the sale to the Salvation Army. Mr. Herigon commented that he has coached teams and used the facilities at the Salvation Army. He believes the Salvation Army has done a lot for kids in this community. Mr. Herigon discussed the many Salvation Army summer, sports, scholarship and daycare programs, and the positive influence it has on kids to be in a controlled environment. The Salvation Army also rents its facilities for different functions and those proceeds go back into the community.

Major Joe Huttinlocker, Co-Officer of the Salvation Army in Great Falls, residing at 3009 Acacia Way. On behalf of the Salvation Army, Mr. Huttinlocker expressed appreciation for the Commission's consideration of

the sale of this property to the Salvation Army. For the past 35 years the Salvation Army has been a partner in helping to make the community a better place together. It wants to continue to do that. The Salvation Army Advisory Board is developing a five and ten year plan. This property is a part of that plan to expand the programs at that facility and to meet the needs of the young people as the community grows.

Richard Liebert, 289 Boston Coulee Road, commented that this was a win-win situation. He was proud of the fact that Business Week named Great Falls as the best city to raise children in Montana. Mr. Liebert suggested that future staff reports address positive and negative consequences.

Ron Gessaman, 1006 36th Avenue NE, commented that the Salvation Army does a great job in the community. He inquired about the document showing the easement providing access to the Pet Cemetery.

No one spoke in opposition to the sale of Lot 1 of the Salvation Army Addition to the Salvation Army.

Mayor Pro Tempore Bronson closed the public hearing.

Commissioner Beecher moved, seconded by Commissioner Rosenbaum, that the City Commission approve the sale of Lot 1 of the Salvation Army Addition to the Salvation Army, a California Corporation.

Mayor Pro Tempore Bronson asked if there was any discussion amongst the Commissioners.

Commissioner Jolley asked if people could still visit the Pet Cemetery after the sale. Mr. Basta responded that the Salvation Army has agreed to provide a 20 foot easement to the Pet Cemetery, and said easement is shown on the re-plat prepared by a professional engineer.

Motion carried 4-0.

OLD BUSINESS

NEW BUSINESS

ORDINANCES/RESOLUTIONS

Res. 9872. Adopted.

5. RESOLUTION 9872, ADOPTING AN IDENTITY THEFT PREVENTION PROGRAM.

Fiscal Services Director Coleen Balzarini reported that in January, 2008, the Federal Trade Commission required businesses and organizations which regularly defer payments for goods or services, or provide goods or services

and bill customers later, to implement a written Identity Theft Prevention Program designed to protect, prevent and mitigate the warning signs or “red flags” of identity theft in the day to day operations. The city of Great Falls utility billing department falls under this classification as the billing department bills customers for utility services after the usage or service has already been provided. During the August 4, 2009, City Commission Work Session, the City Commission was briefed on the requirements by the Federal Trade Commission. This resolution will adopt a program for the city and its intent is to protect the identity of its customers.

Commissioner Rosenbaum moved, seconded by Commissioner Beecher, that the City Commission adopt Resolution 9872.

Mayor Pro Tempore Bronson asked if the proposed agreement format was suggested by the Federal Trade Commission. Ms. Balzarini responded that certain items suggested were included that pertained to the City of Great Falls. Mayor Pro Tempore Bronson inquired if the agreement was required to be reviewed by the Federal Trade Commission even if approved by the governing body and was informed no.

Motion carried 4-0.

Ord. 3047. Approved on first reading, and public hearing set for December 15, 2009.

6. ORDINANCE 3047, REPEALING TITLE 8, CHAPTER 7, OF THE OFFICIAL CODE OF THE CITY OF GREAT FALLS.

Commissioner Bronson reported that in 1999 the City Commission adopted a smoking ordinance regulating the act of smoking in public facilities. Over the last few years, the legislature decided that there was a need for more uniform standards. In 2005, the Montana Legislature adopted what is commonly referred to as the “Montana Clean Indoor Air Act.” It is designed to protect public health and welfare by prohibiting smoking in enclosed public places and places of employment. The DPHHS has adopted regulations for the purpose of carrying out the intent of the Act. Based on those legislative changes, in 2006 the City Commission adopted Ordinance 2956, which repealed most of the provisions of the previous ordinance, and adopted language prohibiting smoking within a minimum distance of 20 feet from entrances, exits, windows that open, and ventilation intakes that serve an enclosed area where smoking was prohibited.

The Commission recently heard comments from businesses in this community that the ordinance may be too difficult to enforce or may be inappropriate to enforce in certain instances. There has been further discussion regarding whether current state law as adopted in 2005 is sufficient to deal with any potential issues involving infiltration of smoke into public facilities or buildings. Based on those comments, the Commission placed the subject on the agenda for subsequent public discussion and debate to repeal the 20 foot rule. Commissioner Bronson further reported that it is the expectation of the City Commission that, if the

proposal is adopted, it anticipates that owners of public places will be free to adopt such policies they deem necessary to address concerns of smoking immediately outside of their premises. Further, the Commission anticipates directing the City Manager to adopt a policy that would continue the 20 foot rule for this facility and possibly other City owned buildings.

Commissioner Jolley moved, seconded by Commissioner Rosenbaum, that the City Commission approve Ordinance 3047 on first reading, and set a public hearing for December 15, 2009.

Mayor Pro Tempore Bronson asked if there was any discussion amongst the Commissioners. No one responded.

Mayor Pro Tempore Bronson asked if there were any inquires from the public.

Kathy Gessaman, 1006 36th Avenue NE, inquired if there was an incident in violation of state law, who would it be reported to. Acting City Attorney Chad Parker responded that enforcement of the Montana Clean Indoor Air Act falls under the DPHHS. DPHHS requires that there be three violations before it is turned over to a City or County Attorney.

Al Recke, 609 33rd Avenue NE, commented that the City Commission is considering this ordinance based on comments from a certain type of business. Mr. Recke questioned what kind of evidence the City Commission had to back up what those businesses were requesting the Commission do. He suggested the Commission make a decision based on looking at all the facts and evidence.

Alicia Thompson, 3616 7th Avenue North, as the Health Officer for the City/County Health Department, provided written information to the City Clerk to provide to all the Commissioners that outlines some of the questions that have been raised and addresses some of the erroneous information that has been disseminated. Ms. Thompson commented that Great Falls' ordinance is a model for other communities. Other states have blanket setback rules and were established for the same reasons that Great Falls established a setback rule. The major objective of the CCHD regarding enforcement of the Montana Clean Indoor Air Act is education. Ms. Thompson emphasized that the Montana Clean Indoor Air Act and the City's Ordinance 2956 do not keep smokers from smoking. They just restrict where smoking can occur, just as other laws restrict where activities can occur in public. In a society where thousands of people coexist together, policy must be set to protect the rights of all people. In conclusion, Ms. Thompson discussed the funding DPHHS has in place for the tobacco program and this effort.

Steve Malicott, 100 1st Avenue North, on behalf of the Chamber of Commerce, urged the Commission to hold a public hearing on this proposal

and hoped that the City Commission would repeal the existing ordinance. Mr. Malicott reported that the Chamber is in full support of the Montana Clean Indoor Air Act and encourages full compliance with its members. He further expressed that the City's ordinance places an additional burden on businesses in Great Falls to regulate what happens outside of their building. He believes it to be a business and enforcement decision of the owner.

Richard Calsetta, 5630 2nd Avenue NE, discussed his wife being a steroid dependent asthmatic since age three. She is a registered nurse and respiratory therapist and had been affiliated with the medical community over 30 years. She is now oxygen dependent, walks with a cane and has brittle bone disease because of steroid use. His two daughters are also asthmatics. Mr. Calsetta commented that when he and his wife walk into a grocery or department store, or any public building to do business or pleasure, if his wife has to walk through smoke to get into that facility, she is not hurting anybody walking into that facility or doing harm to anyone else. However, the person(s) smoking are doing harm to his wife. He explained the process she has to go through when she gets home to open her lungs back up again. Mr. Calsetta encouraged the Commission to take into consideration all businesses, not just a few bars or business complaints, and that the Commission take his story into consideration during the public hearing. He urged the Commission to keep the 20 foot rule.

John Hayes, 619 Carol Drive, Executive Director of the Cascade County Tavern Association, commented that the 20 foot rule wasn't complained about or an issue until October 1st. He doesn't believe the Ordinance is necessary and believes any business person could set their own rules regarding smoking. He encouraged the Commission to vote affirmatively to set this matter for public hearing.

Ron Gessaman, 1006 36th Avenue NE, reminded the Commission that the social host ordinance was passed a few weeks ago because state law was not adequate enough to provide for the regulation of alcohol. Now, the Commission is being asked to remove a local ordinance regarding a restriction on another substance. If the City already said state law was not adequate in one case, Mr. Gessaman inquired why it would say it was adequate in another case. His belief is that the tavern owners are not suffering because of the 20 foot rule, but because of the economy.

Ronda Wiggers, 3208 2nd Avenue South, on behalf of the Montana Coin Machine Operators, expressed that state law covers this issue. The CCHD and DPHHS have done an outstanding job supplying information and meeting with businesses to get ready for implementation of the smoking ban. She doesn't believe the existing ordinance is clear regarding who should be cited, the smoker or business owner. Ms. Wiggers expressed that it is the goal of business owners to have happy customers by accommodating those that smoke, while not offending those that don't. She requested that the City Commission take the necessary steps to repeal the

ordinance.

Stuart Lewin, 615 3rd Avenue North, commented that he doesn't believe the ordinance should be changed except, perhaps, to make it more easily enforceable and clear who is responsible for a violation. He shared that he is not a drinker, but does frequent an establishment close to his residence. After October 1st, he noticed that the bartender, who used to smoke more than a pack per day, was down to smoking just a few cigarettes per day. The bartender was happy about the thought of quitting smoking. Mr. Lewin commented that the ordinance helps the citizenry and encouraged the Commission to not appeal the ordinance.

Motion carried 4-0.

**Consent Agenda.
Approved.**

CONSENT AGENDA

7. Minutes, November 17, 2009, Commission meeting.
8. Total expenditures of \$1,082,287 for the period of November 7-19, 2009, to include claims over \$5,000, in the amount of \$992,380.
9. Contracts list.
10. Set public hearing for January 5, 2010, on Res. 9870, Conditional Use Permit to allow worship facility at 111 6th Street South.
11. Approve acceptance of a trail easement from Zara Renander for extension of the River's Edge Trail.
12. Set public hearing for December 15, 2009, for the CDBG/HOME community needs.

Commissioner Rosenbaum moved, seconded by Commissioner Beecher, that the City Commission approve the Consent Agenda as presented.

Mayor Pro Tempore Bronson asked if there was any discussion amongst the Commissioners. No one responded.

Mayor Pro Tempore Bronson asked if there were any inquiries from the public.

Ron Gessaman, 1006 36th Avenue NE, referred to Item 8 and the payment of energy supply expenses and indicated that the cash on deposit payment has been decreasing. Mr. Gessaman asked what the blended rate was initially, how many increases there have been in nine months, and what the current blended rate was. Fiscal Services Director Coleen Balzarini responded that she doesn't have that information with her. The information is provided on a monthly basis through the ECP Board meeting. She will compile that information for Mr. Gessaman.

Motion carried 4-0.

BOARDS & COMMISSIONS

13. (*Commission action after Item 2.)

14. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**CITY MANAGER****15. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

City Manager Gregory T. Doyon reported that the Commission is in receipt of the consultants' report regarding ECP. In the upcoming weeks, he hopes to set up a video conference so that the ECP Board and Commission members can have an opportunity to ask the consultants questions about their findings.

In response to comments made by Mr. Mehlhoff of Neighborhood Council 2, Mr. Doyon commented that the City has sent a letter that he will make available to Patty Cadwell. Regarding that same issue, Mr. Doyon also shared that an economic resource council in Twin Rivers has also expressed concerns regarding implications of the accreditation process of the levies. The council is attempting to initiate a statewide response. Mr. Doyon reported that he has offered his assistance to facilitate that process. He has made appeals to the congressional representatives in Montana indicating that this will be an issue.

PETITIONS AND COMMUNICATIONS**16. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

Mayor Pro Tempore Bronson opened the meeting to Petitions and Communications.

Grant Agreement for the Downtown Loan Fund update, thank you to outgoing Mayor and Commissioners, and Baseball Club proposal.

16A. Brett Doney, Great Falls Development Authority, residing at 3048 Delmar Drive, provided an update regarding a draft grant agreement for the downtown loan fund that City staff is reviewing. He indicated there are initial prospects for that and hoped the agreement would be in place soon. He extended a thank you to Commissioners Beecher and Rosenbaum and Mayor Stebbins for their hard work, many hours meeting with businesses and serving on other boards. Mr. Doney urged the Commission to take advantage of working with the Baseball Club. He believes the baseball park to be a wonderful economic and city asset that provides affordable recreation to the community.

Sign Ordinance.

16B. Stuart Lewin, 615 3rd Avenue North, discussed a sign on 10th Avenue South determined to be taken down. The appeal time has lapsed and the sign is still blowing in the wind causing a dangerous situation. Mr. Lewin doesn't believe the sign code is being adequately enforced. With regard to

the Burns & McDonnell recommendation to hire someone to handle the accounting for ECP, Mr. Lewin expressed that figures have not been made available to make good decisions. He believes the focus should be on green energy. He would like to see better direction from staff so the city does a better job.

Agenda items and election results.

16C. John Hubbard, 615 7th Avenue South, commented that he agreed with the land sale to the Salvation Army, but was not sure about the smoking ordinance. He discussed a fine against ECP, as well as his disappointment with the PSC. Mr. Hubbard also discussed the election results and expressed that there will be new direction.

DOE grant, energy conservation and efficiency.

16D. Richard Liebert, 289 Boston Coulee Road, commended staff for securing the \$570,000 grant from the Department of Energy. For every dollar spent on energy conservation and efficiency, three dollars is saved on energy transmission. He also commended CTA Architects for helping downtown by restoring a downtown warehouse to a standard building. Mr. Liebert announced that, at the Underground Lounge on December 8th, other architects will be hosting "Green Drinks" to invite people to talk about sustainability for the community. He also discussed the MATL and Montgomery Energy's gas plant, a proposed wind farm and the College of Technology's wind technician training program.

Burns & McDonnell report.

16E. Ron Gessaman, 1006 36th Avenue NE, opined that there was information missing from the Burns & McDonnell report, but commented that the report contained valuation information about the breakdown of energy consumption of ECP's customers. Mr. Gessaman discussed an ECP customer contract and the blended rate amount, and finds it hard to believe that ECP was making money if the City was paying more for the electricity than the customer. He asked what the city was paying, because all of the contracts reference a Schedule B that he hasn't seen.

Fiscal Services Director Coleen Balzarini pointed out that the blended rate includes administrative and general costs, transmission and energy costs. The contract rate discussed by Mr. Gessaman was for energy only.

Burns & McDonnell report.

16F. Aart Dolman, 3016 Central Avenue, commented that there was nothing surprising to him in the Burns & McDonnell report. Everyone knows money was lost on ECP. He asked what it was going to take to get moving on this matter and accept the report and do what was recommended.

CITY COMMISSION

17. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

In response to Mr. Dolman, Commissioner Rosenbaum commented that action on the report was delayed until the new commission is seated, and that a video conference will be scheduled to ask questions about the

consultant's findings and recommendations.

ADJOURNMENT

Adjourn.

There being no further business to come before the Commission, **Commissioner Beecher moved, seconded by Commissioner Rosenbaum, that the regular meeting of December 1, 2009, be adjourned at 8:35 p.m.**

Motion carried 4-0.

Mayor Pro Tempore Bronson

City Clerk

Minutes Approved: December 15, 2009



**CITY OF GREAT FALLS
 COMMISSION AGENDA REPORT**

ITEM: \$5,000 Report
 Invoices and Claims in Excess of \$5,000

PRESENTED BY: Fiscal Services Director

ACTION REQUESTED: Approval with Consent Agenda

TOTAL CHECKS ISSUED AND WIRE TRANSFERS MADE ARE NOTED BELOW WITH AN ITEMIZED LISTING OF ALL TRANSACTIONS GREATER THAN \$5000:

MASTER ACCOUNT CHECK RUN FOR NOVEMBER 19, 2009 TO NOVEMBER 24, 2009	687,748.92
MASTER ACCOUNT CHECK RUN FOR NOVEMBER 25, 2009 TO DECEMBER 2, 2009	95,591.66
MASTER ACCOUNT CHECK RUN FOR DECEMBER 3, 2009 TO DECEMBER 9, 2009	386,633.37
MUNICIPAL COURT ACCOUNT CHECK RUN FOR NOVEMBER 14, TO NOVEMBER 24, 2009	5,025.00
MUNICIPAL COURT ACCOUNT CHECK RUN FOR NOVEMBER 25, TO NOVEMBER 30, 2009	50,819.75
MUNICIPAL COURT ACCOUNT CHECK RUN FOR DECEMBER 1, TO DECEMBER 8, 2009	9,080.00
WIRE TRANSFERS FROM NOVEMBER 20, 2009 TO DECEMBER 2, 2009	78,304.46
WIRE TRANSFERS FROM DECEMBER 3, 2009 TO DECEMBER 9, 2009	67,714.27
TOTAL: \$	<u><u>1,380,917.43</u></u>

GENERAL FUND

CITY COMMISSION

BURNS & MCDONNELL	FINAL PMT ENERGY CONSULTANT SERV	23,864.00
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FIRE

ZOLL MEDICAL CORP	E SERIES DEFIB UNIT	14,049.92
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SPECIAL REVENUE FUND

CTEP PROJECT

UNITED MATERIALS	PMT #1 CONSTRUCTION OF BAY DRIVE BIKE/PED PATH	29,350.18
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STREET DISTRICT

KNIFE RIVER	UPM WINTER COLD PATCH MATERIAL	5,700.74
SLETTEN CONSTRUCTION	MISC CURB CONSTRUCTION AT SONIC DRIVE INN LOCATION	6,441.44
UNITED MATERIALS	PAVING AT 8TH AVE N & 21ST STREET	9,655.27
ATLAS FLASHER & SUPPLY CO	TRUCK MOUNTED ATTENUATOR (SPLIT AMONG ACCOUNTS)	8,550.00

SPECIAL REVENUE FUND CONTINUED**FEDERAL BLOCK GRANTS**

DAKOTA FENCE COMPANY	PHASE I CUSTOM PLAY BOOSTER HANDICAP ACCESSIBLE PLAYGROUND EQUIPMENT AT WHITTIER SCHOOL	36,600.00
MIRACLE RECREATION EQUIPMENT	HANDICAP ACCESSIBLE PLAYGROUND STRUCTURE & PLAY AREA BORDERS FOR ODDFELLOWS PARK	32,300.00
HANDS PROGRAM	SCHOLARSHIPS FOR OCTOBER 2009	7,778.02
CHINOOK WINDOWS	MATERIAL & LABOR TO REPLACE WINDOWS @ PORTAGE PLACE THERAPEUTIC YOUTH HOME	6,500.00
CASCADE ELECTRIC CO	PMT #2 LABOR & MATERIAL FOR ELECTRIC UPGRADE COMMUNITY REC CENTER	18,504.46
AGENCY ON AGING	PURCHASE FOOD FOR HOME MEAL DELIVERY PROGRAM	9,553.31
DAVID W. KUGLIN	PMT #3 2009 CDBG HANDICAP RAMPS	9,758.63
MIKE'S MAINTENANCE	REMODEL BATHROOM 1017 5TH AVE S	10,244.00

HOME GRANTS

NEIGHBORWORKS	NHS DOWN PAYMENT ASSISTANCE FOR THREE PROJECTS	91,804.40
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ENTERPRISE FUNDS**WATER**

THOMAS DEAN & HOSKINS	PMT #8 10TH AVE SOUTH WATER MAIN REPLACEMENT	6,281.35
INDUSTRIAL AUTOMATION CONSULTING	PMT #2 WTP BACKWASH CLARIFIER SYSTEM	5,704.62
PARADISE FENCING & CONSTRUCTION	PMT #1 WTP FENCING, IRRIGATION AND LIGHTING	36,450.02
INDUSTRIAL AUTOMATION CONSULTING	WONDERWARE SOFTWARE LICENSE RENEWAL	6,657.00

SEWER

DICK ANDERSON CONSTRUCTION	PMT #2 COATING IMPROVEMENTS AT GFWWTP & LIFT STATION #15	150,127.31
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STORM DRAIN

CENTRAL PLUMBING & HEATING	PMT #1 GRANDE VISTA STORM DRAINAGE IMPROVEMENTS	118,129.08
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SANITATION

MICHAEL BROTHERS INC	350 - 300 GALLON RESIDENTIAL CONTAINERS	45,850.00
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ELECTRIC

DORSEY & WHITNEY LLP	PMT #1 BOND COUNSEL SERVICES	6,581.02
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PARKING

APCOA/STANDARD PARKING	DECEMBER 2009 COMPENSATION	23,152.17
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INTERNAL SERVICES FUND

HEALTH & BENEFITS

BLUE CROSS/BLUE SHIELD	HEALTH INS CLAIMS NOV 17 - NOV 23, 2009	62,321.80
BLUE CROSS/BLUE SHIELD	HEALTH INS CLAIMS NOV 24 - NOV 30, 2009	16,565.36
BLUE CROSS/BLUE SHIELD	HEALTH INS CLAIMS DEC 1 - DEC 7, 2009	70,254.46

INSURANCE & SAFETY

MONTANA MUNICIPAL INTERLOCAL AUTHORITY	GEN LIAB DEDUCTIBLE RECOVERIES NOV 2009	11,057.52
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CENTRAL GARAGE

MOUNTAIN VIEW CO-OP	FUEL	19,918.10
MT DEPT OF TRANSPORTATION	MACI MATCH FOR FLUSHER TRUCK	17,234.00
MOUNTAIN VIEW CO-OP	FUEL	23,408.70
ATLAS FLASHER & SUPPLY CO	TRUCK MOUNTED ATTENUATOR (SPLIT AMONG ACCOUNTS)	8,550.00

TRUST AND AGENCY

COURT TRUST MUNICIPAL COURT

CITY OF GREAT FALLS	FINES & FORFEITURES COLLECTIONS	41,548.75
CASCADE COUNTY TREASURER	FINES & FORFEITURES COLLECTIONS	8,486.00
VICTIM WITNESS ASSISTANCE SERV	FINES & FORFEITURES SURCHARGES	5,015.00

UTILITY BILLS

QWEST	NOVEMBER 2009 CHARGES POLICE DEPT	5,930.04
NORTHWESTERN ENERGY	OCTOBER 2009 CHARGES	13,287.75
NORTHWESTERN ENERGY	NOVEMBER 2009 CHARGES SLD'S	61,993.69

CLAIMS OVER \$5000 TOTAL:\$ 1,085,158.11

CITY OF GREAT FALLS, MONTANA

AGENDA: 11

COMMUNICATION TO THE CITY COMMISSION

DATE: December 15, 2009

ITEM: CONTRACT LIST
Itemizing contracts not otherwise approved or ratified by City Commission Action
(Listed contracts are available for inspection in the City Clerk's Office.)

PRESENTED BY: Lisa Kunz, City Clerk

ACTION REQUESTED: Ratification of Contracts through the Consent Agenda

MAYOR'S SIGNATURE: _____

CONTRACT LIST

	DEPARTMENT	OTHER PARTY (PERSON OR ENTITY)	PERIOD	FUND	AMOUNT	PURPOSE
A	City Planning	Thomas, Dean & Hoskins	FY 09-10	CTEP	\$7,573	Agreement Addendum for additional design work, Bay Drive Bike/Ped. Path, OF 1306.5
B	City Planning	Thomas, Dean & Hoskins	FY 09-10	CTEP/ARRA	\$21,075	Agreement Addendum for redesign, Bay Drive Bike/Ped. Path, Phase II, OF 1126.9

C	Public Works – Engineering	First Interstate Bank	In effect for perpetuity from date of execution (unless released afterwards)	N/A (Other Party to pay recording and filing fees)	N/A	Utility Easement for Sanitary Sewer Main Relocation
D	Public Works – Engineering	HDR Engineering	Dec. 2009 – Dec. 2010	Storm Drain	\$5,000	Engineering Services for draft of ordinances to comply with federal and state regulations (EPA/DEQ NPDES/MPDES Storm Water permitting) regarding storm water discharges to named surface waters of the United States OF 1361
E	Community Development	Liggett Construction	Through 10/31/2011	551-7125-571-3599 and 671-7161-572-3691	As needed for snow removal	Snow removal of Civic Center Lots and Sidewalks; removal of snow at City Parking Lots & Ramps



Item: Final Payment: 3rd, 4th, and 5th Avenues North Water Main Replacement, O. F. 1571

From: Engineering Division

Initiated By: Public Works Department

Presented By: Jim Rearden, Public Works Director

Action Requested: Consider Bids and Approve Contract

Suggested Motion:

1. Commissioner moves:

"I move the City Commission approve Final Payment for \$6,972.89 to Phillips Construction, LLC for the 3rd, 4th and 5th Avenues North Water Main Replacement, O. F. 1571, and \$70.43 to the State Miscellaneous Tax Fund and authorize the City Manager to make the payments."

2. Mayor calls for a second, discussion, inquiries from the public, and calls for the vote.

Staff Recommendation: Approve final payment request.

Background:

Significant Impacts

This project replaced portions of the water system located in 3rd, 4th and 5th Avenues North. These water mains were installed in the 1890's and 1912.

Workload Impacts

City engineering staff designed the project and performed construction inspection and contract administration duties.

Purpose

This project replaced water mains that have been failing and causing damage to roadways and property, as well as disrupting water service to local residences and businesses.

The breaks are primarily due to corrosive soils, type of pipe material used, and age.

Project Work Scope

This project replaced 5,550 lineal feet of 6-inch, 8-inch, 12-inch and 16-inch water main; 12 fire hydrants and 127 water service connections; 4,884 square yards of gravel; and 6,145 square yards of four-inch asphalt for road repairs.

The water mains are located in 3rd Avenue North from 12th Street to 14th Street, 4th Avenue North from 6th Street to 14th Street and 5th Avenue North from 12th Street to 14th Street.

Evaluation and Selection Process

The City accepted four bids for this project on July 8, 2009, and the City Commission awarded the contract to the low bidder, Phillips Construction, LLC on July 21, 2009 in the amount of \$878,767.00.

Conclusion

City staff has verified that Phillips Construction, LLC has completed all work and punch list items in accordance with the plans and contract. The City can accept the project and execute the Final Payment. The project was completed within the contract time. The two year warranty period started at the time of substantial completion which was November 5, 2009.

Fiscal Impact:

Replacement of these mains will save on maintenance due to man hours and resources necessary for repairs to broken water mains, streets, and surrounding property (both private and public).

The final project cost is \$866,097.50, which is \$12,669.50 under the amount awarded and approved.

This project was completed in cooperation with the Department of Environmental Quality (DEQ) using the Drinking Water State Revolving Fund (DWSRF) for financing.

Alternatives:

The City Commission could vote to deny final payment.

Attachments/Exhibits:

1. Application for Final Payment is attached. (Not available online; on file in City Clerk's Office.)



Item: Change Order No. 1 and Final Payment – Water Treatment Plant Backwash Clarifier Modifications, O. F. 1519.3

From: Engineering Division

Initiated By: Public Works Department

Presented By: Jim Rearden, Public Works Director

Action Requested: Approve Change Order No. 1 and Final Pay Request

Suggested Motion:

1. Commissioner moves:

"I move the City Commission approve Change Order No. 1 in the amount of \$1,950.11 and Final Payment for the Water Treatment Plant Backwash Clarifier Modifications, O. F. 1519.3, in the amount of \$13,261.16 to James Talcott Construction, Inc. and \$133.95 to the State Miscellaneous Tax Fund and authorize the City Manager to make the payments."

2. Mayor calls for a second, discussion, inquiries from the public, and calls for the vote.

Staff Recommendation: Approve Change Order No. 1 and Final Payment Request.

Background:

Significant Impacts

This project incorporated modifications to the backwash clarifier to improve the ability to monitor the quality of water being discharged to the Missouri River. Change Order No. 1 involved installing additional wiring and connections to the Water Plant's control system to take advantage of the new monitoring equipment's full capabilities.

Workload Impacts

Thomas Dean & Hoskins, Inc (TDH) staff designed the project, prepared the contract plans, specifications and estimates for this project, and performed primary construction inspection. City engineering staff performed secondary construction inspection and contract and project administration duties.

Purpose

The Water Treatment Plant (WTP) required modifications to the backwash clarifier to improve its ability to meet Montana Department of Environmental Quality (DEQ) regulatory requirements regarding water discharges to the Missouri River. DEQ found that the WTP exceeded its permit limit for total suspended solids three occasions in a 5 year span and the permit limit for chlorine residual seven occasions during the same period.

Project Work Scope

This project provided modifications to the backwash clarifier and screening system to help meet DEQ limits. Specific construction items included a backwash sampling building, backwash metering manhole, new solids grinder for debris from the raw water intake screens, chlorine residual monitoring station, and an effluent turbidity monitoring station.

Evaluation and Selection Process

Four bids were received and opened for this project on December 17, 2008. James Talcott Construction, Inc. submitted the low bid of \$208,000.00 and the City Commission awarded the contract on January 6, 2009. Change Order No. 1 will increase the final contract value to \$209,950.11.

Conclusion

City staff, with concurrence from TDH, recommends approving Change Order No. 1 to James Talcott in the amount of \$1,950.11 and making the Final Payments. City staff has verified that the contractor has completed all work and punch-list items in accordance with the plans and contract. The project was completed within the contract time. The two year warranty period started at the time of substantial completion which was July 24, 2009. The delay between substantial completion and final pay was due to punch list items only recently completed by the contractor.

Fiscal Impact:

The additional funding of \$1,950.11 will come from Water Capital Funds.

Alternatives:

The City Commission could vote to deny Change Order No. 1 and Final Payment.

Attachments/Exhibits:

1. Change Order No. 1 and Application for Final Pay is attached.
(Not available online; on file in City Clerk's Office.)



**CITY OF GREAT FALLS
COMMISSION AGENDA REPORT**

Item: Change Order and Final Payment, Civic Center Re-Roof, O.F.1525.1
From: Community Development Department
Initiated By: Community Development Department
Presented By: Mike Rattray, Community Development Director
Action Requested: Approve Change Order #1 and Final Payments

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission approve the Change Order #1 of \$56,072.81 and final payments of \$71,956.43 to ABC Roofing, and \$726.83 to the State Miscellaneous Tax Division for the Civic Center re-roof project, O.F. 1525.1, and authorize the City Manager to execute the final payment documents.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Staff Recommendation: Staff recommends the City Commission approve the change order and final payments.

Background:

Significant Impacts This project corrected leaking that caused damage and problems for renters and repaired the south side of the Civic Center as well.

Workload Impacts CTA Architects completed the project design, procurement assistance and project construction administration.

Purpose The leaking roof caused damage to the Missouri Room as well as Commission Chambers.

Project Work Scope Re-roofed the north, south and marquee portions of the Civic Center’s existing gravel ballasted EPDM roof assembly. The new assembly included tearing off the existing ballast and removed existing EPDM, added new single ply 60 mils membrane, EPDM, taped seam and provided tapered roof insulation replacement. This included all new transitions for parapet, equipment and roof drains.

The Change Order #1 was caused when the underlayment (insulation) was found to be saturated and also needed replacement.

Fiscal Impact: Stimulus money funded this re-roof project. Change Order #1 was \$56,072.81 bringing the total project cost to \$147,830.81. The percent of stimulus funds used is 15.44% with a remaining balance of \$809,169.19.

Alternatives: The City Commission could vote to deny or approve the Change Order and Final Payments.

Attachments/Exhibits: Final Payments (Not available online; on file in City Clerk's Office.)



Item: Reappointments to the Great Falls Planning Advisory Board

From: City Manager's Office

Initiated By: City Commission

Presented By: City Commission

Action Requested: Reappoint three members to the Great Falls Planning Advisory Board

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission reappoint John Harding, Ron Kinder, and William “Bill” Roberts to the Great Falls Planning Advisory Board for three-year terms through December 31, 2012.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Background: John Harding, Ron Kinder, and William Roberts were all appointed to the Great Falls Planning Advisory Board in 2005. All members are eligible for and interested in reappointment.

Purpose

The Great Falls Planning Advisory Board was created in lieu of the Great Falls City-County Planning Board. Further, the advisory board has jurisdiction within the City limits; consists of nine citizen members appointed by the City Commission; and, performs and provides the duties, services and functions specified in Ordinance No. 2913, generally involving growth policies, subdivision applications and plats, annexation applications, zoning and rezoning petitions, conditional use permits, long range planning, transportation planning, Community Transportation Enhancement Program administration, historic preservation services, etc. Members must reside within the city limits.

Evaluation and Selection Process

No advertising was done since all members are eligible for and interested in reappointment.

Continuing members of this board are:

Michael Bates

Danna Duffy

Terry Hilgendorf

Joseph Schaffer

Thor Swensson

Wyman Taylor

Fiscal Impact: Not applicable.

Alternatives: Advertise to seek other citizen interest.



**CITY OF GREAT FALLS
COMMISSION AGENDA REPORT**

Item: Appointments to the Mansfield Center for the Performing Arts Advisory Board

From: City Manager's Office

Initiated By: City Commission

Presented By: City Commission

Action Requested: Reappoint one member and appoint two new members to the Mansfield Center for the Performing Arts Advisory Board

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission reappoint Rick Tryon to a three-year term through December 31, 2012, and appoint _____ and _____ to three-year terms beginning January 1, 2010, through December 31, 2012, to the Mansfield Center for the Performing Arts Advisory Board.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Background: Rick Tryon was appointed to the Mansfield Center for the Performing Arts Advisory Board in 2004 to fill the remainder of a term and then reappointed in 2006. Mr. Tryon is interested in and eligible for reappointment. The terms of Casey Buckingham and Laura Flaherty expire on December 31, 2009. Neither Ms. Buckingham nor Ms. Flaherty are interested in reappointment. Therefore, it is necessary to appoint two new members to the Board.

Purpose

The Civic Center Advisory Board was created in 1997 and was amended by Ord. 2928 in February of 2006 to change the name to the Mansfield Center for the Performing Arts Advisory Board. The Board acts in an advisory capacity to the City Commission and the City Manager on matters related to the successful operation of the Civic Center as the Mansfield Center for the Performing Arts and public meeting rooms. The Board consists of five to seven members with an attempt to have representation from the areas of performing arts, conventions and meetings, and civic leaders.

Evaluation and Selection Process

The positions were announced in the *Great Falls Tribune* and posted on the City of Great Falls website.

Continuing members of this board are:

Carl Donovan
Joe Fontana
Larry Gomoll
Michelle Wood

Citizens interested in serving are:

Mary R. Dupuis
Jennifer Fritz
Michelle (Shelley) Marra (also submitted application for Police Commission)
Michael Plovanic

Concurrences: Not applicable.

Fiscal Impact: Not applicable.

Alternatives: Advertise to seek other citizen interest.

Attachments/Exhibits: Applications
Recommendation from Mansfield Board
(Attachments not available online; on file in City Clerk's Office.)



Item: Appointments, Park and Recreation Board

From: City Manager's Office

Initiated By: City Commission

Presented By: City Commission

Action Requested: Reappoint one member and appoint new members to the Park and Recreation Board

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission reappoint Russell Motschenbacher for a three-year term through December 31, 2012, and appoint _____, _____, and _____ for three-year terms beginning January 1, 2010, through December 31, 2012, to the Park and Recreation Board.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Background: Russell Motschenbacher was appointed to the Park and Recreation Board in February of 2009 to fill the remainder of a three-year term. Mr. Motschenbacher is eligible for and interested in reappointment. The terms of Doug Hickey, David Simmons, and Tim Austin expire on December 31, 2009. Mr. Hickey and Mr. Simmons are not eligible for reappointment. Mr. Austin is eligible but not interested in reappointment. Therefore, it is necessary to appoint three members to fill the vacancies.

Purpose. The Park and Recreation Board consists of seven members who act in an advisory capacity to the City Commission and the City Manager on all matters related to the Park and Recreation program in the City of Great Falls. Per City Ordinance, members must reside within the City.

Evaluation and Selection Process

Advertising was done on the City's website and through the *Great Falls Tribune*. Three applications were received.

Continuing members of this board are:
Karen Harant

James McCarvel
Bryan Thies

Citizens interested in serving on this board are:

Charlie Bruckner
Richard G. Kavulla
William (Bill) Ramsey

Concurrences: Not applicable.

Fiscal Impact: Not applicable.

Alternatives: Advertise to seek other citizen interest.

Attachments/Exhibits: Applications (Not available online; on file in City Clerk's Office.)



**CITY OF GREAT FALLS
COMMISSION AGENDA REPORT**

Item: Appointment to the Police Commission
From: City Manager's Office
Initiated By: City Commission
Presented By: City Commission
Action Requested: Appoint one member to the Police Commission

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission appoint _____ to the Police Commission to fill the remainder of a three-year term beginning January 1, 2010, through June 30, 2012.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Staff Recommendation: It is recommended that the City Commission appoint one member to the Police Commission to fill the remainder of a three-year term beginning January 1, 2010, through June 30, 2012.

Background: Martin Sinclair was appointed to the Police Commission in 2007 and reappointed in 2009. Mr. Sinclair has resigned from the Commission; therefore, it is necessary to appoint a member to fill the remainder of his term.

Purpose

The Police Commission reviews all Police Department applicants for police officer positions and hears disciplinary appeals for the Police Department. The Commission is composed of three members appointed by the City Commission.

Evaluation and Selection Process

Advertising was done in the *Great Falls Tribune* and on the City of Great Falls website.

Continuing members of this board are:

Thomas Meeks
Joseph Tropila

Citizens interested in serving on this board are:

Ted Barnes

David L. Davis

Gerald B. (Gary) Hall

Keri Brehm Leggett

Michelle (Shelley) Marra (also applying for Mansfield Center for the Performing Arts)

Concurrences: Not applicable.

Fiscal Impact: Not applicable.

Alternatives: Seek other applicants.

Attachments/Exhibits: Applications (Not available online; on file in City Clerk's Office.)



**CITY OF GREAT FALLS
COMMISSION AGENDA REPORT**

Item: Reappointments to the Electric City Power Board of Directors

From: City Manager's Office

Initiated By: City Commission

Presented By: City Commission

Action Requested: Reappoint two members to the Electric City Power Board of Directors.

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission reappoint Lee Ebeling and George Golie to the Electric City Power Board of Directors for six-year terms through December 31, 2015.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Recommendation: It is recommended that the City Commission reappoint Lee Ebeling and George Golie to the Electric City Power Board of Directors for six-year terms through December 31, 2015.

Background: Lee Ebeling was appointed to the Electric City Power Board on September 16, 2008, to fill the remainder of the term vacated by the resignation of Randy Gray. Mr. Ebeling is eligible for and interested in reappointment. George Golie was appointed as one of the initial members of the Electric City Power Board of Directors to a four-year term that expires on December 31, 2009. Mr. Golie is also eligible for and interested in reappointment.

Purpose

On November 1, 2005, the City Commission adopted Ordinance 2925 which restructured Electric City Power as a non-profit organization. Resolution 9529 adopted the Articles of Incorporation and Resolution 9530 adopted the Bylaws on November 15, 2005. Bylaws state that the Board of Directors shall consist of five directors to be appointed by the City Commission. The term of office is six years, with initial appointments staggered terms.

Resolution 9484, adopted by the City Commission on May 17, 2005, states “that the maximum uninterrupted length of service on any single Board or Commission shall be two (2) consecutive terms, exclusive of the time served on any unexpired term...”

Continuing members of this board are:

- Robert Pancich (appointed January 3, 2006, for two-year term, reappointed on November 20, 2007, for six-year term through December 31, 2013).
- William Ryan (appointed January 3, 2006, for six-year term through December 31, 2011)
- Olaf Stimac (appointed July 21, 2009 to fill remainder of a term through December 31, 2011)