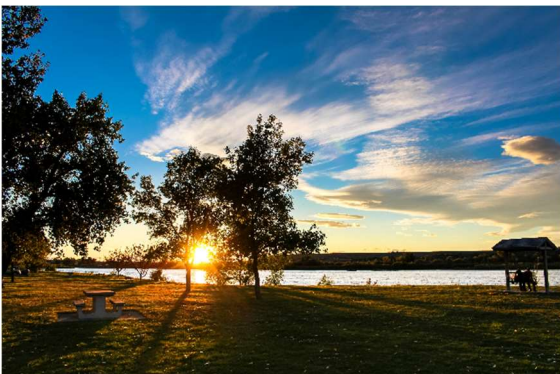
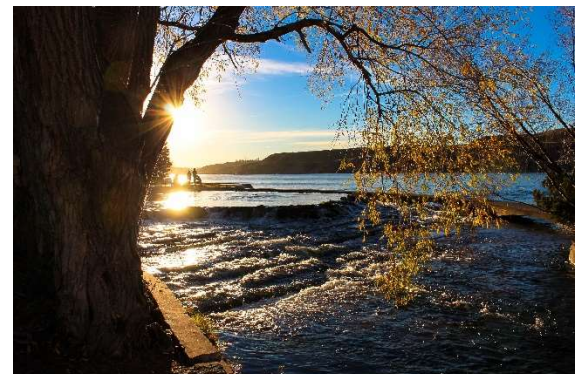


Fiscal Year
2020

Comprehensive Annual Financial Report



www.greatfallsmt.net



City of Great Falls, Montana Comprehensive Annual Financial Report

Fiscal Year 2020
July 1, 2019 to June 30, 2020



Prepared by
the City of Great Falls
Finance Department



**City of Great Falls, Montana
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020**

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December 9, 2020

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, 2020. The Finance 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, 2020. 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 and 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 controls 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.

Anderson ZurMuehlen & Co., P.C., has issued an unmodified ("clean") opinion on the City of Great Falls' financial statements for the fiscal year ended June 30, 2020. 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 10).

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 only exception is the Municipal Court Judge, who is elected to a four-year term of office. 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.

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.

Services provided by the City of Great Falls include police, fire, municipal court, planning and community development, library, parks and recreation, and public works operations, which includes streets, water, sewer, storm drain, sanitation, and engineering.

The City created an audit committee in fiscal year 1992. Members include the Mayor, a City Commissioner, the City Manager, the City Finance Director, and two private volunteer citizens. During the annual audit, committee members are kept apprised of the audit schedule 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.

The budget of the City, as required by Montana statutes, must be approved and adopted by resolution by the later of the first Thursday after the first Tuesday in September or 30 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 agriculture, medical services, and military. The June 2020 unemployment rate of 7.0% for Great Falls compares unfavorably to the June 2019 rate of 3.4% and slightly favorable to the June 2020 State of Montana rate of 7.2%. Both Great Falls and the State of Montana were below the national unemployment rate of 11.1% in June 2020. Due to COVID-19, unemployment rates have increased nationwide starting in March 2020.

Many industries are investing in the Great Falls community. Malmstrom Air Force Base announced the construction of a new missile maintenance facility and a missile replacement contract was issued for \$13.3 billion. Great Falls Public Schools opened a \$40 million voter-approved HUB building at Great Falls High School. Great Falls College MSU announced an addition for a dental clinic. Benefis broke ground on a new Women's and Children's Center. The grandstands at MT Expo Park were replaced. North 40 Outfitters opened its second location in the old Kmart building after an extensive renovation. The City Commission approved a Love's Travel Stop to go in off of the interstate near the airport. The City also saw new restaurants and retail shops both in the downtown area, in tax increment districts, and throughout the City.

ACCOMPLISHMENTS IN FISCAL YEAR 2020

During Fiscal Year 2020, the City managed the General Fund fund balance and received a significant protest settlement at the end of the fiscal year. The City completed a lease purchase for new public safety communications equipment and issued bonds to satisfy a development agreement in the West Bank Tax Increment Financing District. Many projects were completed with Park District funds including trail overlays, ADA restrooms, and irrigation upgrades. Public Works began multi-phase filter upgrades at the Water Treatment Plant. The street division completed 60 blocks of asphalt overlay and 101 blocks of chip seal. The water division completed two river crossings under the Sun River and Missouri River. The sewer division cleaned 135 miles of sewer main and lined 35 blocks of sewer collector mains.

BUDGET OBJECTIVES FOR FISCAL YEAR 2021

Due to COVID-19, the City Commission adopted a budget that includes no increases for property taxes, assessments, or utility rates. A primary budget addition of \$220,000 was added to the General Fund to complete sewer repairs at Fire Station 4 which has been closed due to the repairs. This was the first budget adopted with the addition of \$231,571 due annually for the public safety communications system lease-purchase. \$872,105 from fund balance was used to balance the FY2021 General Fund budget; however, the projected fund balance is still adequate at 22%. The City is exploring options to use Downtown TIF funding for \$5.5 million façade repairs at the Civic Center. The City is also preparing to re-negotiate all union contracts which expire June 30, 2021.

LONG-TERM FINANCIAL PLANNING

As permitted by Section 7-6-4034, MCA, a balance Designated for Cash Flow shall be considered adequate at 22% of annual appropriations in the General Fund. All other tax levy supported funds (Library) shall be considered adequate at 17% of annual appropriations. An unreserved fund balance for other operating funds of the City shall be considered adequate at a range of 8% to 17% of annual appropriations. 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. All departments and divisions supported by the resources of the City strive to 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 or 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, 2019. This was the twenty-sixth consecutive year that the government has achieved this prestigious award (fiscal years ended 1994-2019). 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, 2020.

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, 2019. This was the twenty-ninth consecutive year that the government has achieved this prestigious award (fiscal years beginning 1991-2019). 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

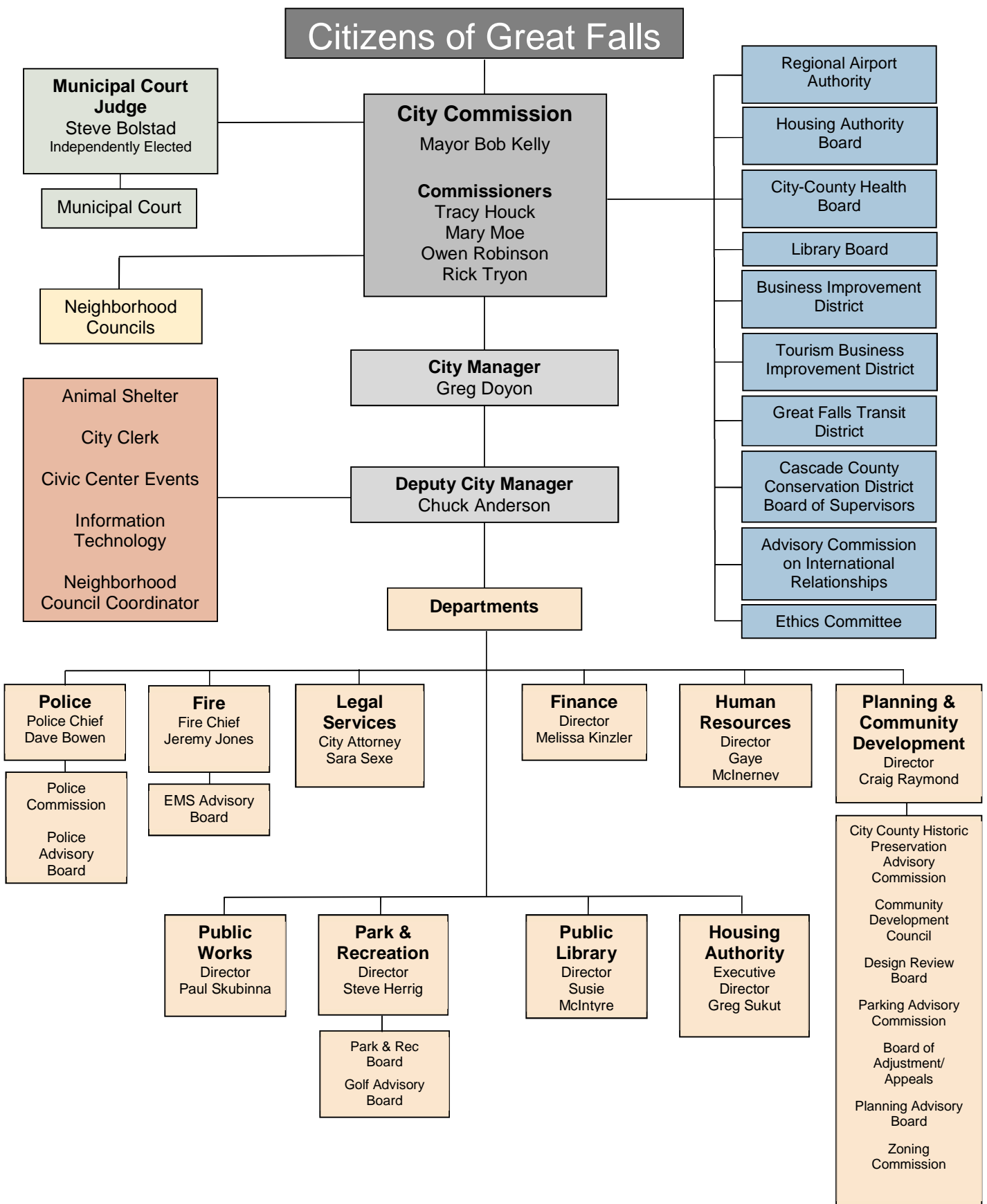
Preparation of this report required the cooperative efforts of many City personnel; in particular, I would like to thank the Accounting Division of the Finance Department. Their dedication to preparing this document each year is sincerely appreciated.

Respectively submitted,



Melissa Kinzler
Finance Director

Organizational Chart



City of Great Falls, Montana
List of Elected and Appointed Officials
June 30, 2020

Elected Positions

Bob Kelly	Mayor	870-0212
Tracy Houck	Commissioner	781-8958
Mary Moe	Commissioner	868-9427
Owen Robinson	Commissioner	868-9800
Rick Tryon	Commissioner	788-8904
Steve Bolstad	Municipal Judge	771-1380

Appointed Positions

Greg Doyon	City Manager	455-8450
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Department Positions

Chuck Anderson	Deputy City Manager	455-8450
Lisa Kunz	City Clerk	455-8451
Lanni Klasner	Communication Specialist/Neighborhood Councils	455-8496
Owen Grubenhoff	Civic Center Events Supervisor	455-8510
Jon Legan	Information Technology Operations Manager	455-8483
Gaye McInerney	Human Resources Director	455-8447
Craig Raymond	Planning and CD Director	455-8530
Bruce Haman	Building Official	455-8404
Tom Micuda	Deputy Planning and CD Director	455-8432
Greg Sukut	Housing Authority Executive Director	453-4311
Melissa Kinzler	Finance Director	455-8476
Jeremy Jones	Fire Chief	791-8968
Sara Sexe	City Attorney	455-8442
Neil Anthon	Chief Prosecutor	455-8449
Steve Herrig	Park & Recreation Director	791-8980
Patty Rearden	Deputy Park & Recreation Director	791-8981
Lonnie Dalke	Parks Supervisor	791-8982
Todd Seymanski	City Forester	791-8983
Dave Bowen	Chief of Police	455-8410
Susie McIntyre	Library Director	453-9706
Mike Judge	Public Works/Utility Systems Supervisor	727-8390
Jesse Patton	Public Works/ Interim City Engineer	771-1258
Wayne Lovelis	Public Works/ Water Plant Supervisor	455-8587
Paul Skubinna	Public Works Director	455-8136

All phone numbers listed above are preceded by the area code 406.
Bolded positions denote Elected Officials and Department Heads.



Government Finance Officers Association

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, 2019

Christopher P. Morill

Executive Director/CEO

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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, the Great Falls Tourism Business Improvement District or the Great Falls Public Library Foundation. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Great Falls Business Improvement District, the Great Falls Tourism Business Improvement District and the Great Falls Public Library Foundation, is based solely 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 financial audits contained in *Government 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the City's total OPEB liability and related ratios, schedules of the City's proportionate share of the net pension liability and retirement system contributions, schedules of the City's additional pension contributions and budgetary comparison information on pages 10 through 17 and 101 through 115 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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 statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2020, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Great Falls, Montana's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Anderson Zurmuehlen & Co., P.C." is written over a light blue horizontal line. The signature is written in dark ink and is positioned to the right of the typed text.

Great Falls, Montana
December 9, 2020

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, 2020. 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 18.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City of Great Falls exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$231,211,104 of this amount; \$2,307,501 is the unrestricted net position.
- The government's total net position increased by \$9,927,669 in comparison with the prior year. This increase was attributable to the increase of governmental activities of \$4,021,143 and an increase of business-type activities of \$5,906,526.
- As of the close of the most recent fiscal year, the City of Great Falls' governmental funds reported combined ending fund balances of \$34,934,003, an increase of \$10,299,285 in comparison with the prior year. Approximately 53.1% of this total amount, \$18,556,720, is available for spending at the government's discretion.
- At the close of the most recent fiscal year, unassigned fund balance for the general fund was \$13,594,027 or 37.23% of total general fund expenditures and transfers.
- The City of Great Falls' bonded debt decreased by \$2,204,080 (-3.96%) during the most recent fiscal year. The key factor in this decrease was the Water fund, Sewer fund and Storm Drain fund for utility revenue bonds payments.
- The City's legal debt margin availability is \$151,252,230. The majority of the debt capacity would require a vote of the citizens on the debt issuance.

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., 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, and sanitation operations.

The government-wide financial statements include not only the primary government of the City of Great Falls but also three component units, the Great Falls Business Improvement District (Business Improvement District), the Great Falls Tourism Business Improvement District (Tourism Business Improvement District) and the Great Falls Library Foundation (Public Library Foundation). The exclusion of the component units would cause the City of Great Falls' financial statements to be misleading 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, 318 Central Avenue, Great Falls, MT 59401; Great Falls Tourism Business Improvement District, PO Box 648, Great Falls, MT 59403; and Great Falls Public Library Foundation, PO Box 742, Great Falls, MT 59403.

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-six 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 Federal 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-three governmental funds are combined into a single, aggregated presentation, on pages 116 – 148.

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, sanitation, 911 dispatch center, parking, golf courses, swimming pools, recreation, multi-sports, civic center events, special state projects, 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 human resources, city telephone, health and benefits, insurance and safety, finance, information technology, central garage, engineering, public works admin, and civic center facility service. 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, Port Authority, and State Special Projects 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 eight proprietary funds are combined into a single, aggregated presentation, presented on pages 149 – 157. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements, presented on pages 158 – 170.

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 171 – 176.

NOTES TO THE FINANCIAL STATEMENTS. The notes, presented on pages 36 – 99, 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, Net Pension Liability, Additional Pension Contributions and the City of Great Falls' budgetary control, on pages 101 – 115.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position 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 and deferred outflows of the City of Great Falls exceeded its liabilities and deferred inflows by \$231,211,104.

By far the largest portion of the City of Great Falls' net position, \$196,265,426 (84.8%) reflects its net investment in capital assets (land, buildings, machinery and equipment, etc.). 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, 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 Position						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	\$ 46,626,704	\$ 40,053,480	\$ 37,275,740	\$ 37,421,575	\$ 83,902,444	\$ 77,475,055
Capital assets	74,100,384	70,842,196	186,159,760	184,863,879	260,260,144	255,706,075
Total assets	120,727,088	110,895,676	223,435,500	222,285,454	344,162,588	333,181,130
Deferred outflows of resources	7,204,502	6,968,245	1,291,709	1,635,621	8,496,211	8,603,866
Total assets and deferred outflows of resources	127,931,590	117,863,921	224,727,209	223,921,075	352,658,799	341,784,996
Liabilities:						
Current liabilities	3,836,344	3,520,818	6,864,683	7,305,330	10,701,027	10,826,148
Noncurrent liabilities	47,489,983	40,612,718	59,098,175	63,513,196	106,588,158	104,125,914
Total liabilities	51,326,327	44,133,536	65,962,858	70,818,526	117,289,185	114,952,062
Deferred inflows of resources	3,353,537	4,499,802	804,973	1,049,697	4,158,510	5,549,499
Net position:						
Net investment in capital assets	66,153,408	66,973,666	130,112,018	123,530,483	196,265,426	190,504,149
Restricted	23,424,215	20,213,914	9,213,962	10,350,105	32,638,177	30,564,019
Unrestricted	(16,325,897)	(17,956,997)	18,633,398	18,172,264	2,307,501	215,267
Total net position	\$ 73,251,726	\$ 69,230,583	\$157,959,378	\$152,052,852	\$231,211,104	\$221,283,435

An additional portion of the City of Great Falls' net position, \$32,638,177, represents resources that are subject to external restrictions on how they may be used. Restricted net position reported for the business-type activities were \$9,213,962. The majority of this restricted net position is related to the debt service reserve required for the issuance of revenue related debt. The remaining balance of unrestricted net position, \$2,307,501 is due to the recognition of the GASB 68 and 75 requirements. The governmental activities capital assets and deferred outflows increased by \$3,494,445 due to the addition of machinery

and equipment and increase in accumulated depreciation. The governmental activities current liabilities and deferred inflows decreased by \$830,739 due to the decrease of deferred inflows.

At the end of the most recent fiscal year, the City of Great Falls is able to report positive balances in two categories of net position for the government as a whole. The City's unrestricted net position is positive for the government as a whole, \$2,307,501. The governmental activities \$(16,325,897) unrestricted net position is negative due to the recognition of the GASB 68 and GASB 75 requirements.

City of Great Falls' Changes in Net Position

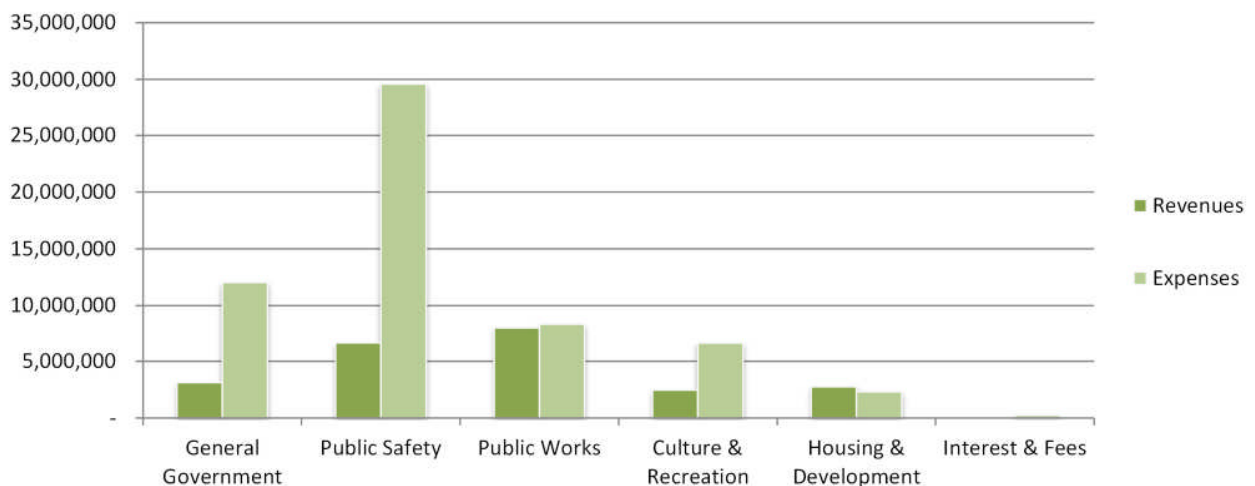
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 14,403,397	\$ 17,794,782	\$ 38,066,347	\$ 37,023,040	\$ 52,469,744	\$ 54,817,822
Operating grants and contributions	5,488,027	1,400,143	649,141	-	6,137,168	1,400,143
Capital grants and contributions	3,148,306	668,996	-	-	3,148,306	668,996
General revenues:						
Property taxes, levied for general purposes	26,143,194	21,739,975	-	-	26,143,194	21,739,975
Grants and contributions, unrestricted	9,373,657	8,670,610	2,784	1,874	9,376,441	8,672,484
Other	497,273	622,092	568,929	801,240	1,066,202	1,423,332
Miscellaneous	5,081,769	4,891,669	207,495	265,538	5,289,264	5,157,207
Total revenues	<u>64,135,623</u>	<u>55,788,267</u>	<u>39,494,696</u>	<u>38,091,692</u>	<u>103,630,319</u>	<u>93,879,959</u>
Expenses:						
General government	12,043,073	10,014,604	-	-	12,043,073	10,014,604
Public safety	29,605,935	26,468,988	-	-	29,605,935	26,468,988
Public works	8,370,526	8,030,532	-	-	8,370,526	8,030,532
Culture and recreation	6,623,215	5,338,401	-	-	6,623,215	5,338,401
Housing and development	2,306,897	2,266,478	-	-	2,306,897	2,266,478
Interest and fees	235,180	172,555	-	-	235,180	172,555
Water	-	-	10,590,672	10,425,580	10,590,672	10,425,580
Sewer	-	-	10,226,134	9,851,779	10,226,134	9,851,779
Storm Drain	-	-	2,601,173	2,500,962	2,601,173	2,500,962
Sanitation	-	-	3,963,297	3,847,103	3,963,297	3,847,103
Port Authority	-	-	241,122	256,234	241,122	256,234
State Special Projects	-	-	343,367	349,420	343,367	349,420
Other	-	-	6,552,059	6,346,272	6,552,059	6,346,272
Total expenses	<u>59,184,826</u>	<u>52,291,558</u>	<u>34,517,824</u>	<u>33,577,350</u>	<u>93,702,650</u>	<u>85,868,908</u>
Increase in net position before transfers	4,950,797	3,496,709	4,976,872	4,514,342	9,927,669	8,011,051
Transfers	(929,654)	(929,654)	929,654	929,654	-	-
Increase in net position	4,021,143	2,567,055	5,906,526	5,443,996	9,927,669	8,011,051
Total Net Position - Beginning	69,230,583	66,663,528	152,052,852	146,608,856	221,283,435	213,272,384
Net position - ending	<u>\$73,251,726</u>	<u>\$69,230,583</u>	<u>\$ 157,959,378</u>	<u>\$152,052,852</u>	<u>\$ 231,211,104</u>	<u>\$ 221,283,435</u>

The City of Great Falls' revenues totaled \$103,630,319. The total cost of all programs and services was \$93,702,650. 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 \$64,135,623 while expenses were \$59,184,826. Net position thus increased by \$4,950,797 before transfers. Operating grants and contributions increased \$4,087,884 due to a increase in grants and contributions received in the General fund. Capital grants and contributions increased \$2,479,310 due to increased grants received in the Federal Block Grant and Gas Tax BaRSAA funds. Property taxes increased by \$4,403,219, primarily due to the settlement of protested taxes from Calumet Refinery. Grants and contributions (such as State of Montana Entitlement House Bill 124) that are unrestricted increased by \$703,047 primarily due to the increase of intergovernmental income received for the entitlement.

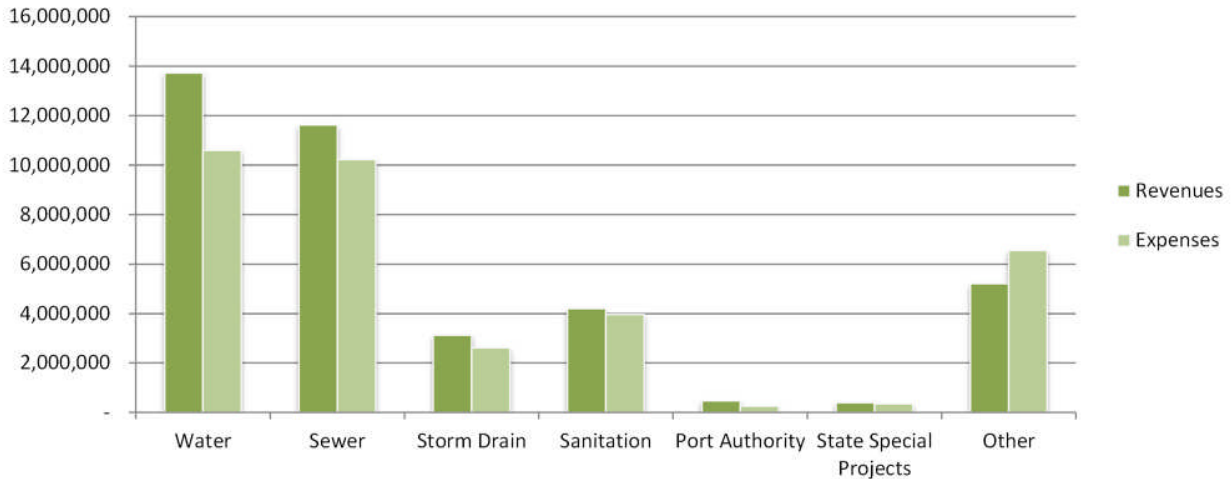
General government related expenses increased by \$2,028,469 primarily due to increased activity in the General Fund in operations. Public safety related expenses increased by \$3,136,947 primarily due to increased activity in General Fund and the reallocation of the GASB 68 pension adjustment. Public works related expenses increased by \$339,944 primarily due to increased Street Fund activity.

Program Revenues and Expenses - Governmental Activities



Business-type activities. Revenues for the most recent year from business-type activities were \$39,494,696 while expenses were \$34,517,824. Net position thus increased by \$4,976,872 before transfers. Overall revenue derived from charges for services increased \$1,043,307, primarily due to increased revenue in the Water fund, Sewer fund, Storm Drain fund and Sanitation fund. The business-type activities expenses increased by \$940,474 primarily due to increased activity in the Water fund, Sewer fund, Storm Drain fund, and Sanitation fund. Other business-type fund expenses were more than the revenues primarily due to the Swimming Pools fund, the 911 Dispatch Center fund, Recreation fund, and the Civic Center Events fund. The Swimming Pools fund, Recreation fund and the Civic Center Events fund are subsidized by transfers in from the General fund in the amounts of \$267,861, \$39,206 and \$265,913 respectively. The 911 Dispatch Center fund also received a transfer in from the 911 Special Revenue fund of \$356,674.

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 \$34,934,003, an increase of \$10,299,285 in comparison with the previous year. Approximately 50% of this total amount, \$18,556,720 constitutes assigned and unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been committed to provide required security for long-term debt obligations and other restrictions.

The General Fund serves as the chief operating fund of the City. The General Fund is used to account for all financial resources not accounted for in any other fund. At the end of the most recent fiscal year, unassigned fund balance in the General fund was \$13,594,027. As a measure of the General fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Fund balance represents 37.23% of total General fund expenditures and transfers out less net pension on-behalf expenditures. This is in compliance with an internally set guideline of 22%. The fund balance guideline was changed in Fiscal Year 2020 from 17% to 22% for cash flow purposes.

The Street District fund reports operations of the Street Division. At the end of the most recent fiscal year, restricted fund balance in the Street District fund was \$4,347,351. Fund balance represents 63.79% of total Street fund expenditures and transfers out, in compliance with internally set minimum requirements. During the most recent fiscal year, the fund balance of the City of Great Falls' Street fund decreased by \$281,194.

The Federal 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, restricted fund balance in the Federal Block Grant fund was \$1,182,597. Fund balance represents 96.08% of total Federal Block Grant fund expenditures, in compliance with internally set minimum requirements. During the most recent fiscal year, the fund balance of the City of Great Falls' Federal Block Grant fund increased by \$200,155. Elements of this increase were due to the repayment of the loans. The fund balance of this fund is due to the City's revolving loan fund.

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 position of the enterprise funds totaled \$9,213,962. Restricted net position decreased by \$1,136,143 from the previous year. Unrestricted net position of the enterprise funds totaled \$18,633,398. The total increase in net position for the enterprise funds of \$5,906,526 is primarily due to an increase in unrestricted net position in the Water, Sewer and Storm Drain funds due to the retirement of debt.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in a net change in fund balance of \$2,088,502. The major difference was due to an operating grant for the General Fund. A review of actual expenditures compared to the appropriations in the final budget yields no significant negative variances.

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, 2020, is \$260,260,144, which is net of accumulated depreciation. This investment in capital assets includes land, intangible assets, 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 1.78%.

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

	Governmental Activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 9,816,152	\$ 9,816,152	\$ 3,948,391	\$ 3,948,391	\$ 13,764,543	\$ 13,764,543
Intangible	218,276	218,276	-	-	218,276	218,276
Buildings	5,076,728	5,401,700	13,727,122	14,570,807	18,803,850	19,972,507
Improvements	21,740,799	20,007,946	82,514,383	78,171,148	104,255,182	98,179,094
Machinery and equipment	10,075,529	9,440,612	4,468,811	5,004,560	14,544,340	14,445,172
Infrastructure	23,526,227	22,457,688	42,663,713	39,520,296	66,189,940	61,977,984
Construction in progress	3,646,673	3,499,821	38,837,340	43,648,677	42,484,013	47,148,498
Total capital assets	<u>\$ 74,100,384</u>	<u>\$ 70,842,195</u>	<u>\$186,159,760</u>	<u>\$ 184,863,879</u>	<u>\$ 260,260,144</u>	<u>\$255,706,074</u>

Major capital asset events during the most recent fiscal year included the reconstruction of streets, water mains, sewer mains, and storm drains. Further detail on capital assets is presented in Note 6 on pages 52– 53.

Long-term debt. At the end of the most recent fiscal year, the City of Great Falls had total bonded debt of \$55,700,813. Of this amount, \$620,000 is general obligation bonds; \$275,000 is general obligation taxable bonds; \$35,000 is special assessment debt for which the City is obligated to pay up to the amount available in the Special Improvement District Revolving fund; \$4,553,920 is tax increment urban renewal bonds to be repaid from the tax increments received by the City from its West Bank urban renewal area and the Central MT tax increment district; and \$50,216,893 are bonds secured solely by specified revenue sources. Further information on long-term debt is presented in Note 7 on pages 53 – 67.

During the most recent fiscal year, the City of Great Falls’ bonded debt decreased by \$2,204,080 (3.81%). The key factor in this decrease was the payment of Water fund and Sewer fund utility revenue bonds.

The City of Great Falls maintains insured ratings from Moody’s “Aa3” for general obligation bonds and “A1” for revenue debt.

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue bonds	\$ -	\$ -	\$ 50,216,893	\$ 54,579,893	\$50,216,893	\$ 54,579,893
General obligation bonds	620,000	765,000	-	-	620,000	765,000
General obligation taxable bonds	275,000	410,000	-	-	275,000	410,000
Special assessment bonds	35,000	35,000	-	-	35,000	35,000
Urban renewal tax increment bonds	4,553,920	2,115,000	-	-	4,553,920	2,115,000
Total	\$ 5,483,920	\$3,325,000	\$ 50,216,893	\$ 54,579,893	\$55,700,813	\$ 57,904,893

State statutes limit the amount of general obligation debt a governmental entity may issue to 2.50% of its total assessed value of taxable property. The current legal debt capacity for the City of Great Falls is \$152,617,825. Out of the total debt capacity, \$151,252,230 is unused by the City.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The June 2020 unemployment rate of 7.0% for Great Falls compares unfavorably to the June 2019 rate of 3.4% and slightly favorable to the June 2020 State of Montana rate of 7.2%. Both Great Falls and the State of Montana were below the national unemployment rate of 11.1% in June 2020. 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. During COVID-19, the City was less impacted than those communities who rely on sales tax. However, the City will not be unaffected by the pandemic. There is an indirect effect in such that the City of Great Falls newly taxable property will be fluctuating and collection of property taxes could fluctuate. 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:

- The Park District is in its third year of addressing deferred maintenance in City parks; \$1.5 million was approved in Fiscal Year 2020. In the coming fiscal year, the Park District revenues will be bonded against to provide the match for a \$10.0 million federal grant to build a new recreation and aquatics facility.
- The Civic Center facade project will begin with the City seeking bonds paid for from the Downtown Tax Increment District.
- The City received a large amount funding from the CARES Act for COVID relief and in the coming year will be given more direction on how this money can be spent.

Ongoing challenges for the City of Great Falls include:

- Deferred maintenance,
- Collective bargaining agreements,
- Insurance costs.

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, which is reflected in the increase in the City's total net position in the fund statements. Investments in the City's capital assets increased in fiscal year 2020.

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 Melissa Kinzler, Finance Director, PO Box 5021, Great Falls, MT 59403.

Basic Financial Statements

City of Great Falls, Montana
Statement of Net Position
June 30, 2020

	<u>Primary Government</u>			<u>Component Units</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Business Improvement District</u>	<u>Tourism Business Improvement District</u>	<u>Public Library Foundation</u>
Assets and deferred outflows of resources						
Current assets						
Cash and investments	\$ 33,319,413	\$ 24,323,565	\$ 57,642,978	\$ 97,838	\$ 817,953	\$ 3,849,413
Receivables						
Taxes	1,475,328	-	1,475,328	-	-	-
Special assessments	541,011	-	541,011	40,212	863,694	-
Accounts	242,737	4,111,984	4,354,721	-	14,115	-
Accrued interest	7,787	12,736	20,523	-	-	-
Loans	1,502,916	-	1,502,916	-	-	-
Advance to (from) other city funds	1,285,052	(1,285,052)	-	-	-	-
Due to (from) other city funds	26,059	(26,059)	-	-	-	-
Due from other governments	5,353,991	424,061	5,778,052	-	-	-
Inventories	208,135	406,426	614,561	-	-	-
Prepaid items	-	14,689	14,689	4,044	9,465	-
Total current assets	<u>43,962,429</u>	<u>27,982,350</u>	<u>71,944,779</u>	<u>142,094</u>	<u>1,705,227</u>	<u>3,849,413</u>
Noncurrent assets						
Restricted cash and investments	2,638,926	9,293,390	11,932,316	-	-	53,128
Other assets	25,349	-	25,349	-	-	-
Capital assets						
Non-depreciable capital assets	13,462,825	42,785,731	56,248,556	-	-	-
Depreciable capital assets, net	<u>60,637,559</u>	<u>143,374,029</u>	<u>204,011,588</u>	<u>37,180</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>76,764,659</u>	<u>195,453,150</u>	<u>272,217,809</u>	<u>37,180</u>	<u>-</u>	<u>53,128</u>
Total assets	<u>120,727,088</u>	<u>223,435,500</u>	<u>344,162,588</u>	<u>179,274</u>	<u>1,705,227</u>	<u>3,902,541</u>
Deferred outflows of resources						
Deferred charge-pension	6,165,094	1,291,709	7,456,803	-	-	-
Deferred charge- OPEB	<u>1,039,408</u>	<u>-</u>	<u>1,039,408</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>7,204,502</u>	<u>1,291,709</u>	<u>8,496,211</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 127,931,590</u>	<u>\$ 224,727,209</u>	<u>\$ 352,658,799</u>	<u>\$ 179,274</u>	<u>\$ 1,705,227</u>	<u>\$ 3,902,541</u>
Liabilities						
Current liabilities						
Accounts payable	\$ 2,313,005	\$ 1,615,973	\$ 3,928,978	\$ 1,960	\$ 13,067	\$ -
Compensated absences	362,066	68,816	430,882	-	-	-
Debt due within one year	757,214	4,667,460	5,424,674	-	-	-
Other liabilities	<u>404,059</u>	<u>501,785</u>	<u>905,844</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>3,836,344</u>	<u>6,854,034</u>	<u>10,690,378</u>	<u>1,960</u>	<u>13,067</u>	<u>-</u>
Noncurrent liabilities						
Compensated absences	4,216,689	537,492	4,754,181	-	-	-
Debt due in more than one year	7,189,762	51,380,282	58,570,044	-	-	-
Net pension liability	27,657,464	7,191,050	34,848,514	-	-	-
OPEB liability	<u>8,426,068</u>	<u>-</u>	<u>8,426,068</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>47,489,983</u>	<u>59,108,824</u>	<u>106,598,807</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>51,326,327</u>	<u>65,962,858</u>	<u>117,289,185</u>	<u>1,960</u>	<u>13,067</u>	<u>-</u>
Deferred inflows of resources						
Deferred revenue - pension	2,371,948	804,973	3,176,921	-	-	-
Deferred revenue - OPEB	<u>981,589</u>	<u>-</u>	<u>981,589</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>3,353,537</u>	<u>804,973</u>	<u>4,158,510</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position						
Net investment in capital assets	66,153,408	130,112,018	196,265,426	37,180	-	-
Restricted for:						
Expendable:						
Debt service	1,254,951	-	1,254,951	-	-	-
Revenue bond reserves	-	7,095,510	7,095,510	-	-	-
Repair and replacement	-	2,118,452	2,118,452	-	-	-
Contributor restrictions	395,172	-	395,172	-	-	-
Grantor restrictions	1,314,634	-	1,314,634	-	-	-
Law restrictions	13,777,183	-	13,777,183	-	-	-
General government	373,676	-	373,676	-	-	-
Public safety	1,094,874	-	1,094,874	-	-	-
Park and recreation	1,229,787	-	1,229,787	-	-	-
Housing and development	2,350,770	-	2,350,770	-	-	-
Capital outlay	1,050,508	-	1,050,508	-	-	-
Library operations	557,311	-	557,311	-	-	1,644,735
Programs and operations	25,349	-	25,349	-	-	-
Unrestricted	<u>(16,325,897)</u>	<u>18,633,398</u>	<u>2,307,501</u>	<u>140,134</u>	<u>1,692,160</u>	<u>2,257,806</u>
Total net position	<u>73,251,726</u>	<u>157,959,378</u>	<u>231,211,104</u>	<u>177,314</u>	<u>1,692,160</u>	<u>3,902,541</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 127,931,590</u>	<u>\$ 224,727,209</u>	<u>\$ 352,658,799</u>	<u>\$ 179,274</u>	<u>\$ 1,705,227</u>	<u>\$ 3,902,541</u>

City of Great Falls, Montana
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 12,043,073	\$ 3,141,467	\$ 522	\$ -
Public safety	29,605,935	1,524,117	4,984,616	139,361
Public works	8,370,526	6,187,528	-	1,853,221
Culture and recreation	6,623,215	2,435,123	19,165	-
Housing and development	2,306,897	1,115,162	483,724	1,155,724
Interest and fees	235,180	-	-	-
Total governmental activities	<u>59,184,826</u>	<u>14,403,397</u>	<u>5,488,027</u>	<u>3,148,306</u>
Business-type activities				
Water	10,590,672	13,726,302	312	-
Sewer	10,226,134	11,613,924	3,637	-
Storm drain	2,601,173	3,110,007	-	-
Sanitation	3,963,297	4,201,779	-	-
Port Authority	241,122	465,187	-	-
State Special Projects	343,367	383,402	-	-
Other	6,552,059	4,565,746	645,192	-
Total business-type activities	<u>34,517,824</u>	<u>38,066,347</u>	<u>649,141</u>	<u>-</u>
Total primary government	<u>\$ 93,702,650</u>	<u>\$ 52,469,744</u>	<u>\$ 6,137,168</u>	<u>\$ 3,148,306</u>
Component Units				
Great Falls Business Improvement District	<u>\$ 395,393</u>	<u>\$ 250,390</u>	<u>\$ -</u>	<u>\$ -</u>
Tourism Business Improvement District	<u>\$ 496,120</u>	<u>\$ 639,016</u>	<u>\$ -</u>	<u>\$ -</u>
Great Falls Public Library Foundation	<u>\$ 278,474</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:
 Property taxes
 Grants and contributions not restricted to specific programs
 Unrestricted investment earnings
 Miscellaneous
 Gain (loss) on sale of capital assets
Transfers

Total general revenues and transfers

Change in net position

Total net position - beginning
Total net position - ending

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Total	Business Improvement District	Tourism Business Improvement District	Public Library Foundation
\$ (8,901,084)	\$ -	\$ (8,901,084)	\$ -	\$ -	\$ -
(22,957,841)	-	(22,957,841)	-	-	-
(329,777)	-	(329,777)	-	-	-
(4,168,927)	-	(4,168,927)	-	-	-
447,713	-	447,713	-	-	-
(235,180)	-	(235,180)	-	-	-
<u>(36,145,096)</u>	<u>-</u>	<u>(36,145,096)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	3,135,942	3,135,942	-	-	-
-	1,391,427	1,391,427	-	-	-
-	508,834	508,834	-	-	-
-	238,482	238,482	-	-	-
-	224,065	224,065	-	-	-
-	40,035	40,035	-	-	-
-	(1,341,121)	(1,341,121)	-	-	-
<u>-</u>	<u>4,197,664</u>	<u>4,197,664</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (36,145,096)</u>	<u>\$ 4,197,664</u>	<u>\$ (31,947,432)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (145,003)</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,896</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (278,474)</u>
26,143,194	-	26,143,194	-	-	-
9,373,657	2,784	9,376,441	-	-	-
425,419	584,254	1,009,673	2,460	3,153	471,323
5,081,769	207,495	5,289,264	-	4,781	172,066
71,854	(15,325)	56,529	-	-	-
(929,654)	929,654	-	-	-	-
<u>40,166,239</u>	<u>1,708,862</u>	<u>41,875,101</u>	<u>2,460</u>	<u>7,934</u>	<u>643,389</u>
4,021,143	5,906,526	9,927,669	(142,543)	150,830	364,915
69,230,583	152,052,852	221,283,435	319,857	1,541,330	3,537,626
<u>\$ 73,251,726</u>	<u>\$ 157,959,378</u>	<u>\$ 231,211,104</u>	<u>\$ 177,314</u>	<u>\$ 1,692,160</u>	<u>\$ 3,902,541</u>

The notes to the financial statements are an integral part of this statement

**City of Great Falls
Balance Sheet
Governmental Funds
June 30, 2020**

	General	Street District	Federal Block Grant	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 7,742,833	\$ 4,304,217	\$ 1,125,060	\$ 15,587,682	\$ 28,759,792
Restricted cash and investments	-	-	-	727,765	727,765
Receivables					
Taxes	999,501	-	-	475,827	1,475,328
Special assessments	-	222,069	-	318,942	541,011
Accounts	41,243	71,488	-	2,824	115,555
Accrued interest	3,696	1,895	-	1,288	6,879
Loans	-	-	1,462,916	40,000	1,502,916
Due from other city funds	44,246	-	-	26,059	70,305
Due from other governments	4,871,503	4,387	72,179	375,235	5,323,304
Advances to other funds	1,285,052	-	-	-	1,285,052
Other assets	-	9,734	-	15,615	25,349
Total assets	\$ 14,988,074	\$ 4,613,790	\$ 2,660,155	\$ 17,571,237	\$ 39,833,256
Liabilities					
Accounts payable	\$ 981,436	\$ 128,286	\$ 14,642	\$ 893,736	\$ 2,018,100
Due to other city funds	-	-	-	44,246	44,246
Interfund loans payable	-	-	-	-	-
Other liabilities	56,304	50,022	-	287,826	394,152
Total liabilities	1,037,740	178,308	14,642	1,225,808	2,456,498
Deferred inflows of resources					
Unavailable revenue-property taxes	356,307	-	-	166,805	523,112
Unavailable revenue-special assessments	-	84,731	-	107,243	191,974
Unavailable revenue-liens	-	3,400	-	39,457	42,857
Unavailable revenue-grants	-	-	1,462,916	42,209	1,505,125
Unavailable revenue-security agreement	-	-	-	179,687	179,687
Total deferred inflows of resources	356,307	88,131	1,462,916	535,401	2,442,755
Fund balances					
Restricted	-	4,347,351	1,182,597	10,847,335	16,377,283
Assigned	-	-	-	4,962,693	4,962,693
Unassigned	13,594,027	-	-	-	13,594,027
Total fund balances	13,594,027	4,347,351	1,182,597	15,810,028	34,934,003
Total liabilities, deferred inflows of resources, and fund balances	\$ 14,988,074	\$ 4,613,790	\$ 2,660,155	\$ 17,571,237	\$ 39,833,256

The notes to the financial statements are an integral part of this statement

City of Great Falls, Montana
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2020

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

Total fund balances - governmental funds (page 22)		\$ 34,934,003
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 159,882,369	
Less: accumulated depreciation	<u>(93,663,198)</u>	
Capital assets - net		66,219,171
Various deferred outflows and Inflows involving net pension liability that are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
		3,601,900
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 position.		
		1,178,177
Deferred inflows of resources are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
		2,442,755
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(4,094,591)	
Capital lease	(1,992,461)	
Loans and contracts payable	(470,595)	
General obligation bonds payable	(620,000)	
General obligation taxable bonds payable	(275,000)	
Tax increment bonds payable	(4,553,920)	
Special assessment bonds payable	(35,000)	
Net pension liability	<u>(23,082,713)</u>	
Total long-term liabilities		<u>(35,124,280)</u>
Net position of governmental activities (page 19)		<u>\$ 73,251,726</u>

City of Great Falls
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	General	Street District	Federal Block Grant	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 22,146,728	\$ -	\$ -	\$ 3,996,466	\$ 26,143,194
Licenses and permits	1,036,689	8,381	-	980,240	2,025,310
Intergovernmental	17,088,031	1,425,416	1,158,253	3,723,958	23,395,658
Charges for services	1,158,263	121,684	272,971	1,672,547	3,225,465
Fines and forfeitures	627,765	-	-	73,097	700,862
Internal services	859,079	57,518	-	57,512	974,109
Special assessments	-	4,620,048	-	4,245,474	8,865,522
Investment income	85,430	61,117	(236)	197,452	343,763
Other	114,073	239,573	-	1,367,851	1,721,497
Total revenues	43,116,058	6,533,737	1,430,988	16,314,597	67,395,380
Expenditures					
Current					
General government	4,729,837	-	-	5,343,483	10,073,320
Public safety	27,326,465	-	-	611,396	27,937,861
Public works	-	5,343,750	-	301,772	5,645,522
Culture and recreation	2,665,891	-	-	2,858,924	5,524,815
Housing & development	-	-	289,448	1,545,116	1,834,564
Interest & fees	-	-	-	51,200	51,200
Debt service					
Principal	70,065	-	-	2,036,915	2,106,980
Interest	16,570	-	-	167,410	183,980
Capital outlay	45,287	1,414,561	941,385	4,538,943	6,940,176
Total expenditures	34,854,115	6,758,311	1,230,833	17,455,159	60,298,418
Excess (deficiency) of revenues over (under) expenditures	8,261,943	(224,574)	200,155	(1,140,562)	7,096,962
Other financing sources (uses)					
Transfers in	-	-	-	1,083,374	1,083,374
Transfers out	(1,662,877)	(56,620)	-	(356,674)	(2,076,171)
Issuance of debt	-	-	-	4,192,920	4,192,920
Proceeds of capital assets	2,200	-	-	-	2,200
Total other financing sources (uses)	(1,660,677)	(56,620)	-	4,919,620	3,202,323
Net change in fund balances	6,601,266	(281,194)	200,155	3,779,058	10,299,285
Fund balances - beginning	6,992,761	4,628,545	982,442	12,030,970	24,634,718
Fund balances - ending	\$ 13,594,027	\$ 4,347,351	\$ 1,182,597	\$ 15,810,028	\$ 34,934,003

The notes to the financial statements are an integral part of this statement

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
For the Year Ended June 30, 2020

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) \$ 10,299,285

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

Expenditures for capital assets	\$ 6,940,176	
Less: current year's depreciation	<u>(4,156,238)</u>	
Total capital asset related expenditures		2,783,938

The net effect of various miscellaneous transactions involving net pension liability is to increase net position (786,724)

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. (300,489)

Not all revenues in the statement of activities provide current financial resources. These revenues are not considered "available" revenues and are unearned in the governmental funds, but have been recognized as revenue in the current period in the statement of activities. Unearned revenue increased by this amount this year. (3,582,601)

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 assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of debt		
Capital lease	(1,992,461)	
Tax increment bonds	(4,192,920)	
Principal repayments		
Loans and contracts	72,980	
General obligation bonds	145,000	
General obligation taxable bonds	135,000	
Tax increment bonds	1,754,000	
Special improvement bonds	-	
Compensated absences	<u>(313,865)</u>	
Total debt related transactions		<u>(4,392,266)</u>

Change in net position of governmental activities (pages 20-21) \$ 4,021,143

**City of Great Falls
Statement of Net Position
Proprietary Funds
June 30, 2020**

Business Type Activities

	Water	Sewer	Storm Drain	Sanitation	Port Authority
Assets and deferred outflows of resources					
Assets					
Current assets					
Cash and investments	\$ 7,647,249	\$ 9,828,377	\$ 4,202,257	\$ 507,355	\$ 120,782
Receivables					
Accounts	1,867,176	1,314,776	362,002	515,760	2,751
Accrued interest	4,767	6,055	1,914	-	-
Due from other governments	312	3,637	-	-	-
Inventories	367,973	-	-	-	-
Prepaid Items	-	-	-	-	-
Total current assets	<u>9,887,477</u>	<u>11,152,845</u>	<u>4,566,173</u>	<u>1,023,115</u>	<u>123,533</u>
Noncurrent assets					
Restricted cash and investments	3,828,828	4,261,348	947,814	175,972	-
Non-depreciable capital assets	38,228,899	1,658,611	97,805	374,916	194,057
Depreciable capital assets, net	50,313,145	54,867,494	25,969,005	1,732,364	4,336,207
Total noncurrent assets	<u>92,370,872</u>	<u>60,787,453</u>	<u>27,014,624</u>	<u>2,283,252</u>	<u>4,530,264</u>
Total assets	<u>102,258,349</u>	<u>71,940,298</u>	<u>31,580,797</u>	<u>3,306,367</u>	<u>4,653,797</u>
Deferred outflows of resources					
Deferred charges - pension	385,410	143,262	23,474	243,058	-
Deferred charges - OPEB	-	-	-	-	-
Total deferred outflows of resources	<u>385,410</u>	<u>143,262</u>	<u>23,474</u>	<u>243,058</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 102,643,759</u>	<u>\$ 72,083,560</u>	<u>\$ 31,604,271</u>	<u>\$ 3,549,425</u>	<u>\$ 4,653,797</u>
Liabilities, deferred inflows of resources, and net position					
Liabilities					
Current liabilities					
Accounts payable	\$ 546,744	\$ 654,952	\$ 9,954	\$ 175,955	\$ -
Compensated absences	34,767	4,527	-	11,496	-
Due to other city funds	-	-	-	-	-
Loans payable	-	-	-	244,800	-
Notes payable	-	-	-	-	376,332
Revenue bonds payable	1,660,000	1,454,000	608,000	-	-
Other liabilities	376,902	796	2,503	2,802	-
Total current liabilities	<u>2,618,413</u>	<u>2,114,275</u>	<u>620,457</u>	<u>435,053</u>	<u>376,332</u>
Noncurrent liabilities					
Advances from other funds	-	-	-	-	-
Loans payable	-	-	-	244,776	-
Notes payable	-	-	-	-	1,833,583
Compensated absences	248,530	38,420	-	97,560	-
Revenue bonds payable	27,427,893	11,842,000	7,225,000	-	-
Net pension liability	2,300,182	889,033	44,340	1,277,943	-
OPEB liability	-	-	-	-	-
Total noncurrent liabilities	<u>29,976,605</u>	<u>12,769,453</u>	<u>7,269,340</u>	<u>1,620,279</u>	<u>1,833,583</u>
Total liabilities	<u>32,595,018</u>	<u>14,883,728</u>	<u>7,889,797</u>	<u>2,055,332</u>	<u>2,209,915</u>
Deferred inflows of resources					
Deferred revenue-pension	290,994	100,030	32,177	136,347	-
Deferred revenue-OPEB	-	-	-	-	-
Total deferred inflows of resources	<u>290,994</u>	<u>100,030</u>	<u>32,177</u>	<u>136,347</u>	<u>-</u>
Net position					
Net investment in capital assets	59,454,151	43,230,105	18,233,811	1,617,703	2,320,349
Restricted					
Revenue bond reserves	2,893,314	3,228,410	797,814	175,972	-
Repair and replacement	935,514	1,032,938	150,000	-	-
Unrestricted	<u>6,474,768</u>	<u>9,608,349</u>	<u>4,500,672</u>	<u>(435,929)</u>	<u>123,533</u>
Total net position	<u>69,757,747</u>	<u>57,099,802</u>	<u>23,682,297</u>	<u>1,357,746</u>	<u>2,443,882</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 102,643,759</u>	<u>\$ 72,083,560</u>	<u>\$ 31,604,271</u>	<u>\$ 3,549,425</u>	<u>\$ 4,653,797</u>

Continued on next page

City of Great Falls
Statement of Net Position (Concluded)
Proprietary Funds
June 30, 2020

	Business Type Activities			Governmental
	Special State Projects	Total Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets and deferred outflows of resources				
Assets				
Current assets				
Cash and investments	\$ -	\$ 2,017,545	\$ 24,323,565	\$ 4,559,621
Receivables				
Accounts	-	49,519	4,111,984	127,182
Accrued interest	-	-	12,736	908
Due from other governments	-	420,112	424,061	30,687
Inventories	-	38,453	406,426	208,135
Prepaid Items	-	14,689	14,689	-
Total current assets	-	2,540,318	29,293,461	4,926,533
Noncurrent assets				
Restricted cash and investments	-	79,428	9,293,390	1,911,161
Non-depreciable capital assets	-	2,231,443	42,785,731	906,958
Depreciable capital assets, net	3,286,905	2,868,909	143,374,029	6,974,255
Total noncurrent assets	3,286,905	5,179,780	195,453,150	9,792,374
Total assets	3,286,905	7,720,098	224,746,611	14,718,907
Deferred outflows of resources				
Deferred charges - pension	-	496,505	1,291,709	784,739
Deferred charges - OPEB	-	-	-	1,039,408
Total deferred outflows of resources	-	496,505	1,291,709	1,824,147
Total assets and deferred outflows of resources	\$ 3,286,905	\$ 8,216,603	\$226,038,320	\$ 16,543,054
Liabilities, deferred inflows of resources, and net position				
Liabilities				
Current liabilities				
Accounts payable	\$ -	\$ 228,368	\$ 1,615,973	\$ 294,905
Compensated absences	-	18,026	68,816	-
Due to other city funds	-	26,059	26,059	-
Loans payable	-	-	244,800	-
Notes payable	324,328	-	700,660	-
Revenue bonds payable	-	-	3,722,000	-
Other liabilities	-	118,782	501,785	9,907
Total current liabilities	324,328	391,235	6,880,093	304,812
Noncurrent liabilities				
Advances from other funds	-	1,285,052	1,285,052	-
Loans payable	-	-	244,776	-
Notes payable	2,807,030	-	4,640,613	-
Compensated absences	-	152,982	537,492	484,164
Revenue bonds payable	-	-	46,494,893	-
Net pension liability	-	2,679,552	7,191,050	4,574,751
OPEB liability	-	-	-	8,426,068
Total noncurrent liabilities	2,807,030	4,117,586	60,393,876	13,484,983
Total liabilities	3,131,358	4,508,821	67,273,969	13,789,795
Deferred inflows of resources				
Deferred revenue-pension	-	245,425	804,973	593,493
Deferred revenue-OPEB	-	-	-	981,589
Total deferred inflows of resources	-	245,425	804,973	1,575,082
Net position				
Net investment in capital assets	155,547	5,100,352	130,112,018	7,881,213
Restricted				
Revenue bond reserves	-	-	7,095,510	-
Repair and replacement	-	-	2,118,452	-
Unrestricted	-	(1,637,995)	18,633,398	(6,703,036)
Total net position	155,547	3,462,357	157,959,378	1,178,177
Total liabilities, deferred inflows of resources, and net position	\$ 3,286,905	\$ 8,216,603	\$226,038,320	\$ 16,543,054

City of Great Falls
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2020

Business Type Activities

	<u>Water</u>	<u>Sewer</u>	<u>Storm Drain</u>	<u>Sanitation</u>	<u>Port Authority</u>
Operating revenues					
Charges for services	\$ 13,720,128	\$ 11,617,561	\$ 3,110,007	\$ 4,201,007	\$ 465,187
Operating expenses					
Personal services	2,776,465	1,073,928	256,552	1,557,716	-
Supplies and materials	949,325	78,926	10,419	299,352	-
Purchased services	672,260	3,679,802	73,450	1,053,455	853
Internal services	1,638,132	1,154,076	406,829	741,081	-
Other	47,426	33,330	35,550	-	-
Depreciation	3,740,167	3,770,774	1,583,282	289,024	116,806
Total operating expenses	9,823,775	9,790,836	2,366,082	3,940,628	117,659
Operating income (loss)	3,896,353	1,826,725	743,925	260,379	347,528
Nonoperating revenues (expenses)					
Investment income (loss)	229,572	230,436	88,878	6,265	270
Interest expense	(766,897)	(432,662)	(203,954)	(22,669)	(123,463)
Gain (loss) on sale of capital assets	-	62,807	(78,132)	-	-
Net pension on-behalf revenue	45,947	18,328	4,597	25,489	-
Other	19,429	(2,636)	(21,932)	7,772	-
Total nonoperating revenues (expenses)	(471,949)	(123,727)	(210,543)	16,857	(123,193)
Income (loss) before contributions and transfers	3,424,404	1,702,998	533,382	277,236	224,335
Transfers in	-	-	-	-	-
Change in net position	3,424,404	1,702,998	533,382	277,236	224,335
Total net position - beginning	66,333,343	55,396,804	23,148,915	1,080,510	2,219,547
Total net position - ending	<u>\$ 69,757,747</u>	<u>\$ 57,099,802</u>	<u>\$ 23,682,297</u>	<u>\$ 1,357,746</u>	<u>\$ 2,443,882</u>

Continued on next page

City of Great Falls
Statement of Revenues, Expenses, and Changes in Fund Net Position (Concluded)
Proprietary Funds
For the Year Ended June 30, 2020

	Business Type Activities			Governmental
	Total			Activities
	Special State	Nonmajor	Total	Internal
Projects	Enterprise	Service Funds		
Operating revenues				
Charges for services	\$ 383,402	\$ 5,210,937	\$ 38,708,229	\$ 21,855,301
Operating expenses				
Personal services	-	2,713,918	8,378,579	5,570,268
Supplies and materials	-	534,317	1,872,339	1,205,273
Purchased services	-	1,945,800	7,425,620	13,697,122
Internal services	-	686,255	4,626,373	784,474
Other	-	25,454	141,760	22,088
Depreciation	277,767	646,315	10,424,135	1,276,017
Total operating expenses	277,767	6,552,059	32,868,806	22,555,242
Operating income (loss)	105,635	(1,341,122)	5,839,423	(699,941)
Nonoperating revenues (expenses)				
Investment income (loss)	-	28,833	584,254	81,656
Interest expense	(65,600)	-	(1,615,245)	-
Gain (loss) on sale of capital assets	-	-	(15,325)	69,654
Net pension on-behalf revenue	-	52,070	146,431	100,707
Other	-	34,701	37,334	84,292
Total nonoperating revenues (expenses)	(65,600)	115,604	(862,551)	336,309
Income (loss) before contributions and transfers	40,035	(1,225,518)	4,976,872	(363,632)
Transfers in	-	929,654	929,654	63,143
Change in net position	40,035	(295,864)	5,906,526	(300,489)
Total net position - beginning	115,512	3,758,221	152,052,852	1,478,666
Total net position - ending	\$ 155,547	\$ 3,462,357	\$ 157,959,378	\$ 1,178,177

The notes to the financial statements are an integral part of this statement

City of Great Falls, Montana
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

Business Type Activities

	<u>Water</u>	<u>Sewer</u>	<u>Storm Drain</u>	<u>Sanitation</u>	<u>Port Authority</u>
Cash flows from operating activities					
Receipts from customers and users	\$ 13,720,126	\$ 11,333,297	\$ 3,110,008	\$ 4,201,007	\$ 465,187
Receipts from interfund services provided	-	286,105	-	-	-
Receipts from others	45,894	12,850	9,204	7,772	-
Receipts from other governments	-	3,637	-	-	-
Payments to suppliers	(1,588,277)	(3,167,958)	(503,303)	(1,333,694)	(853)
Payments to employees	(2,802,232)	(1,065,180)	(256,623)	(1,532,481)	-
Payments for interfund services used	(1,638,132)	-	(406,829)	(739,438)	-
Payments to others	(47,426)	410	(34,350)	-	-
Net cash provided by (used for) operating activities	<u>7,689,953</u>	<u>7,403,161</u>	<u>1,918,107</u>	<u>603,166</u>	<u>464,334</u>
Cash flows from noncapital financing activities					
Transfers in	-	-	-	-	-
Interfund cash flow loans	-	-	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities					
Proceeds from sale of assets	-	62,807	(78,132)	-	-
Principal payments received - advances	-	-	-	-	-
New borrowing	-	-	-	-	-
Principal payments - revenue bonds	(1,717,000)	(2,050,000)	(596,000)	-	(341,726)
Principal payments - capital leases	-	-	-	-	-
Principal payments - loans	-	-	-	(244,800)	-
Interest paid	(766,897)	(432,662)	(203,954)	(22,669)	(123,463)
Acquisition/construction of capital assets	(8,775,354)	(3,202,871)	(1,005,922)	(185,032)	-
Net cash provided by (used for) capital and related financing activities	<u>(11,259,251)</u>	<u>(5,622,726)</u>	<u>(1,884,008)</u>	<u>(452,501)</u>	<u>(465,189)</u>
Cash flows from investing activities					
Interest on investments	349,613	302,907	128,608	6,261	270
Net cash provided by (used for) investing activities	<u>349,613</u>	<u>302,907</u>	<u>128,608</u>	<u>6,261</u>	<u>270</u>
Net increase (decrease) in cash	(3,219,685)	2,083,342	162,707	156,926	(585)
Cash, beginning of year	<u>14,695,762</u>	<u>12,006,383</u>	<u>4,987,364</u>	<u>526,401</u>	<u>121,367</u>
Cash, end of year (a)	<u>\$ 11,476,077</u>	<u>\$ 14,089,725</u>	<u>\$ 5,150,071</u>	<u>\$ 683,327</u>	<u>\$ 120,782</u>
(a) Shown on the statement of net position as:					
Cash and investments	\$ 7,647,249	\$ 9,828,377	\$ 4,202,257	\$ 507,355	\$ 120,782
Restricted cash and investments	3,828,828	4,261,348	947,814	175,972	-
	<u>\$ 11,476,077</u>	<u>\$ 14,089,725</u>	<u>\$ 5,150,071</u>	<u>\$ 683,327</u>	<u>\$ 120,782</u>

Continued on next page

City of Great Falls, Montana
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2020

	Business Type Activities			Governmental Activities
	State Special Projects	Total Nonmajor Enterprise Funds	Totals	Internal Service Funds
Cash flows from operating activities				
Receipts from customers and users	\$ 383,402	\$ 3,286,426	\$ 36,499,453	\$ 1,777,593
Receipts from interfund services provided	-	1,277,585	1,563,690	19,955,201
Receipts from others	-	21,742	97,462	197,060
Receipts from other governments	-	643,542	647,179	30,687
Payments to suppliers	-	(2,758,074)	(9,352,159)	(14,458,128)
Payments to employees	-	(2,720,289)	(8,376,805)	(5,500,136)
Payments for interfund services used	-	(688,918)	(3,473,317)	(781,721)
Payments to others	-	(25,454)	(106,820)	(22,088)
Net cash provided by (used for) operating activities	<u>383,402</u>	<u>(963,440)</u>	<u>17,498,683</u>	<u>1,198,468</u>
Cash flows from noncapital financing activities				
Transfers in	-	929,607	929,607	63,143
Interfund cash flow loans	-	(35,621)	(35,621)	-
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>893,986</u>	<u>893,986</u>	<u>63,143</u>
Cash flows from capital and related financing activities				
Proceeds from sale of assets	-	-	(15,325)	69,654
Principal payments received - advances	-	-	-	-
New borrowing	-	-	-	-
Principal payments - revenue bonds	-	-	(4,704,726)	-
Principal payments - capital leases	-	-	-	-
Principal payments - loans	(317,801)	-	(562,601)	-
Interest paid	(65,601)	-	(1,615,246)	-
Acquisition/construction of capital assets	-	-	(13,169,179)	(1,586,667)
Net cash provided by (used for) capital and related financing activities	<u>(383,402)</u>	<u>-</u>	<u>(20,067,077)</u>	<u>(1,517,013)</u>
Cash flows from investing activities				
Interest on investments	-	28,834	816,493	89,422
Net cash provided by (used for) investing activities	<u>-</u>	<u>28,834</u>	<u>816,493</u>	<u>89,422</u>
Net increase (decrease) in cash	-	(40,620)	(857,915)	(165,980)
Cash, beginning of year	<u>-</u>	<u>2,137,593</u>	<u>34,474,870</u>	<u>6,636,762</u>
Cash, end of year (a)	<u>\$ -</u>	<u>\$ 2,096,973</u>	<u>\$ 33,616,955</u>	<u>\$ 6,470,782</u>
(a) Shown on the statement of net position as:				
Cash and investments	\$ -	\$ 2,017,545	\$ 24,323,565	\$ 4,559,621
Restricted cash and investments	-	79,428	9,293,390	1,911,161
	<u>\$ -</u>	<u>\$ 2,096,973</u>	<u>\$ 33,616,955</u>	<u>\$ 6,470,782</u>

Continued on next page

City of Great Falls, Montana
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2020

Business Type Activities

	<u>Water</u>	<u>Sewer</u>	<u>Storm Drain</u>	<u>Sanitation</u>	<u>Port Authority</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Operating income (loss)	\$3,896,353	\$ 1,826,725	\$ 743,925	\$ 260,379	\$ 347,528
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
GASB 68 pension expense	45,947	18,328	4,597	25,489	-
Depreciation expense	3,740,167	3,770,774	1,583,282	289,024	116,806
Cash provided (used) by changes in operating assets and liabilities					
(Increase) decrease in accounts receivable	(226,008)	6,971	36,704	68,260	-
(Increase) decrease in due from other governments	312	3,637	(120,928)	-	-
(Increase) decrease in inventories	44,301	-	-	-	-
(Decrease) increase in accounts payable	22,253	1,469,003	(318,287)	18,859	-
(Decrease) increase in other liabilities	9,445	410	-	(111,204)	-
(Decrease) increase in compensated absences payable	12,070	(661)	-	12,833	-
Other nonoperating revenue	145,113	307,974	(11,186)	39,526	-
Total adjustments	<u>3,793,600</u>	<u>5,576,436</u>	<u>1,174,182</u>	<u>342,787</u>	<u>116,806</u>
Net cash provided by (used for) operating activities	<u>\$7,689,953</u>	<u>\$ 7,403,161</u>	<u>\$1,918,107</u>	<u>\$ 603,166</u>	<u>\$ 464,334</u>

Continued on next page

City of Great Falls, Montana
Statement of Cash Flows (Concluded)
Proprietary Funds
For the Year Ended June 30, 2020

	<u>Business Type Activities</u>			<u>Governmental Activities</u>
	<u>State Special Projects</u>	<u>Total Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$105,635	\$ (1,341,122)	\$ 5,839,423	\$ (699,941)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
GASB 68 pension expense	-	52,070	146,431	523,345
Depreciation expense	277,767	646,315	10,424,135	1,284,521
Cash provided (used) by changes in operating assets and liabilities				
(Increase) decrease in accounts receivable	-	9,559	(104,514)	81,998
(Increase) decrease in due from other governments	-	(370,001)	(486,980)	-
(Increase) decrease in inventories	-	38,453	82,754	(5,453)
(Decrease) increase in accounts payable	-	(49,680)	1,142,148	(65,142)
(Decrease) increase in other liabilities	-	(9,866)	(111,215)	-
(Decrease) increase in compensated absences payable	-	(2,702)	21,540	16,308
Other nonoperating revenue	-	63,534	544,961	62,832
Total adjustments	<u>277,767</u>	<u>377,682</u>	<u>11,659,260</u>	<u>1,898,409</u>
Net cash provided by (used for) operating activities	<u>\$383,402</u>	<u>\$ (963,440)</u>	<u>\$ 17,498,683</u>	<u>\$ 1,198,468</u>

City of Great Falls
Statement of Net Position
Fiduciary Funds
June 30, 2020

	Private-Purpose Trust Funds	Agency Funds
Assets		
Cash and investments	\$ 1,328	\$ 462,742
Special assessments receivable	-	823,157
Payroll receivable	-	1,002,733
Due from other governments		61
Total assets	1,328	2,288,693
Liabilities		
Accounts payable	-	1,175,227
Assets held for others	-	1,041,841
Other liabilities	-	71,625
Total liabilities	-	\$ 2,288,693
Net position		
Held in trust	1,328	
Total net position	\$ 1,328	

The notes to the financial statements are an integral part of this statement

City of Great Falls
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

	Private-Purpose Trust Funds
Additions	
Investment income	\$ 19
Deductions	
Public improvements	-
Change in net position	19
Net position - beginning	1,309
Net position - ending	\$ 1,328

The notes to the financial statements are an integral part of this statement

City of Great Falls, Montana
Notes to Financial Statements
June 30, 2020

1. Summary of Significant Accounting Policies

A. Description of government-wide financial statements

The government-wide financial statements (statement of net position and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from its legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

The City of Great Falls (government) is a municipal corporation, organized in 1888 under the laws of the State of Montana. The City operates under the Commission/Manager form of government with a self-governing charter which became effective July 1, 1986. The City's executive, legislative, and policy-making body is the City Commission which is composed of a mayor and four commissioners. The City Manager serves as the appointed Chief Executive Officer carrying out the policies established by the City Commission and overseeing all operations. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Discretely presented component units are organizations for which the primary government is financially accountable or organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Blended Component Unit - Great Falls Port Authority (Port Authority Fund)

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 with City Commissioners as Port Authority Commissioners. The Port Authority governing body is the City Commission. The Port Authority by-laws state the City may fund its debt deficiency, and the services provided by the Port Authority benefit the City. The Port Authority is reported as a blended component unit of the City of Great Falls. This component unit is blended as a proprietary fund presented in these financial statements.

Discretely Presented Component Unit - Great Falls Business Improvement District (Business Improvement District)

The objective of the Business Improvement 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 Business Improvement District's board of trustees is appointed by the City Commission. The Business Improvement District is required to submit an annual budget to the City Commission who may approve or modify the Business Improvement District's Budget. Additionally, the City Commission is responsible for levying the Business Improvement District's assessments on the properties within the Business Improvement District. Separate financial statements of the Business Improvement District may be obtained by contacting the District at 318 Central Avenue, Great Falls, Montana, 59401.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

1. Summary of Significant Accounting Policies - continued

B. Reporting Entity - continued

Discretely Presented Component Unit - Great Falls Tourism Business Improvement District (Tourism Business Improvement District)

The objective of the Tourism Business Improvement District is to promote tourism, conventions, trade shows, and travel to the City of Great Falls. The Tourism Business Improvement District's board of trustees is appointed by the City Commission. The Tourism Business Improvement District is required to submit an annual budget to the City Commission who may approve or modify the Tourism Business Improvement District's budget. Additionally, the City Commission is responsible for levying the Tourism Business Improvement District's assessments on the properties within the Tourism Business Improvement District. Separate financial statements of the Tourism Business Improvement District may be obtained by contacting the Tourism Business Improvement District at P.O. Box 648, Great Falls, Montana, 59403.

Discretely Presented Component Unit - Great Falls Public Library Foundation (Public Library Foundation)

The Public Library 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 Public Library Foundation, the majority of resources, or incomes thereon, which the Public Library Foundation holds, and invests, are restricted by the donors to the activities of the Library. Because these restricted resources held by the Public Library Foundation can only be used by, or for the benefit of, the City, the Public Library Foundation is considered a component unit of the City and is discretely presented in the City's financial statements.

The Public Library Foundation is a private non-profit organization. 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 Public Library Foundation's financial information in the City's financial reporting entity for these differences.

During the year ended March 31, 2020, the Public Library Foundation distributed \$239,358 to the City for both restricted and unrestricted purposes. Complete financial statements for the Public Library Foundation may be obtained by writing the Public Library Foundation at P.O. Box 742, Great Falls, Montana, 59403.

Related Organization - Housing Authority

The City Commission appoints all members of the Housing Authority Board, an independent authority that provides safe, decent sanitary, and affordable housing for the community's low income residents and sets policy for the operation and management of public housing properties, HUD, Section 8 program and other affordable housing programs.

C. Basis of Presentation - government-wide financial statements

While separate government-wide and fund financial statements are presented, the financial statements are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. 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.

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

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

1. Summary of Significant Accounting Policies – continued

D. Basis of Presentation - fund financial statements

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund

The General Fund serves as the chief operating fund of the City. The General Fund is used to account for all financial resources not accounted for in some other fund.

Street District Fund

The Street District 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. The major revenue source for this fund is street assessments received.

Federal Block Grant Fund

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

The City reports the following major enterprise 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 the City storm drain system including operation and maintenance and debt service.

Sanitation Fund

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

Port Authority Fund

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

Special State Projects Fund

The Special State Projects Fund is used to account for the Montana Board of Investments loan to finance the Infrastructure Loan Program for ADF Group USA, Inc (ADF).

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

1. Summary of Significant Accounting Policies – continued

D. Basis of Presentation - fund financial statements - continued

Additionally, the City reports the following types:

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 Central Garage, Information Technology, Insurance and Safety, Health and Benefits, Human Resources, City Telephone, Finance, Engineering, Public Works Admin, and Civic Center Facility Service.

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 four agency funds used for the Upper Lower River Road Water Sewer District, the Court, the Flex 1 Plans, and the Payroll.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparations of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the fund included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus/ Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicate the timing of transactions or events for recognition in the financial statements.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

1. Summary of Significant Accounting Policies - continued

E. Measurement Focus/Basis of Accounting – continued

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and private-purpose trust fund are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

F. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash and investments

The City's cash is 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 within the Finance Department. Investment criteria are established via Montana Code Annotated (MCA) 7-6-202 and the City's investment policy. Investments, with limited exceptions, are reported at fair value. Investments, in nonparticipating certificates of deposit are reported at cost. Money market investments, including U.S. Treasury and Agency obligations that mature within one year of acquisition are reported at amortized cost. The difference between amortized cost is deemed immaterial and all investments will be reported at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is determined annually, and required the use of valuation techniques, a specific method or combination of methods using one or more of three approaches: market, cost or income approach.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

1. Summary of Significant Accounting Policies - continued

F. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance – continued

1. Cash and Investments - continued

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 over the FDIC or FSLIC insured amount are required to be secured with a letter of credit or collateral having a market value of at least 100% of the deposit balance. 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.

Except for cash in certain restricted and special funds, the City will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income is allocated to the various funds based on the funds' respective participation and in accordance with generally accepted accounting principles.

Pooling cash assets eliminates the need to maintain uninvested contingency cash for each fund. Cash flow needs can be anticipated for the City as a whole. The fluctuations in cash needs for the individual funds tend to "net out" when combined needs are considered. The total uninvested cash balance for contingencies can be greatly reduced.

2. 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.

3. 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. Since the City records its financial information for governmental funds on a modified accrual basis the timing of cash receipts can result in funds reflecting a deficit cash balance. For year-end reporting purposes most cash deficits within funds are eliminated through usually short term borrowing between the funds resulting in amounts due to and due from other funds. The Golf Course Fund cash deficit is considered a long term borrowing between funds due to the length of time the fund has had a cash deficit.

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

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

1. Summary of Significant Accounting Policies - continued

F. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance – continued

3. Interfund Receivables/Payables - continued

Advances To/From Other Funds - Represent the noncurrent portion of long-term loans between funds within the City. For year-end reporting purposes, the cash deficit for the Golf Course fund has been classified as an advance due to the length of time the fund has had a cash deficit.

4. 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.

5. 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. 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. Capital assets should be depreciated over their estimated useful lives unless they are inexhaustible, or are intangible assets with indefinite useful lives. Some intangible assets such as software are depreciated over their useful lives. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

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 position, 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.

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

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

1. Summary of Significant Accounting Policies - continued

F. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance – continued

6. Equipment Replacement Reserves

The Information Technology and Central Garage internal service funds equipment replacement reserves are funded by a lease 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.

7. Compensated Absences

All full-time City employees accumulate vacation and sick leave hours for later use or for payment upon termination, retirement or death. 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, Street District, Federal Block Grant, Library, Planning & Community Development, Permits, Licenses, Natural Resources, Portage Meadows, Housing Authority, HIDTA Special Revenue, Home Grant, Housing Authority and all governmental internal service funds.

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses) until that time.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

9. Net Position Flow Assumption

Governments fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, the City of Great Falls' flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider assigned fund balance to have been depleted before using any of the components of unassigned fund balance. Further, when the components of restricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

G. Encumbrances

The City does not utilize a formal encumbrance accounting system.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

1. Summary of Significant Accounting Policies - continued

H. Pensions

The Montana Public Employee Retirement Administration (MPERA) prepares its financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA for the purposes of determining the Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions; Pension Expense; the Fiduciary Net Position; and, Additions to or Deductions from Fiduciary Net Positions. Member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable. Benefit payments and refunds are recognized in the accounting period when due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adheres to all accounting principles generally accepted by the United States of America. MPERA applied all applicable pronouncements of Governmental Accounting Standards Board (GASB).

2. Cash and Investments

The composition of the City's cash and investments, including restricted cash and investments on June 30, 2020 was as follows:

	Primary Government	Component Units		
		Business Improvement District	Tourism Business Improvement District	Public Library Foundation
Cash on hand	\$ 15,054	\$ 192	\$ -	\$ -
Deposits in banks	8,317,009	97,646	655,604	143,063
Time deposits	23,005,178	-	-	-
Savings deposits	-	-	-	-
Certificates of deposit	44,514	-	162,349	-
U.S. government securities	11,674,196	-	-	-
Short term investment pool (STIP)	26,977,073	-	-	-
Money market funds	6,340	-	-	99,896
Mutual funds	-	-	-	3,659,582
Equity securities	-	-	-	-
Totals	\$ 70,039,364	\$ 97,838	\$ 817,953	\$ 3,902,541

The City's cash and investments for the primary government at June 30, 2020 are reported as:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	\$ 33,319,413	\$ 24,323,565	\$ 464,070	\$ 58,107,048
Restricted cash and investments	2,638,926	9,293,390	-	11,932,316
Totals	\$ 35,958,339	\$ 33,616,955	\$ 464,070	\$ 70,039,364

At June 30, 2020, the carrying amount of the City's deposits in banks was \$8,317,009 and the bank balance was \$8,765,401. Of the bank balance \$337,568 was covered by federal depository insurance and \$8,427,833 was covered by a letter of credit from a federal home bank in the City's name. The time deposits of \$23,005,178 were covered by federal depository insurance.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

2. Cash and Investments - continued

At June 30, 2020, the carrying amount of deposits for the Great Falls Business Improvement District, a discretely presented component unit, was \$97,838 and the bank balance was \$97,838. Of the bank balance, \$97,838 was covered by federal depository insurance. At June 30, 2020, the Great Falls Business Improvement District had no cash in excess of FDIC insured limits.

At June 30, 2020, the carrying amount of deposits for the Great Falls Tourism Business Improvement District, a discretely presented component unit, was \$817,953 and the bank balance was \$817,953. Of the bank balance, \$736,891 was covered by federal depository insurance. At June 30, 2020, the Great Falls Tourism Improvement District had \$81,062 of cash in excess of FDIC insured limits. This amount was uncollateralized.

At March 31, 2020, the carrying amount of deposits for the Great Falls Public Library Foundation, a discretely present component unit, was \$242,959 and the bank balance was \$242,959. Of the carrying amount of deposits, \$143,063 was covered by federal depository insurance and \$99,986 was covered by Securities Investors Protection Corporation.

Montana statutes require that the City have securities for deposits 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, 2020. The City's policy is to have securities for deposits equal to 100% of its insured or guaranteed yield in the City's name. Types of securities that may be pledged as collateral are detailed in MCA 17-6-103.

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.

Investments by fair value level:

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Certificates of deposit	\$ 44,514	\$ -	\$ 44,514	\$ -
Time deposits	23,005,178	23,005,178	-	-
U.S. treasuries	7,385,030	-	7,385,030	-
U.S. agencies	4,289,166	-	4,289,166	-
Money market funds	6,340	-	6,340	-
Totals	<u>\$ 34,730,228</u>	<u>\$ 23,005,178</u>	<u>\$ 11,725,050</u>	<u>\$ -</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy, as follows, is based on the valuation inputs used to measure fair value. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

- Level 1 Inputs— Quoted prices in active markets for identical assets; these investments are valued using prices quoted in active markets.
- Level 2 Inputs—Significant other observable inputs; these investments are valued using inputs other than Level 1 that observable, either indirectly, such as quoted market prices for similar assets or liabilities, quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by market data for the full term of the assets or liabilities. Level 2 inputs are listed at the values provided by the City's banking institutions and listed on monthly statements.
- Level 3 Inputs—Significant unobservable inputs; these investments are valued using fair value to the

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

2. Cash and Investments – continued

extent that the observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date

The City voluntarily participates in the STIP administered by the Montana Board of Investments (MBOI). STIP is recorded at Net Asset Value. A local government's STIP ownership is represented by shares, the prices of which are fixed at \$1.00 per share, and participants may buy or sell shares with one business days' notice.

STIP administrative expenses are charged daily against the STIP income, which is distributed on the first calendar day of each month. Shareholders have the option to automatically reinvest their distribution income in additional shares. STIP is not registered with the Securities and Exchange Commission. STIP is not FDIC-insured or otherwise insured or guaranteed by the federal government, the State of Montana, the MBOI or any other entity against investment losses, and there is no guaranteed rate of return on funds invested in STIP shares. The MBOI maintains a reserve fund to offset possible losses and limit fluctuations in STIP's valuation. The STIP investment portfolio consists of securities with maximum maturity of 2 years. Information on investments held in the STIP can be found in the Annual Report on the MBOI website at <http://investmentmt.com/AnnualReportsAudits>.

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. The City has the policy of placing restricted investments in the short term investment pool. At June 30, 2020, the City had the following investments:

	Fair Value	Investment Maturities (In Years)	
		Less Than 1	1-5
Cash on hand, deposits in banks, savings deposits	\$ 8,622,089	\$ 8,622,089	\$ -
Certificates of deposit	44,514	44,514	-
Time deposits	23,005,178	23,005,178	-
U.S. treasuries	7,385,030	1,002,952	6,382,078
U.S. agencies	4,289,166	1,459,598	2,829,568
Short term investment pool (STIP)	26,977,073	26,977,073	-
Money market funds	6,340	6,340	-
Totals	<u>\$ 70,329,390</u>	<u>\$ 61,117,744</u>	<u>\$ 9,211,646</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 the FDIC or FSLIC insured amount to be insured by the FDIC or FSLIC and all deposits over the FDIC or FSLIC insured amount 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. Although the STIP investments have been rated by investments security type, STIP, as an external investment pool, has not been rated by the Nationally Recognized Statistical Rating Organizations. More information on STIP is available at the Montana Department of Commerce Board of Investments website at <http://investmentmt.com/STIP>.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

2. Cash and Investments – continued

The U.S. Government Treasury Securities are not considered to have credit risk and do not require disclosure of credit quality. The U.S. Government Agencies Securities are 0.00% in Federal Home Loan Bank which had a credit rating of "AAA" at June 30, 2020; 0.82% in Federal Home Loan Mortgage Corporation which had a credit rating of "AAA" at June 30, 2020; 2.60% in Federal Farm Credit Bureau which had a credit rating of "AAA" at June 30, 2020 and 3.46% in Federal National Mortgage Association which had a credit rating of "AAA" at June 30, 2020.

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.

Restricted Cash and Investments

Cash and investments of \$11,932,316 are restricted by bond covenants, state statute, or for specific purposes as follows:

Governmental Activities

Nonmajor governmental funds

Library - improvements	\$	101,880
Central Montana Ag Tech Park TID - current debt service		48,113
Natural Resources - projects		31,886
West Bank TID Bonds - current debt service	\$	90,068
West Bank TID Bonds - bond reserves	263,925	
West Bank TID Bonds - bonded construction	12,206	
Subtotal West Bank TID Bonds		366,199
SID Bonds - security reserves		179,687

Internal Service funds

Central Garage - vehicle and equipment replacement		1,557,899
Information Technology - information systems	207,629	
Information Technology - vehicle and equipment replacement	6,324	
Subtotal Information Technology		213,953
Engineering - vehicle and equipment replacement		36,922
Public Works Admin - vehicle and equipment replacement		5,271
Civic Center Facility Service - improvements		97,116

Total Governmental Activities

2,638,926

Business Activities

Water

Current debt service	1,191,893	
Bond reserves	1,191,893	
Operating reserves	509,528	
Vehicle and equipment replacement	935,514	
Subtotal Water		3,828,828

Sewer

Current debt service	915,922	
Bond reserves	1,831,843	
Operating reserves	480,645	
Vehicle and equipment replacement	1,032,938	
Subtotal Sewer		4,261,348

Storm Drain

Current debt service	398,907	
Bond reserves	398,907	
Repair and replacement reserves	150,000	
Subtotal Storm Drain		947,814

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

2. Cash and Investments – continued

Restricted Cash and Investments – continued

Sanitation			
Current debt service	127,015		
Bond reserves	48,957		
Subtotal Storm Drain			175,972
Nonmajor enterprise funds			
Parking - vehicle and equipment replacement			49,026
Recreation - vehicle and equipment replacement			-
Civic Center Events - improvements			30,402
Total Business Activities			9,293,390
Total			\$ 11,932,316

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 of Montana Department of Revenue (State) 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, 2020 were within legal limits.

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

The City levies assessments for lighting districts, street maintenance, boulevard maintenance, various special improvement districts (SID) and various special improvement lighting districts (SILD). 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, 2020 consists of the following:

Federal Block Grant:		
Deferred payment loan program (a) (b)	\$ 1,462,916	
Nonmajor governmental funds:		
Home Grant - deferred payment loan program (a)	40,000	
Total		\$ 1,502,916

- (a) The deferred payment loan program for both Federal Block Grant and Home Grant 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.
- (b) The water and sewer loan program was established to stabilize and improve water and sewer service lines by providing financial assistance to landlords and homeowners who own their rental and residential property. Monthly payments are due the first of every month. No interest is charged on these loans. The terms range from ten to eighteen years. The loans are secured by the property and/or equipment. Deferred inflows of resources equal to the balance of the deferred payment loans receivable has been recorded.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

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. Due to the netting from types these are not part of the government-wide statement of net position.

Due to/from other City funds at June 30, 2020 consists of the following:

Receivable Fund	Payable Fund	
Major governmental fund - General Fund	Nonmajor governmental fund - Housing Authority Special Revenue	\$ 44,246
Nonmajor governmental fund - Park & Recreation Special Revenue	Nonmajor enterprise fund - Recreation Enterprise	\$ 26,059
Total		\$ 70,305

Interfund Loans

The advance from the general fund reported in the golf courses fund represents a long-term credit cash balance.

Advances to/from other funds at June 30, 2020 consists of the following:

Receivable Fund	Payable Fund	Amount
Major governmental fund - General Fund	Nonmajor enterprise fund -Golf Courses	\$ 1,285,052
Total		\$ 1,285,052

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. Recurring transfers are authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended.

Transfers to/from other funds for the year ended June 30, 2020 consists of the following:

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

4. Interfund Receivables, Payables, and Transfers - continued

Transfers – continued

Recipient Fund	Amount	Purpose
Nonmajor governmental funds		
Library	\$ 350,000	Transfers from general fund to library for operation support.
Planning & Community Development	271,932	Transfer from general fund to planning & community development for operation support.
Natural Resources	256,277	Transfer from general fund to natural resources for operation support.
Gas Tax BaRSSA	56,620	Transfer from street district fund for match of project.
General Obligation Taxable Bonds	148,545	Transfer from general fund to general obligation taxable bonds for debt service.
	<u>1,083,374</u>	Subtotal of nonmajor governmental funds
Nonmajor enterprise funds		
Swimming Pools	267,861	Transfer from general fund to swimming pools for operations support.
911 Dispatch Center	356,674	Transfer from nonmajor governmental fund - 911 special revenue to 911 dispatch center for dispatch services.
Recreation	39,206	Transfer from general fund to recreation for operation support.
Civic Center Events	<u>265,913</u>	Transfer from general fund to civic center events for operation support.
	<u>929,654</u>	Subtotal of nonmajor enterprise funds
Internal service funds		
Engineering	<u>63,143</u>	Transfer from general fund to engineering for operation support.
	<u>63,143</u>	Subtotal of internal service funds
Total	<u>\$ 2,076,171</u>	

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

5. Due From Other Governments

Amounts due from other governments at June 30, 2020 were as follows:

Fund	Federal	State	County	Other	Total
General	\$ 4,604,686	\$ -	\$ 266,817	\$ -	\$ 4,871,503
Street District	-	-	4,387	-	4,387
Federal Block Grant	72,179	-	-	-	72,179
Nonmajor governmental funds					
Library	1,292	-	89,085	-	90,377
Planning & Community Development	119,505	-	-	-	119,505
Central Montana Ag Tech TID	-	-	22	-	22
Downtown TID	-	-	882	-	882
East Industrial Ag Tech Park TID	-	-	1	-	1
Permits	1,735	-	-	-	1,735
Natural Resources	-	-	534	-	534
Portage Meadows	-	-	34	-	34
Park Maintenance District	-	-	1,227	-	1,227
Support & Innovation	-	-	1,065	-	1,065
HIDTA Special Revenue	58,403	-	-	-	58,403
Home Grant	2,672	-	-	-	2,672
Housing Authority	-	-	-	93,857	93,857
Street Lighting Districts	-	-	1,192	-	1,192
Soccer Park GO Bond	-	-	110	-	110
West Bank TID Bonds	-	-	3,606	-	3,606
Master Debt SILD	-	-	13	-	13
Subtotal nonmajor governmental funds	183,607	-	97,771	93,857	375,235
Enterprise funds					
Water	312	-	-	-	312
Sewer	3,637	-	-	-	3,637
911 Dispatch	418,462	-	-	-	418,462
Recreation	1,650	-	-	-	1,650
Subtotal enterprise funds	424,061	-	-	-	424,061
Internal service funds					
Central garage	2,910	-	-	-	2,910
Information technology	26,335	-	-	-	26,335
Human resources	55	-	-	-	55
Finance	55	-	-	-	55
Public works admin	480	-	-	-	480
Civic center facility service	852	-	-	-	852
Subtotal internal service funds	30,687	-	-	-	30,687
Totals	\$ 5,315,220	\$ -	\$ 368,975	\$ 93,857	\$ 5,778,052

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

6. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Transfers In	Decreases	Transfers Out	Ending Balance
<u>Governmental activities</u>						
Capital assets, not being depreciated:						
Land	\$ 9,816,152	\$ -	\$ -	\$ -	\$ -	\$ 9,816,152
Construction in Progress	3,499,821	3,731,233	-	-	(3,584,381)	3,646,673
	<u>13,315,973</u>	<u>3,731,233</u>	<u>-</u>	<u>-</u>	<u>(3,584,381)</u>	<u>13,462,825</u>
Capital assets, being depreciated:						
Buildings	15,180,282	15,197	-	-	-	15,195,479
Improvements	44,355,583	258,571	3,460,258	-	(229,923)	47,844,489
Intangible	492,182	-	-	-	-	492,182
Machinery and equipment	24,393,622	2,226,904	124,123	(3,104,880)	-	23,639,769
Infrastructure	75,367,597	2,646,359	-	-	-	78,013,956
	<u>159,789,266</u>	<u>5,147,031</u>	<u>3,584,381</u>	<u>(3,104,880)</u>	<u>(229,923)</u>	<u>165,185,875</u>
Less accumulated depreciation for:						
Buildings	(9,778,583)	(340,168)	-	-	-	(10,118,751)
Improvements	(24,347,636)	(1,756,054)	-	-	-	(26,103,690)
Machinery and equipment	(14,953,010)	(1,758,212)	-	2,917,059	229,923	(13,564,240)
Intangible	(273,906)	-	-	-	-	(273,906)
Infrastructure	(52,909,909)	(1,577,820)	-	-	-	(54,487,729)
	<u>(102,263,044)</u>	<u>(5,432,254)</u>	<u>-</u>	<u>2,917,059</u>	<u>229,923</u>	<u>(104,548,316)</u>
Total capital assets, being depreciated, net	<u>57,526,222</u>	<u>(285,223)</u>	<u>3,584,381</u>	<u>(187,821)</u>	<u>-</u>	<u>60,637,559</u>
Governmental activities capital assets, net	<u>\$ 70,842,195</u>	<u>\$ 3,446,010</u>	<u>\$ 3,584,381</u>	<u>\$ (187,821)</u>	<u>\$ (3,584,381)</u>	<u>\$ 74,100,384</u>
<u>Business-type activities</u>						
Capital assets, not being depreciated:						
Land	\$ 3,948,391	\$ -	\$ -	\$ -	\$ -	\$ 3,948,391
Construction in Progress	43,648,677	9,611,495	-	-	(14,422,832)	38,837,340
	<u>47,597,068</u>	<u>9,611,495</u>	<u>-</u>	<u>-</u>	<u>(14,422,832)</u>	<u>42,785,731</u>
Capital assets, being depreciated:						
Buildings	34,461,085	-	-	(14,458)	-	34,446,627
Improvements	145,529,705	1,754,639	9,560,243	(78,132)	-	156,766,455
Machinery and equipment	14,154,483	250,177	-	(288,218)	-	14,116,442
Infrastructure	91,011,300	214,738	4,862,589	-	-	96,088,627
	<u>285,156,573</u>	<u>2,219,554</u>	<u>14,422,832</u>	<u>(380,808)</u>	<u>-</u>	<u>301,418,151</u>
Less accumulated depreciation for:						
Buildings	(19,890,278)	(829,227)	-	-	-	(20,719,505)
Improvements	(67,358,557)	(6,893,515)	-	-	-	(74,252,072)
Machinery and equipment	(9,149,923)	(767,483)	-	269,775	-	(9,647,631)
Infrastructure	(51,491,004)	(1,933,910)	-	-	-	(53,424,914)
	<u>(147,889,762)</u>	<u>(10,424,135)</u>	<u>-</u>	<u>269,775</u>	<u>-</u>	<u>(158,044,122)</u>
Total capital assets, being depreciated, net	<u>137,266,811</u>	<u>(8,204,581)</u>	<u>14,422,832</u>	<u>(111,033)</u>	<u>-</u>	<u>143,374,029</u>
Business-type activities capital assets, net	<u>\$ 184,863,879</u>	<u>\$ 1,406,914</u>	<u>\$ 14,422,832</u>	<u>\$ (111,033)</u>	<u>\$ (14,422,832)</u>	<u>\$ 186,159,760</u>

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

6. Capital Assets - continued

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

<u>Governmental activities</u>	
General government	\$ 800,241
Public safety	212,049
Public works	3,395,016
Culture and recreation	688,426
Housing and development	336,522
Total governmental activities	\$ 5,432,254
<u>Business-type activities</u>	
Water	\$ 3,740,167
Sewer	3,770,774
Storm Drain	1,583,282
Sanitation	289,024
Port Authority	116,806
Special State Projects	277,767
Other	646,315
Total business-type activities	\$ 10,424,135

Discretely Presented Component Unit

Capital assets activity for the Business Improvement District for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Buildings and improvements	\$ -	\$ -	\$ -	\$ -
Equipment	62,666	10,279	-	72,945
	62,666	10,279	-	72,945
Less accumulated depreciation for	(26,054)	(9,711)	-	(35,765)
Total capital assets, being depreciated, net	36,612	568	-	37,180
Business Improvement District				
capital assets, net	\$ 36,612	\$ 568	\$ -	\$ 37,180

7. 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, 2020 were as follows:

Governmental activities	\$ 4,578,755
Business-type activities	606,307
Total	\$ 5,185,062

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

7. Long-Term Debt - continued

Lease purchase
Major Governmental – General Fund

The City Commission on March 17, 2020 authorized the lease purchase of \$1,992,461 for the purchase of public safety communication equipment. The term of the lease purchase was for ten (10) years with an interest rate of 2.87%.

Annual debt service requirements to maturity for the lease purchase are as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2021	\$ 178,458	\$ 53,112	\$ 231,570
2022	179,507	52,063	231,570
2023	184,659	46,911	231,570
2024	189,959	41,611	231,570
2025	195,410	36,160	231,570
2026-2030	1,064,468	93,382	1,157,850
Totals	<u>\$ 1,992,461</u>	<u>\$ 323,239</u>	<u>\$ 2,315,700</u>

Loans and Contracts Payable
Major Governmental – General Fund

The City Commission on December 1, 2015, authorized the borrowing of \$801,098 with only \$796,859 being drawn in Intercap funds for the purchase of two (2) fire trucks. The term of the loan was ten (10) years with an initial interest rate of 1.25%.

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 General Fund revenue. The interest calculations are projected based on the current interest rate charged of 2.5%.

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

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2021	\$ 70,943	\$ 7,260	\$ 78,203
2022	71,833	9,626	81,459
2023	72,734	7,825	80,559
2024	73,646	6,001	79,647
2025	74,568	4,154	78,722
2026	75,512	2,384	77,896
Totals	<u>\$ 439,236</u>	<u>\$ 37,250</u>	<u>\$ 476,486</u>

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

7. Long-Term Debt - continued

Loans and Contracts Payable - continued
Nonmajor Governmental - Master Debt SILD Fund

The City Commission, on December 18, 2007, authorized 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 borrowing was paid off in Fiscal Year 2020.

The City Commission, on June 16, 2015, authorized the borrowing of \$58,000 in InterCap funds by the General Fund for the purpose of designing and installing city street lights in Stone Meadows Addition Phase II. The term of the loan was fifteen (15) years with an initial interest rate of 1.25%.

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 2.50%.

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

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2021	\$ 2,813	\$ 532	\$ 3,345
2022	2,848	661	3,509
2023	2,884	590	3,474
2024	2,920	518	3,438
2025	2,956	444	3,400
2026-2030	15,349	1,090	16,439
2031	1,589	2	1,591
Totals	\$ 31,359	\$ 3,837	\$ 35,196

The City follows the policy of early redemption on these loans resulting in the larger debt service requirement in Fiscal Year 2020.

Major Enterprise Fund – Sanitation

The City Commission, on March 15, 2016, authorized the borrowing of \$1,540,000 in InterCap funds for the purpose of purchasing six (6) sanitation trucks. The term of the loan was six (6) years with an initial interest rate of 2.50%. The loan is on a reimbursement basis.

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 the Sanitation enterprise fund. The interest calculations are projected based on the current interest rate charged of 2.50%.

The more significant provisions and covenants require that reserves be maintained for debt service 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. Operating expenses include current expenses of operation, maintenance and minor repair of the system, excluding interest on bonds and depreciation. At June 30, 2020 the City was in compliance with all significant provisions and covenants.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

7. Long-Term Debt - continued

Loans and Contracts Payable - continued
Major Enterprise Fund – Sanitation - continued

Shown below are the bond reserves of the Sanitation fund and the calculation of the coverage covenant as of June 30, 2020.

<u>Bond Reserves</u>	
Bond covenant reserve account	\$ 127,015
Debt service account	48,958
Total reserves	<u>\$ 175,973</u>
<u>Coverage Covenant Calculation</u>	
Gross revenues	\$ 4,240,533
Operating expenses	(3,651,604)
Net revenues	<u>\$ 588,929</u>
Maximum annual debt service requirement	<u>\$ 251,849</u>
Percent coverage	<u>233.84%</u>
Percent coverage required	<u>125.00%</u>

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

Year Ending	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30</u>			
2021	\$ 244,800	\$ 7,049	\$ 251,849
2022	244,776	1,530	246,306
Totals	<u>\$ 489,576</u>	<u>\$ 8,579</u>	<u>\$ 498,155</u>

Additional Covenant Requirements: Debt covenants require information in addition to the operating results already provided within the Financial Section to be presented annually, but 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.

Notes Payable
Port Authority Fund

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 for the Centene project. 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.

The Great Falls Port Authority on November 30, 2007, authorized the borrowing of \$4,763,794, from the Montana Board of Investments (MBOI) Infrastructure Loan Program for the purpose of financing infrastructure improvements for the Centene project 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.

Special State Projects Fund

The City Commission, on April 15, 2014, authorized the borrowing of \$4,999,800 from the MBOI Infrastructure Loan Program for the purpose of funding an infrastructure project that provides facilities/services to basic sector businesses. The project was the construction of a new structural steel fabrication complex. This complex is leased to ADF Group USA, Inc. (ADF) at the monthly rental fee of \$31,955 for fifteen years, which is equal to the infrastructure loan payments. ADF has an option reserved for the purchase of the lease upon full satisfaction of

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

7. Long-Term Debt - continued

Notes Payable - continued

the City's obligation under the note at any time without penalty. The term of the note is fifteen (15) years with an interest rate of 1.98%.

Notes payable outstanding at June 30, 2020 are as follows:

	<u>Business-Type Activities</u>					
	<u>Start Date</u>	<u>Interest Rate</u>	<u>Term (Years)</u>	<u>Maturity Date</u>	<u>Loan Issued</u>	<u>Balance June 30, 2020</u>
Port Authority Improvements	03-02-2005	4.00%	20	10-01-2025	\$ 1,075,000	\$ 374,638
Port Authority Improvements	11-30-2007	4.43%	18 ¼	09-30-2025	4,763,794	1,835,238
Special State Projects Improvements	04-18-2014	1.98%	15	04-15-2029	4,999,800	3,131,359
Total						\$ 5,341,235

Annual debt service requirements to maturity for the notes payable are as follows:

<u>Year Ending June 30</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 700,660	\$ 147,929	\$ 848,589
2022	723,867	124,723	848,590
2023	747,948	100,641	848,589
2024	772,759	75,831	848,590
2025	798,871	49,718	848,589
2026-2029	1,597,130	59,342	1,656,472
Totals	\$ 5,341,235	\$ 558,184	\$ 5,899,419

General Obligation Bonds

Nonmajor Governmental - Soccer Park GO Bond

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. The Great Falls Soccer Foundation partnered with the City to construct the Seibel Soccer Park. In March 2014, these bonds were refunded by Series 2014A Soccer for a term of ten (10) years with variable interest rates between 2.00% and 2.55%.

General obligation bonds outstanding at June 30, 2020, 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, 2020</u>
Series 2014A Soccer	04-03-2014	2.00 - 2.55%	10	07-01-2024	\$ 1,480,000	\$ 620,000

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

7. Long-Term Debt - continued

General Obligation Bonds - continued

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

Year Ending <u>June 30</u>	Governmental Activities		
	Principal	Interest	Total
2021	\$ 150,000	\$ 14,749	\$ 164,749
2022	155,000	11,249	166,249
2023	155,000	7,761	162,761
2024	160,000	4,080	164,080
Totals	\$ 620,000	\$ 37,839	\$ 657,839

Additional Covenant Requirements: Debt covenants require information in addition to the operating results already provided within the Financial Section to be presented annually, but 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 the annual report regarding property values, city indebtedness and city tax rates, levies, city population and collections.

General Obligation Taxable Bonds

Nonmajor Governmental - General Obligation Taxable Bonds

The City Commission, on December 6, 2005, authorized 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 a 250 MW coal fire generation plant. In March 2014, this note was refunded by the issuance of limited tax general obligation refund bonds Series 2014B for a term of eight (8) years with variable interest rates between 1.00% and 3.60%. These bonds are not unlimited tax general obligation bonds of the City and the full faith, credit and taxing power of the City will not be pledged to the payment thereof.

Limited tax general obligation bonds (taxable) outstanding at June 30, 2020, are as follows:

	Issue Date	Interest Rate	Term (Years)	Maturity Date	Bonds Issued	Balance June 30, 2020
Series 2014B Limited Tax General Obligation Bonds (Taxable)	04-03-2014	1.00 - 3.60%	8	07-01-2022	\$ 1,065,000	\$ 275,000

Annual debt service requirements to maturity for limited tax general obligation bonds (taxable) are as follows:

Year Ending <u>June 30</u>	Governmental Activities		
	Principal	Interest	Total
2021	\$ 135,000	\$ 9,495	\$ 144,495
2022	140,000	5,040	145,040
Totals	\$ 275,000	\$ 14,535	\$ 289,535

Additional Covenant Requirements: Debt covenants require information in addition to the operating results already provided within the Financial Section to be presented annually, but 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

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

7. Long-Term Debt – continued

General Obligation Taxable Bonds-continued

Nonmajor Governmental - General Obligation Taxable Bonds

Annual Financial Report. Required information includes the annual report regarding property values, city indebtedness and city tax rates, levies, city population and collections.

Urban Renewal Tax Increment Bonds Payable

Nonmajor Governmental - West Bank Tax Increment District Bonds

The City Commission, on March 3, 2009, authorized the issuance of West Bank Urban Renewal District Tax Increment Revenue Bonds, Series 2009A to pay costs of public improvements associated with the Federal Courthouse/4th Avenue NW Urban Renewal Project. The bonds are being repaid from the tax increments received by the City from its West Bank urban renewal area. The bonds were refunded using West Bank Urban Renewal Revenue and Refunding Bonds, Series 2020 on June 30, 2020.

The City Commission, on February 21, 2012, authorized the issuance of West Bank Urban Renewal Refunding Revenue Bonds, Series 2012 to refund the City's outstanding Tax Increment Urban Renewal Subordinate Lien Revenue Note, Series 2009A. The bonds are being repaid from the tax increments received by the City from its West Bank urban renewal area.

The City Commission, on April 21, 2020, authorized the issuance of West Bank Urban Renewal Revenue and Refunding Bonds, Series 2020 to refund the City's outstanding West Bank Urban Renewal District Tax Increment Revenue Bonds, Series 2009A and to pay costs of public improvements associated with West Bank, LLC. The bonds are being repaid from the tax increments received by the City from its West Bank urban renewal area.

Tax increment bonds outstanding at June 30, 2020 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, 2020</u>
Series 2012	03-01-2012	2.00 - 4.00%	20	07-01-2032	\$ 855,000	\$ 570,000
Series 2020	04-28-2020	3.00 - 4.00%	20	07-01-2040	3,200,000	<u>3,020,000</u>
Total						<u><u>\$ 3,590,000</u></u>

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

Year Ending June 30	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 125,000	\$ 134,660	\$ 259,660
2022	130,000	130,910	260,910
2023	135,000	126,930	261,930
2024	140,000	122,740	262,740
2025	145,000	118,338	263,338
2026-2030	800,000	515,028	1,315,028
2031-2035	955,000	349,600	1,304,600
2036-2040	<u>1,160,000</u>	<u>142,600</u>	<u>1,302,600</u>
Totals	<u><u>\$ 3,590,000</u></u>	<u><u>\$ 1,640,806</u></u>	<u><u>\$ 5,230,806</u></u>

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

7. Long-Term Debt - continued

Urban Renewal Tax Increment Bonds Payable - continued

Nonmajor Governmental - West Bank Tax Increment District Bonds - continued

The City issued the West Bank Urban Renewal Tax Increment bonds pursuant to Resolutions No. 9815 and 10343 which includes various restrictive provisions and covenants. The more significant provisions and covenants require that reserves be maintained for debt service. The resolution also requires that the tax increment tax collected and available for debt service is at least 1.40 times coverage on total tax increment parity debt above the amount of tax increment taxes received. At June 30, 2020, the City was in compliance with all significant provisions and covenants.

Shown below are the parity note reserves of the West Bank Tax Increment Fund and the calculation of the coverage covenant.

	Parity
<u>Bond reserves</u>	
Debt service account	\$ 90,068
Bond covenant reserve account	263,925
Total bond reserves	\$ 353,993
<u>Coverage covenant calculation</u>	
Increment taxes collected and available	\$ 797,831
Maximum annual debt service	\$ 263,925
Debt service coverage	3.02x
Debt Service coverage required	1.40x

Additional Covenant Requirements: Debt covenants require information in addition to the operating results already provided within the Financial Section to be presented annually, but 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, the incremental taxable value of property, the ten major taxpayers within the West Bank Urban Renewal Area, and the West Bank Renewal Tax Increment District Debt Service Fund - Statement of Revenues, Expenditures and Changes in Fund Balance all years.

Special Assessment Debt

Nonmajor Governmental - Improvement District Revolving

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 does not have adequate resources 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.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

7. Long-Term Debt - continued

Special Assessment Debt - continued

Nonmajor Governmental - Improvement District Revolving - continued

Special assessment bonds outstanding at June 30, 2020 are as follows:

<u>Sid No.</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Term (Years)</u>	<u>Maturity Date</u>	<u>Bonds Issued</u>	<u>Balance June 30, 2020</u>
1301	05-15-2005	3.50 - 5.00%	15	08-01-2020	\$ 630,000	\$ 35,000
Total						<u>\$ 35,000</u>

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.

Additional Covenant Requirements: Debt covenants require information in addition to the operating results already provided within the Financial Section to be presented annually, but 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 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.

Tax Increment Bonds Payable

Nonmajor Governmental – Central Montana Ag Tech Park TID

The City Commission, on December 17, 2019, authorized the issuance of Tax Increment Industrial Infrastructure Revenue Bonds (DNRC), Series 20020 to pay costs of public storm drain improvements. The bonds are being repaid from the tax increments received by the City from its Central Montana Ag Tech Park TID.

Tax increment bonds outstanding at June 30, 2020 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, 2020</u>
Central Montana Techpark TID	02-05-2020	2.50%	20	01-01-2040	\$ 1,500,000	\$ 963,920
Total						<u>\$ 963,920</u>

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

7. Long-Term Debt - continued

Tax Increment Bonds Payable - continued

Nonmajor Governmental – Central Montana Ag Tech Park TID - continued

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

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2021	\$ 60,000	\$ 36,400	\$ 96,400
2022	61,000	36,400	97,400
2023	62,000	34,900	96,900
2024	64,000	33,363	97,363
2025	66,000	31,800	97,800
2026-2030	245,920	134,014	379,934
2031-2035	405,000	33,926	438,926
Totals	\$ 963,920	\$ 340,803	\$ 1,304,723

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, 2020 are as follows:

	Issue Date	Interest Rate	Term (Years)	Maturity Date	Bonds Issued	Balance June 30, 2020
	Water 2000, Amended & Restated	01-16-2013	2.00%	8	01-01-2021	\$ 1,487,000
Water 2008, Amended & Restated	01-16-2013	3.00%	16	07-01-2028	3,225,000	1,848,000
Water 2009	07-16-2009	1.75%	20	07-01-2029	333,700	166,000
Water 2014	12-05-2014	2.50%	20	07-01-2034	2,700,893	2,026,893
Water 2016	07-27-2016	2.50%	20	07-01-2036	10,000,000	8,406,000
Water 2017	08-03-2017	2.50%	20	07-01-2037	10,000,000	8,797,000
Water 2018	01-23-2018	2.50%	20	01-01-2038	8,600,000	7,744,000
Sewer 2002, Amended & Restated	01-16-2013	2.00%	9	01-01-2022	5,590,000	999,000
Sewer 2009	10-01-2009	1.75%	20	07-01-2029	309,816	151,000
Sewer 2012	08-03-2012	3.00%	20	07-01-2032	3,800,000	2,373,000
Sewer 2013A	06-26-2013	3.00%	20	07-01-2033	7,084,000	5,066,000
Sewer 2013B	04-11-2014	3.00%	20	01-01-2034	7,084,000	4,707,000
Storm Drain 2004, Amended & Restated	01-16-2013	2.25%	11	01-01-2024	2,776,000	959,000
Storm Drain 2016	09-27-2016	2.50%	20	07-01-2036	5,000,000	3,930,000
Storm Drain 2018	05-30-2018	2.50%	20	01-01-2038	3,270,000	2,944,000
Total						\$50,216,893

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

7. Long-Term Debt - continued

Revenue Bonds Payable - continued

Year Ending June 30	Business-Type Activities		
	Principal	Interest	Total
2021	3,722,000	1,291,443	5,013,443
2022	3,370,000	1,198,648	4,568,648
2023	3,117,000	1,114,788	4,231,788
2024	3,054,000	1,032,036	4,086,036
2025	2,994,000	944,987	3,938,987
2026-2030	15,663,000	3,468,547	19,131,547
2031-2035	14,318,893	1,439,128	15,758,021
2036-2038	3,978,000	228,177	4,206,177
Totals	<u>\$ 50,216,893</u>	<u>\$ 10,717,754</u>	<u>\$ 60,934,647</u>

Water Bond Covenants

The City issued the water system bonds pursuant to resolutions authorizing each debt issue, 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 110% 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, 2020 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, 2020.

Bond Reserves

Operating account	\$ 509,528
Debt service account	1,191,893
Bond covenant reserve account	1,191,893
Total revenue bond reserves	<u>\$ 2,893,314</u>
Repair and replacement account	935,514
Total reserves	<u>\$ 3,828,828</u>

Coverage Covenant Calculation

Gross revenues	\$ 13,949,700
Operating expenses	(6,083,608)
Net revenues	<u>\$ 7,866,092</u>
Maximum annual debt service requirement	<u>\$ 2,383,785</u>
Percent coverage	<u>329.98%</u>
Percent coverage required	<u>110.00%</u>

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

7. Long-Term Debt - continued

Revenue Bonds Payable - continued
Water Bond Covenants - continued

Additional Covenant Requirements: Debt covenants require information in addition to the operating results already provided within the Financial Section to be presented annually, but 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 updated figures for the number of system connections, user rates, major system users, and water system historical operating results.

Sewer Bond Covenants

The City issued the sewer system bonds pursuant to resolutions authorizing each debt issue, 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, 2020, the City was in compliance with all significant provisions and covenants.

Shown below are the bond reserves of the Sewer fund and the calculation of the coverage covenant as of June 30, 2020.

Bond Reserves

Operating account	\$ 480,645
Debt service account	915,922
Bond covenant reserve account	<u>1,831,843</u>
Total revenue bond reserves	\$ 3,228,410
Repair and replacement account	<u>1,032,938</u>
Total reserves	<u>\$ 4,261,348</u>

Coverage Covenant Calculation

Gross revenues	\$ 11,910,804
Operating expenses	<u>(6,020,062)</u>
Net revenues	<u>\$ 5,890,742</u>
Maximum annual debt service requirement	<u>\$ 1,831,843</u>
Percent coverage	<u>321.57%</u>
Percent coverage required	<u>125.00%</u>

Additional Covenant Requirements: Debt covenants require information in addition to the operating results already provided within the Financial Section to be presented annually, but 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 updated figures for the number of system connections, user rates, major system users, and sewer system historical operating results.

Storm Drain Bond Covenants

The City issued the storm drain system bonds pursuant to resolutions authorizing each debt issue, 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 110% of the maximum principal and interest to become due in any year. Net revenues

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

7. **Long-Term Debt - continued**

Revenue Bonds Payable - continued
Storm Drain Bond Covenants - continued

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, 2020, the City was in compliance with all significant provisions and covenants.

Shown below are the bond reserves of the Storm Drain fund and the calculation of the coverage covenant as of June 30, 2020.

Bond Reserves

Bond covenant reserve account	\$ 398,907
Debt service account	\$ 398,907
Total revenue bond reserves	<u>\$ 797,814</u>
Repair and replacement account	150,000
Total reserves	<u>\$ 947,814</u>

Coverage Covenant Calculation

Gross revenues	\$ 3,110,007
Operating expenses	(782,800)
Net revenues	<u>\$ 2,327,207</u>
Maximum annual debt service requirement	<u>\$ 797,815</u>
Percent coverage	<u>291.70%</u>
Percent coverage required	<u>110.00%</u>

Additional Covenant Requirements: Debt covenants require information in addition to the operating results already provided within the Financial Section to be presented annually, but 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 updated figures for the number of system connections, user rates, major system users, and storm drain system historical operating results.

Net Pension Liability

Public Employees' Retirement System (PERS)

At June 30, 2020, the City recorded a liability \$23,100,228 for its proportionate share of the net pension liability. The net pension liability was determined by an actuarial valuation as of June 30, 2019, with update procedures to roll forward the Total Pension Liability to the measurement date of June 30, 2020. The City's proportion of the net pension liability was based on the employer's contributions received by PERS during the measurement period July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERS' participating employers. At June 30, 2020 the City's proportion was 1.10%.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

7. Long-Term Debt - continued

Net Pension Liability – continued

Firefighters' Unified Retirement System (FURS)

At June 30, 2020, the City recorded a liability of \$3,428,389 for its proportionate share of the net pension liability. The net pension liability was determined by an actuarial valuation as of June 30, 2019, with update procedures to roll forward the Total Pension Liability to the measurement date of June 30, 2020. The City's proportion of the net pension liability was based on the employer's contributions received by FURS during the measurement period July 1, 2018 through June 30, 2019, relative to the total employer contributions received from all of FURS' participating employers. At June 30, 2020 the City's proportion was 2.98%.

Municipal Police Officers' Retirement System (MPORS)

At June 30, 2020, the City recorded a liability of \$8,319,897 for its proportionate share of the net pension liability. The net pension liability was determined by an actuarial valuation as of June 30, 2019, with update procedures to roll forward the Total Pension Liability to the measurement date of June 30, 2020. The City's proportion of the net pension liability was based on the employer's contributions received by MPORS during the measurement period July 1, 2018 through June 30, 2019, relative to the total employer contributions received from all of MPORS' participating employers. At June 30, 2020 the City's proportion was 4.17%.

The City is using a June 30, 2019 measurement date for the pension liabilities, with a June 30, 2020 reporting date.

Other Post-Employment Benefits (OPEB) Payable

Internal Service - Health & Benefits

OPEB payable, representing benefits earned by employees but payable after retirement, as of June 30, 2020 were as follows:

Governmental activities - internal service - health & benefits fund	\$8,426,068
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No governmental fund has been used to liquidate the net pension obligation or net other post-employment benefit obligations.

For additional information, see Note 11.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

7. Long-Term Debt - continued

Changes in Noncurrent liabilities

During the year ended June 30, 2020 the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Compensated absences	\$ 4,277,501	\$ 619,151	\$ (317,897)	\$ 4,578,755	\$ 362,066
Lease Purchase	-	1,992,461	-	1,992,461	178,458
Loans and contracts payable					
General Fund	509,301	-	(70,065)	439,236	70,943
Master Debt SILD	34,274	-	(2,915)	31,359	2,813
General obligation bonds payable					
Soccer Park Bond	765,000	-	(145,000)	620,000	150,000
General obligation taxable bonds payable	410,000	-	(135,000)	275,000	135,000
Urban renewal tax increment bonds payable					
West Bank TID Series 2009A	1,505,000	-	(1,505,000)	-	-
West Bank TID Series 2012	610,000	-	(40,000)	570,000	40,000
West Bank TID Series 2020	-	3,200,000	(180,000)	3,020,000	85,000
Special assessment debt					
SID No. 1301	35,000	-	-	35,000	35,000
TIF Bonds Payable					
Central MT Ag Techpark TID	-	992,920	(29,000)	963,920	60,000
Net pension liability	26,024,674	1,632,790	-	27,657,464	-
OPEB claims payable	7,149,924	1,276,144	-	8,426,068	-
Totals	<u>\$ 41,320,674</u>	<u>\$ 9,713,466</u>	<u>\$ (2,424,877)</u>	<u>\$ 48,609,263</u>	<u>\$ 1,119,280</u>
<u>Business-type activities</u>					
Compensated absences	\$ 584,766	\$ 81,002	\$ (59,461)	\$ 606,307	\$ 68,816
Loans and contracts payable					
Sanitation	734,376	-	(244,800)	489,576	244,800
Notes payable					
Port Authority Improvements 2005	436,466	-	(61,828)	374,638	64,347
Port Authority Improvements 2007	2,133,501	-	(298,263)	1,835,238	311,985
State Special Projects Improvements	3,449,160	-	(317,801)	3,131,359	324,328
Revenue bonds payable					
Water 2000, Amended & Restated	297,000	-	(197,000)	100,000	100,000
Water 2008, Amended & Restated	2,050,000	-	(202,000)	1,848,000	208,000
Water 2009	182,000	-	(16,000)	166,000	17,000
Water 2014	2,145,893	-	(119,000)	2,026,893	123,000
Water 2016	8,829,000	-	(423,000)	8,406,000	433,000
Water 2017	9,208,000	-	(411,000)	8,797,000	421,000
Water 2018	8,093,000	-	(349,000)	7,744,000	358,000
Sewer 2002, Amended & Restated	1,651,000	-	(652,000)	999,000	663,000
Sewer 2005	630,000	-	(630,000)	-	-
Sewer 2009	167,000	-	(16,000)	151,000	16,000
Sewer 2012	2,531,000	-	(158,000)	2,373,000	163,000
Sewer 2013A	5,380,000	-	(314,000)	5,066,000	324,000
Sewer 2013B	4,987,000	-	(280,000)	4,707,000	288,000
Storm Drain 2004, Amended & Restated	1,219,000	-	(260,000)	959,000	266,000
Storm Drain 2016	4,133,000	-	(203,000)	3,930,000	207,000
Storm Drain 2018	3,077,000	-	(133,000)	2,944,000	135,000
Net pension liability	6,944,717	246,333	-	7,191,050	-
Totals	<u>\$ 68,862,879</u>	<u>\$ 327,335</u>	<u>\$ (5,345,153)</u>	<u>\$ 63,845,061</u>	<u>\$ 4,736,276</u>

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

8. Tax Abatements

In accordance with GASB Statement 77, *Tax Abatement Disclosures* requires disclosure of tax abatement information about a reporting government's own tax abatement and those that are entered into by other governments and that reduce the reporting government's tax revenue.

The City of Great Falls provides tax abatements under three programs: 1) Remodeling, reconstruction or expansion of buildings or structures, 2) New and expanding industry, and 3) Historic property tax abatement.

All three of these programs do not receive tax abatement until after the construction is completed.

9. Employee Benefit Plans

Public Employees' Retirement System (PERS)

Plan Description – PERS- Defined Contribution Retirement Plan (DCRP)

The City contributed to the state of Montana Public Employee Retirement System Defined Contribution Retirement Plan (PERS-DCRP) for employees that have elected the DCRP. The PERS- DCRP is administered by the PERB and is reported as a multiple-employer plan established July 1, 2002, and governed by Title 19, chapters 2 & 3, MCA.

All new PERS members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the defined benefit and defined contribution retirement plans.

Members and employer contribution rates are specified by state law and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers. The state Legislature has the authority to establish and amend contribution rates.

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

At the plan level for the measurement period ended June 30, 2019, the PERS-DCRP employer did not recognize any net pension liability or pension expense for the defined contribution plan. Plan level non-vested forfeitures for the 320 employers that have participants in the PERS-DCRP totaled \$714,024.

Plan Description – PERS- Defined Benefit Retirement Plan (DBRP)

The PERS-Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, Montana Code Annotated (MCA). This plan provides retirement benefits to cover employees of the State, and local governments, and certain employees of the Montana University System, and school districts. Benefits are established by state law and can be amended by the Legislature.

All new members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the defined benefit and defined contribution retirement plans. All new members from the universities also have a third option to join the university system's Montana University System Retirement Program (MUS-RP).

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

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

9. Employee Benefit Plans

Public Employees' Retirement System (PERS) - continued

Summary of Benefits

Eligibility for benefit

Service retirement:

Hired prior to July 1, 2011:

- Age 60, 5 years of membership service;
- Age 65, regardless of membership service; or
- Any age, 30 years of membership service.

Hired on or after July 1, 2011:

- Age 65, 5 years of membership service;
- Age 70, regardless of membership service.

Early retirement (actuarially reduced):

Hired prior to July 1, 2011:

- Age 50, 5 years of membership service; or
- Any age, 25 years of membership service.

Hired on or after July 1, 2011:

- Age 55, 5 years of membership service.

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

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

Member's highest average compensation (HAC):

Hired prior to July 1, 2011 - the highest average compensation during any consecutive 36 months;

Hired on or after July 1, 2011 - the highest average compensation during any consecutive 60 months;

Compensation Cap

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

Monthly benefit formula

- 1) Members hired prior to July 1, 2011:
 - a. Less than 25 years of membership service: 1.785% of HAC per year of service credit;
 - b. 25 years of membership service or more: 2% of HAC per year of service credit.

Vesting

5 years of membership service

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

9. Employee Benefit Plans – continued

Public Employees' Retirement System (PERS) - continued
Summary of Benefits – continued

- 2) Members hired on or after July 1, 2011:
- a. Less than 10 years of membership service: 1.5% of HAC per year of service credit;
 - b. 10 years or more, but less than 30 years of membership service: 1.785% of HAC per year of service credit;
 - c. 30 years or more of membership service: 2% of HAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)

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

3% for members hired prior to July 1, 2007;

1.5% for members hired on or after July 1, 2007 and June 30, 2013

Members hired on or after July 1, 2013:

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

Overview of Contributions

The state Legislature has the authority to establish and amend contribution rates. Member and employer contribution rates are specified by Montana Statute and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers.

Special Funding

The state of Montana, as the non-employer contributing entity, paid to the Plan additional contributions that qualify as special funding. Those employers who received special funding are all participating employers.

Not Special Funding

Per Montana law, state agencies and universities paid their own additional contributions. The employer paid contributions are not accounted for as special funding for state agencies and universities but are reported as employer contributions.

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

Fiscal Year	Member		State & Universities	Local Government		School Districts	
	Hired <7/01/11	Hired >7/01/11	Employer	Employer	State	Employer	State
2020	7.900%	7.900%	8.77%	8.670%	0.100%	8.400%	0.370%
2019	7.900%	7.900%	8.67%	8.570%	0.100%	8.300%	0.370%
2018	7.900%	7.900%	8.57%	8.470%	0.100%	8.200%	0.370%
2017	7.900%	7.900%	8.47%	8.370%	0.100%	8.100%	0.370%
2016	7.900%	7.900%	8.37%	8.270%	0.100%	8.000%	0.370%
2015	7.900%	7.900%	8.27%	8.170%	0.100%	7.900%	0.370%
2014	7.900%	7.900%	8.17%	8.070%	0.100%	7.800%	0.370%
2012-2013	6.900%	7.900%	7.17%	7.070%	0.100%	6.800%	0.370%
2010-2011	6.900%		7.17%	7.070%	0.100%	6.800%	0.370%
2008-2009	6.900%		7.04%	6.935%	0.100%	6.800%	0.235%
2000-2007	6.900%		6.90%	6.800%	0.100%	6.800%	0.100%

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

9. Employee Benefit Plans – continued

Public Employees' Retirement System (PERS) - continued

- 1) Member contributions to the system of 7.90% are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.
- 2) Employer contribution to the system:
 - a. Effective July 1, 2014, following the 2013 Legislative Session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below the 25 years following the reduction of both the additional employer and member contributions rates.
 - b. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
 - c. The portion of employer contributions allocated to the Plan Choice Rate (PCR) are included in the employers reporting. The PCR paid off effective March 2016 and the contributions previously directed to the PCR are now directed to member accounts.
- 3) Non Employer Contributions:
 - a) Special funding
 - The State contributes 0.1% of members' compensation on behalf of local government entities.
 - The State contributes 0.37% of members' compensation on behalf of school district entities.
 - The State contributed a Statutory Appropriation from the General Fund of \$33,615,000.

Stand-Alone Statements

The financial statements of the Montana Public Employees Retirement Board (PERB) Comprehensive Annual Financial Report (CAFR) and the GASB 68 Report disclose the Plan's fiduciary net position. The reports are available from the PERB at PO Box 200131, Helena, MT 59620-0131, (406) 444-3154 or both are available on the MPERA website at <http://mpera.mt.gov/index.shtml>.

Actuarial Assumptions

The Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of June 30, 2019, with updated procedures to roll forward to TPL to June 30, 2020. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions

Investment Return (net of admin expense)	7.65%
Admin Expense as % of Payroll	0.26%
General Wage Growth*	3.50%
*includes inflation at	2.75%
Merit increases	0% to 6.30%

Post-retirement benefit increases

Guaranteed Annual Benefit Adjustment (GABA) each January

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

3% for members hired prior to July 1, 2007

1.5% for members hired on or after July 1, 2007 and June 30, 2013

Members hired on or after July 1, 2013:

1.5% for each year PERS is funded at or above 90%;

1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and

0% whenever the amortization period for PERS is 40 years or more.

Mortality assumptions among contributing members, service retired members and beneficiaries based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2020 with scale BB, males set back 1 year. Mortality assumptions among disabled members were based on RP 2000 Combined Mortality Tables with no projections.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

9. Employee Benefit Plans- continued

Public Employees' Retirement System (PERS) - continued

Actuarial Assumptions – continued

The most recent experience study, performed for the period covering fiscal years 2011 through 2016, is outlined in a report dated May 5, 2017 and can be located on the MPERA website. The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the Plan. Several factors are considered in evaluating the long-term rate of return assumption including historical rates of return, rate of return assumptions adopted by similar public-sector systems, and by using a building-block method in which best-estimate ranges of expected future real rates of return (expect returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2019, are summarized in the table below.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic Basis
Cash Equivalents	3.00%	4.09%
Domestic Equity	36.00%	6.05%
Foreign Equity	18.00%	7.01%
Fixed Income	23.00%	2.17%
Private Equity	12.00%	10.53%
Real Estate	8.00%	5.65%
Total	100%	

Discount Rate

The discount rate used to measure the TPL was 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. The State contributes 0.1% of salaries for local governments and 0.37% paid by school districts. In addition, the State contributed a statutory appropriation from the general fund. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2122. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

Sensitivity Analysis

The following presents the employer's sensitivity of the NPL to the discount rate is shown in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.65% as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

As of measurement date	1.0% Decrease (6.65%)	Current Discount Rate	1.0% Increase (8.65%)
City of Great Falls' Net Pension Liability	\$33,188,488	\$23,100,228	\$14,622,357

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

9. Employee Benefit Plans- continued

Public Employees' Retirement System (PERS) - continued

Net Pension Liability

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with their participation in the Public Employees' Retirement System Defined Benefit Retirement Plan (the Plan). This includes the proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions. Employers are provided guidance in GASB Statement 68, paragraph 74, where pension amounts must be combined as a total or aggregate for reporting whether provided through cost-sharing, single-employer, or agent plans. This report provides information for employers who are using a June 30, 2019 measurement date for the 2020 reporting. If an employer's fiscal year end is after June 30th, the employer will not use the measurements show in this report but will need to wait for the measurement date as of June 30, 2020.

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's TPL. The basis for the TPL as of June 30, 2019, was determined by taking the results of the June 30, 2018, actuarial valuation and applying the standard roll forward procedures. The roll forward procedure uses a calculation that add the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and applies the expected investment rate of return for the year. The roll forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the state of Montana's NPL for June 30, 2020 and 2019 are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and no-employer contributions during the measurement period. The state's proportionate share for a particular employer equals the ratio of the contributions for the particular employer to the total state contributions paid. The employer recorded a liability of \$23,100,228 and the employer's proportionate share was 1.105110 percent.

As of measurement date	Net Pension Liability as of 6/30/20	Net Pension Liability as of 6/30/19	Percent of Collective NPL as of 6/30/2020	Percent of Collective NPL as of 6/30/2019	Change in Percent of Collective NPL
City Proportionate Share	\$23,100,228	\$22,241,067	1.105110%	1.0656%	(0.3948)%
State of Montana Proportionate Share associated with City	\$7,503,880	7,433,740	0.358984%	1.4294%	(0.0028)%
Total	\$30,604,108	\$29,674,807	1.464094%	2.4950%	(0.0423)%

Changes in actuarial assumptions and methods:

There were no changes in assumptions or other inputs that affected the measurement of the TPL.

Changes in benefit terms:

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

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

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

9. Employee Benefit Plans- continued

Public Employees' Retirement System (PERS) - continued

Pension Expense

As of measurement date	Pension Expense as of 6/30/20	Pension Expense as of 6/30/2019
City's Proportionate Share	\$2,785,280	\$1,591,311
State of Montana Proportionate Share associated with City	\$17,936	\$496,121
State of Montana Coal Tax associated with the City	\$491,498	\$0
Total	\$3,294,714	\$2,087,432

At June 30, 2020, the City recognized a Pension Expense of \$2,785,280 for its proportionate share of the PERS' Pension Expense. The City also recognized grant revenue of \$17,936 for the support provided by the State of Montana for its proportionate share of the Pension Expense that is associated with the City. Additionally, the City recognized grant revenue of \$491,498 from the state statutory appropriation from the General Fund.

Recognition of Deferred Inflows and Outflows

At June 30, 2020, the City reported its proportionate share of PERS' deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

As of measurement date	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$1,095,362	\$1,086,958
Changes in assumptions	980,675	0
Difference between projected and actual earnings on pension plan investments	280,084	0
Changes in proportion differences between City contributions and proportionate share of contributions	0	1,797,549
Difference between actual and expected contributions	0	0
# Contributions paid to PERS subsequent to the measurement date - FY 2020 contributions	1,552,068	0
Total	\$3,908,189	\$2,884,507

\$1,552,068 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in Pension Expense as follows:

For the Measurement Year ended June 30:	Recognition of Deferred Outflows and Deferred Inflows in future years as an increase or (decrease) to Pension Expense
2021	\$477,889
2022	(1,361,843)
2023	104,192
2024	251,374
2025	0
Thereafter	0

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

9. Employee Benefit Plans - continued

Firefighters' Unified Retirement System (FURS)

Plan Description

The Firefighters' Unified Retirement System (FURS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing defined benefit plan established in 1981, and governed by Title 19, chapters 2 & 13, MCA. This plan provides retirement benefits to firefighters employed by first- and second-class cities, other cities and rural fire district departments that adopt the plan, and to firefighters hired by the Montana Air National Guard on or after October 1, 2001. Benefits are established by state law and can only be amended by the Legislature. The FURS provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation (HAV). Member rights are vested after five years of service.

Summary of Benefits

Service retirement and monthly benefit formula:

Hired on or after July 1, 1981, or has elected to be covered by GABA:

20 years of membership services

2.5% of HAC x years of service credit

Hired prior to July 1, 1981, and who had not elected to be covered by GABA, the great of above, or:

If a membership service is less than 20 years:

2% of the highest monthly compensation (HMC) x years of service credit and greater

If membership services is greater or equal to 20 years:

50% of HMS + 2% of HMC x years of service credit in excess of 20

Early retirement:

Age 50 with 5 years of membership service – Normal retirement benefit calculated using HAC and service credit

Vesting

5 years of membership service

Second retirement:

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

If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:

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

If the member works more than 480 hours in a calendar year and accumulates at least 5 years of service credit before terminating again, the member:

- is awarded service credit for the period of reemployment;
- starting the first month following termination of service, receives the same retirement benefit previously paid to the member;
- a second retirement benefit for the period of reemployment calculated based on the laws in effect as of the members' rehire date, and
- does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA on the initial retirement benefit in January immediately following second retirement, and on the second retirement benefit starting in January after receiving that benefit for at least 12 months.

A member who returns to covered service is not eligible for a disability benefit.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

9. Employee Benefit Plans - continued

Firefighters' Unified Retirement System (FURS) - continued

Member's compensation period used in benefit calculation

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

Compensation Cap

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

Guaranteed Annual Benefit Adjustment (GABA)

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

Minimum Benefit Adjustment (non-GABA)

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

Overview of Contributions

The State legislature has the authority to establish and amend contribution rates to the plan. Member and employer contribution rates are specified by Montana Statute and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers.

Special Funding

MCA 19-13-604 requires the State of Montana to contribute a percentage of total compensation directly to the Plan annually after the end of each fiscal year. Member, the City and State contribution rates are show in the table below.

Fiscal Year	Member		Employer	State
	Non-GABA	GABA		
1998-2020	9.500%	10.700%	14.360%	32.610%
1997	7.800%		14.360%	32.610%

Stand-Alone Statements

The financial statements of the Montana Public Employees Retirement Board (PERB) Comprehensive Annual Financial Report (CAFR) and the GASB Report disclose the Plan's fiduciary net position. The reports are available from the PERB at PO Box 200131, Helena, MT 5920-0131, (406)444-3154 or both are available on the MPERA website at <http://mpera.mt.gov/index.shtml>.

Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions.

Investment Return (net of admin expense)	7.65%
Admin Expense as % of Payroll	0.23%
General Wage Growth*	3.50%
*includes inflation at	2.75%
Merit increases	0% to 6.3%

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

9. Employee Benefit Plans – continued

Firefighters' Unified Retirement System (FURS) - continued

Postretirement Benefit Increases

- **Guaranteed Annual Benefit Adjustment (GABA)**
 Hired on or after July 1, 1997, or those electing GABA - after the member has completed 12 full months of retirement, the member's benefit increases by a maximum of 3% each January.
- **Minimum Benefit Adjustment (non-GABA)**
 Members with 10 or more years of membership service and member did not elect GABA. The minimum benefit provided should be less than 50% of the current base compensation of a newly confirmed active firefighter of the employer that last employed the member as a firefighter.

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

The most recent experience study, performed for the period covering fiscal years 2011 through 2016, is outlined in a report dated May 5, 2017 and can be located on the MPERA website. The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the Plan. Several factors are considered in evaluating the long-term rate of return assumption including historical rates of return, rate of return assumptions adopted by similar public-sector systems, and by using a building-block method in which best-estimate ranges of expected future real rates of return (expect returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2019, are summarized below.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic Basis
Cash Equivalents	3.00%	4.09%
Domestic Equity	36.00%	6.05%
Foreign Equity	18.00%	7.01%
Fixed Income	23.00%	2.17%
Private Equity	12.00%	10.53%
Real Estate	8.00%	5.65%
Total	100%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. The State contributes 32.61% of salaries paid by employers. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2133. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. A municipal bond rate was not incorporated in the discount rate.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

9. Employee Benefit Plans – continued

Firefighters' Unified Retirement System (FURS) - continued

Sensitivity Analysis

The following presents the City's sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change to the liability. The NPS was calculated using the discount rate of 7.65%, as well as what the NPL would be if it was calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

As of measurement date	1.0% Decrease (6.65%)	Current Discount Rate	1.0% Increase (8.65%)
City of Great Falls' proportion share of Net Pension Liability	\$5,987,755	\$3,428,389	\$1,364,748

Net Pension Liability

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*, employers and the non-employer entity are required to recognize and report certain amounts associated with their participation in the Firefighters' Unified Retirement System (FURS Defined Benefit Retirement Plan). This includes the proportionate share of the collective Net Pension Liability, Pension Expense, Deferred Inflows and Deferred Outflows of resources associated with pensions. Employers are provided in GASB Statement 68, paragraph 74, where pension amounts must be combined as a total or aggregate for reporting, whether provided through cost-sharing, sing-employer, or agent pension plans. This report provides information for employers who are using a June 30, 2019 measurement date for the 2020 reporting.

GASB 68 Statement allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's TPL. The basis for the TPL as of June 30, 2019, was determined by the results of the June 30, 2018, actuarial valuation and applying standard roll forward procedures. The roll forward procedures uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds the plan year, and then applies the expected investment rate of return for the year. The roll forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the state of Montana's NPL for June 30, 2020 and 2019 are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and no-employer contributions during the measurement period. Due to the existence of the special funding situation, the State is required to report a proportionate share of a City's collective NPL that is associated with the non-state employer. The state's proportionate share for a particular employer equals the ratio of the contributions for the particular employer to the total state contributions paid. The employer recorded a liability of \$3,428,389 and the employer's proportionate share was 2.9886 percent.

As of measurement date	Net Pension Liability as of 6/30/20	Net Pension Liability as of 6/30/19	Percent of Collective NPL as of 6/30/2020	Percent of Collective NPL as of 6/30/2019	Change in Percent of Collective NPL
City Proportionate Share	\$3,428,389	\$3,662,058	2.9886%	3.1797%	(0.1911)%
State of Montana Proportionate Share associated with City	8,291,572	8,373,484	7.2280%	10.6962%	(0.0425)%
Total	\$11,719,961	\$12,035,542	10.2166%	13.8759%	(0.2336)%

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

9. Employee Benefit Plans - continued

Firefighters' Unified Retirement System (FURS) - continued
Net Pension Liability - continued

Changes in actuarial assumptions and methods:

There were no changes in assumptions or other inputs that affected the measurement of the TPL.

Changes in benefit terms:

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

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

Pension Expense

At June 30, 2020, reporting date, the City recognized pension expense of \$660,298 for its proportionate share of the FURS' Pension Expense. The City also recognized grant revenue of \$1,727,349 for the support provided by the State of Montana for its proportionate share of the Pension Expense that is associated with the City.

As of measurement date	Pension Expense as of 6/30/20	Pension Expense as of 6/30/19
City's Proportionate Share	\$660,298	\$514,154
State of Montana Proportionate Share associated with City	1,727,349	1,685,334
Total	\$2,387,647	\$2,199,488

Recognition of Deferred Inflows and Outflows

At June 30, 2020, the City reported its proportionate share of FURS' deferred outflows of resources and deferred inflows of resources related to FURS from the following sources:

As of measurement date	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$308,206	\$35,568
Changes in assumptions	252,773	-
Difference between projected and actual earnings on pension plan investments	114,246	
Changes in proportion differences between City contributions and proportionate share of contributions	0	192,028
Difference between actual and expected contributions	0	-
City Contributions paid to FURS subsequent to the measurement date - # FY 2020 contributions	774,046	-
Total	\$1,449,271	\$227,596

\$774,046 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2021.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

9. Employee Benefit Plans - continued

Firefighters' Unified Retirement System (FURS) - continued

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in Pension Expense as follows:

For the Measurement Year ended June 30:	Recognition of Deferred Outflows and Deferred Inflows in future years as an increase or (decrease) to Pension Expense
2021	\$156,858
2022	74,348
2023	157,323
2024	93,306
Thereafter	(34,208)

Municipal Police Officers' Retirement System Plan Description (MPORS)

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

Deferred Retirement Option Plan (DROP)

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

Summary of Benefits

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

Eligibility for benefits

Service retirement and monthly benefit formula:

20 years of membership service, regardless of age.

Age 50 with 5 years of membership service (Early retirement).

2.5% of FAC x years of service credit.

Second Retirement:

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

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

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

9. Employee Benefit Plans – continued

Municipal Police Officers' Retirement System (MPORS) – continued

Summary of Benefits - continued

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

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

Vesting

5 years of membership service

Member's final average compensation (FAC) is:

Hired prior to July 1, 1977 - average monthly compensation of final year of service;

Hired on or after July 1, 1977 - final average compensation (FAC) for last consecutive 36 months.

Compensation Cap

Hired on or after July 1, 2013 – 110% annual cap on compensation considered as a part of a member's final average compensation.

Guaranteed Annual Benefit Adjustment (GABA)

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

Minimum Benefit Adjustment (non-GABA)

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

Overview of Contributions

The State legislature has the authority to establish and amend contribution rates to the plan. Member and employer contribution rates are specified by state law for periodic member and City contributions and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

9. Employee Benefit Plans - continued

Municipal Police Officers' Retirement System (MPORS) - continued

Special Funding

MCA 19-9-702 requires the State of Montana to contribute a percentage of total compensation directly to the Plan annually after the end of each fiscal year. Member, the City and State contribution rates are show in the table below.

Fiscal Year	Member				Employer	State
	Hired <7/1/75	Hired >6/30/75	Hired >6/30/79	Hired >6/30/97 GABA		
2000-2020	5.800%	7.000%	8.500%	9.000%	14.410%	29.370%
1998-1999	7.800%	9.000%	10.500%	11.000%	14.410%	29.370%
1997	7.800%	9.000%	10.500%		14.360%	29.370%

Stand-Alone Statements

The stand-alone financial statements of the Montana Public Employees Retirement Board (PERB) Comprehensive Annual Financial Report (CAFR) and the GASB 68 Report disclose the Plan's fiduciary net position. The reports are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 or both are available on the MPERA website at <http://mpera.mt.gov/index.shtml>.

Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions.

Investment Return (net of admin expense)	7.65%
Admin Expense as % of Payroll	0.23%
General Wage Growth*	3.50%
*includes inflation at	2.75%
Merit increases	0% to 6.60%

Post-retirement Benefit Increases

- **Guaranteed Annual Benefit Adjustment (GABA)**
Hired on or after July 1, 1997, or those electing GABA – and has been retired for at least 12 months, a GABA will be made each year in January equal to 3%.
- **Minimum Benefit Adjustment (non-GABA)**
If hired before July 1, 1997, and member did not elect GABA - the minimum benefit adjustment is equal to 50% of the current base compensation of a newly confirmed police officer of the employer that last employed the member as a police officer.

Mortality assumptions among contributing members, service retired members and beneficiaries were based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2020 using scale BB, set back one year for males.

Mortality assumptions among Disabled Retirees were based on RP 2000 Combined Mortality Tables.

The most recent experience study, performed for the period covering fiscal years 2011 through 2016, is outlined in a report dated May 5, 2017 and can be located on the MPERA website. The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the Plan. Several factors are considered in evaluating the long-term rate of return assumption including historical rates of return, rate of return assumptions adopted by similar public-sector systems, and by using a building-block method in which best-estimate ranges of expected future real rates of return (expect returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

9. Employee Benefit Plans - continued

Municipal Police Officers' Retirement System (MPORS) - continued

percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2019, are summarized below.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic Basis
Cash Equivalents	3.00%	4.09%
Domestic Equity	36.00%	6.05%
Foreign Equity	18.00%	7.01%
Fixed Income	23.00%	2.17%
Private Equity	12.00%	10.53%
Real Estate	8.00%	5.65%
Total	100%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. The State contributes 29.37% of salaries pensionable payroll paid by employers. Based on those assumptions, the System's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2133. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. A municipal bond rate was not incorporated in the discount rate.

Sensitivity Analysis

The following presents the City's sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.65%, as well as what the NPL would be if it were calculated using a discount rate 1.0% lower or 1.00% higher than the current rate.

As of measurement date	1.0% Decrease (6.65%)	Current Discount Rate	1.0% Increase (8.65%)
City of Great Falls' proportion of Net Pension Liability	\$12,231,645	\$8,319,897	\$5,188,573

Net Pension Liability

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*, employers and the non-employer entity are required to recognize and report certain amounts associated with their participation in the Municipal Police Officers' Retirement System (MPORS). This includes the proportionate share of the collective Net Pension Liability (NPL), Pension Expense, Deferred Inflows and Deferred Outflows of resources associated with pensions. Employers are provided in GASB Statement 68, paragraph 74, where pension amounts must be combined as a total or aggregate for reporting, whether provided through cost-sharing, sing-employer, or agent pension plans. This report provides information for employers who are using a June 30, 2019 measurement date for the 2020 reporting

GASB 68 Statement allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's TPL. The basis for the TPL as of June 30, 2019, was determined by the results of the June 30, 2018, actuarial valuation and applying standard roll forward procedures. The roll forward procedures uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds the plan year, and then applies the expected investment rate of return for the year. The roll

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

9. Employee Benefit Plans – continued

Municipal Police Officers' Retirement System (MPORS) - continued

Net Pension Liability –continued

forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the state of Montana's NPL for June 30, 2020 and 2019 are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and no-employer contributions during the measurement period. Due to the existence of the special funding situation, the State is required to report a proportionate share of a City's collective NPL that is associated with the non-state employer. The state's proportionate share for a particular employer equals the ratio of the contributions for the particular employer to the total state contributions paid. The employer recorded a liability of \$8,319,897 and the employer's proportionate share was 4.1799 percent.

As of measurement date	Net Pension Liability as of 6/30/2020	Net Pension Liability as of 6/30/2019	Percent of Collective NPL as of 6/30/2020	Percent of Collective NPL as of 6/30/2019	Change in Percent of Collective NPL
City Proportionate Share	\$8,319,897	\$7,066,267	4.1799%	4.1261%	0.0538%
State of Montana Proportionate Share associated with City	16,942,236	14,444,839	8.5118%	12.5655%	0.0772%
Total	\$25,262,133	\$21,511,106	12.6917%	16.6916%	(0.2995)%

Changes in actuarial assumptions and methods:

There were no changes in assumptions or other inputs that affected the measurement of the TPL.

Changes in benefit terms:

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

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

Pension Expense

At June 30, 2020, reporting date, the City recognized pension expense of \$1,298,172 for its proportionate share of the FURS' Pension Expense. The City also recognized grant revenue of \$2,029,538 for the support provided by the State of Montana for its proportionate share of the Pension Expense that is associated with the City.

As of measurement date	Pension Expense as of 6/30/2020	Pension Expense as of 6/30/2019
City's Proportionate Share	\$1,298,172	\$700,805
State of Montana Proportionate Share associated with City	2,029,538	1,991,247
Total	\$3,327,710	\$2,692,052

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

9. Employee Benefit Plans – continued

Municipal Police Officers' Retirement System (MPORS) - continued

Recognition of Deferred Inflows and Outflows

At June 30, 2020, the employer reported its proportionate share of MPORS' deferred outflows of resources and deferred inflows of resources related to MPORS from the following sources:

As of measurement date	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$738,401	\$52,854
Changes in assumptions	167,319	0
Difference between projected and actual earnings on pension plan investments	154,646	0
Changes in proportion differences between City contributions and proportionate share of contributions	0	11,964
Difference between actual and expected contributions	0	0
City Contributions paid to MPORS subsequent to the measurement date - # FY 2020 contributions	1,038,977	-
Total	\$2,099,343	\$64,818

\$1,038,977 reported as deferred outflows of resources related to pensions resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

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

For the Measurement Year ended June 30:	Recognition of Deferred Outflows and Deferred Inflows in future years as an increase or (decrease) to Pension Expense
2021	\$435,116
2022	172,305
2023	310,209
2024	77,918
Thereafter	0

Totals for all systems (PERS) (FURS) and (MPORS)

	The Citys proportionate share associated with PERS	The Citys proportionate share associated with FURS	The Citys proportionate share associated with MPORS	The Citys total proportionate share
Net pension liability	\$23,100,228	\$3,428,389	\$8,319,897	\$34,848,514
Deferred outflows of resources	\$3,908,189	\$1,449,271	\$2,099,343	\$7,456,803
Deferred inflows of resources	\$2,884,507	\$227,596	\$64,818	\$3,176,921
Pension Expense	\$3,294,714	\$2,387,647	\$3,327,710	\$9,010,071

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

10. Multiple-Employer Defined Benefit Pension Plans

The City of Great Falls provides pension benefits through cost-sharing, multiple employer, collective bargained defined benefit pension plans that qualify for reporting under GASB 78. GASB 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, applies to cost-sharing multi-employer defined benefit pension plans that is not state or local governmental pension plans, provide defined benefit pensions to both employees of employers, and employees to the employees that are not state or local governmental employers, and do not have predominate state or local governmental employer – either individually or collectively – that provides pensions through the plan.

National Electrical Benefit Fund

The name of the plan is the National Electrical Benefit Fund. This plan is self-administered by the Trustees. This plan issues a publicly available financial report that can be obtained by going to <https://www.nebf.com>. This plan covers five (5) City of Great Falls employees as of June 30, 2020 and provides pension benefits.

The authority in which the benefit terms were established and may be amended as follows:

In accordance with the Employees Benefit Agreement of the National Electrical Benefit Fund (“NEBF”), as entered into between the National Electrical Contractors Association and the International Brotherhood of Electrical Workers on September 3, 1946, as amended, and now delineated as the restated Employees Benefit Agreement and Trust. The Pension Fund is regulated by the Employee Retirement Income Security Act of 1974 (ERISA), as amended by the Pension Protection Act of 2006 (PPA) and the Multiemployer Pension Reform Act of 2014 (MPRA) and is guaranteed by the Pension Benefit Guaranty Corporation (PBGC), an agency of the U.S. Government established by ERISA.

All contribution amounts being paid by the City of Great Falls are per the labor agreement between the City of Great Falls and the International Brotherhood of Electrical Workers for the time period July 1, 2016 – June 30, 2020. Required contribution rate for the employer and its employees for the reporting period is the amount equal to 3% of the gross monthly labor payroll. As of June 30, 2020 the City of Great Falls contributed \$9,052 and the employee contributed \$0.

The expected minimum contribution for the next fiscal year is \$9,136. Although the City of Great Falls pays all these amounts on a monthly basis, there was a payables balance of \$691 as of June 30, 2020.

Eighth District Electrical Pension Fund

The name of the plan is the Eighth District Electrical Pension Fund. This plan is administered by CompuSys of Colorado, Inc. This plan issues a publicly available financial report that can be obtained by going to <https://estimate.8thdist.org/Publications.aspx>. This plan covers five (5) City of Great Falls employees as of June 30, 2020 and provides pension benefits.

The authority in which the benefit terms were established and may be amended as follows:

The Plan is a defined benefit pension plan formed June 1, 1972 by agreement between the Southern Colorado Chapter of the National Electrical Contractors Association (NECA) and the International Brotherhood of Electrical Workers (IBEW) Local Union No. 68. Subsequently, various other locals have been admitted to the Plan. The Pension Fund is regulated by the Employee Retirement Income Security Act of 1974 (ERISA), as amended by the Pension Protection Act of 2006 (PPA) and the Multiemployer Pension Reform Act of 2014 (MPRA).

All contribution amounts being paid by the City of Great Falls are per the labor agreement between the City of Great Falls and the International Brotherhood of Electrical Workers for the time period July 1, 2016 – June 30, 2020. Required contribution rate for the employer and its employees for the reporting period is the amount equal to \$2.10 per hour paid to the employee. As of June 30, 2020 the City of Great Falls contributed \$23,576 and the employee contributed \$0.

The expected minimum contribution for next fiscal year is \$23,400. Although the City of Great Falls pays all these amounts on a monthly basis, there was a payables balance of \$1,809 as of June 30, 2020.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

10. Multiple-Employer Defined Benefit Pension Plans – continued

LIUNA National (Industrial) Pension Fund

The name of the plan is the LIUNA National (Industrial) Pension Fund. This plan is self-administered by a joint labor-management Board of Trustees. This plan issues a publicly available financial report that can be obtained by going to www.efast.dol.gov. This plan covers 51 City of Great Falls employees as of June 30, 2020 and provides pension benefits.

The authority in which the benefit terms were established and may be amended as follows:

The LIUNA National (Industrial) Pension Fund was established in 1967. The Pension Fund is regulated by the Employee Retirement Income Security Act of 1974 (ERISA), as amended by the Pension Protection Act of 2006 (PPA) and the Multiemployer Pension Reform Act of 2014 (MPRA) and is guaranteed by the Pension Benefit Guaranty Corporation (PBGC), an agency of the U.S. Government established by ERISA. LIUNA National (Industrial) Pension Fund is also regulated by the Internal Revenue Code, and the Taft-Hartley Act.

All contribution amounts being paid by the City of Great Falls are per the Agreement between the City of Great Falls and the City of Great Falls Public Employees Crafts Council from July 1, 2016 – June 30, 2020. Required contribution rate for the employer and its employees for the reporting period is the amount equal to \$3.93 per hour paid to the employee. As of June 30, 2020 the City of Great Falls contributed \$329,865 and the employee contributed \$0.

The expected minimum contribution for the next fiscal year is \$351,499. Although the City of Great Falls pays all these amounts on a monthly basis, there was a payables balance of \$24,193 as of June 30, 2020.

I.A.M. National Pension Fund

The name of the plan is the I.A.M. National Pension Fund. This is administered by a joint Board of Trustees consisting of equal representation by the I.A.M. and the contributing employers. This plan issues a publicly available financial report that can be obtained by going to <https://www.liamnpf.org>. This plan covers four (4) City of Great Falls employees as of June 30, 2020 and provides pension benefits.

The authority in which the benefit terms were established and may be amended as follows:

The I.A.M. National Pension Fund was established in May 1960 by agreement between the International Association of Machinists and Aerospace Workers, AFL-CIO that and was known as IAM Labor Management Pension Fund. This agreement was then amended and restated to be named the I.A.M National Pension Fund with the final amendment and restatement completed on May 15, 2014. The Pension Fund is regulated by the Employee Retirement Income Security Act of 1974 (ERISA), as amended by the Pension Protection Act of 2006 (PPA) and the Multiemployer Pension Reform Act of 2014 (MPRA) and is guaranteed by the Pension Benefit Guaranty Corporation (PBGC), an agency of the U.S. Government established by ERISA.

All contribution amounts being paid by the City of Great Falls are per the Agreement between the City of Great Falls and the City of Great Falls Public Employees Crafts Council from July 1, 2016 – June 30, 2020. Required contribution rate for the employer and its employees for the reporting period is the amount equal to \$3.36 per hour paid to the employee. As of June 30, 2020 the City of Great Falls contributed \$27,475 and the employee contributed \$0.

The expected minimum contribution for the next fiscal year is \$27,955. Although the City of Great Falls pays all these amounts on a monthly basis, there was a payables balance of \$2,150 as of June 30, 2020.

Central Pension Fund of the International Union of Operating Engineers and Participating Employers

The name of the plan is the Central Pension Fund of the International Union of Operating Engineers and Participating Employers (Central Pension Fund). This Fund is administered by the Board of Trustees, half of whom represent the Participating Employers and half of whom represent the Participating Employees. This plan issues a publicly available financial report that can be obtained by going to <http://www.cpfuoe.org>. The Central Pension Fund covers 52 City of Great Falls employees as of June 30, 2020 and provides pension benefits.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

10. Multiple-Employer Defined Benefit Pension Plans – continued

Central Pension Fund of the International Union of Operating Engineers and Participating Employers - continued

The authority in which the benefit terms were established and may be amended as follows:

The Central Pension Fund was established in 1960. This Pension Fund is regulated by the Employee Retirement Income Security Act of 1974 (ERISA), as amended by the Pension Protection Act of 2006 (PPA) and the Multiemployer Pension Reform Act of 2014 (MPRA) and is guaranteed by the Pension Benefit Guaranty Corporation (PBGC), an agency of the U.S. Government established by ERISA.

All contribution amounts being paid by the City of Great Falls are per the Agreement between the City of Great Falls and the City of Great Falls Public Employees Crafts Council from July 1, 2016 – June 30, 2020.

Required contribution rate for the employer and its employees for the reporting period is the amount equal to \$3.50 per hour paid to the employee. As of June 30, 2020 the City of Great Falls contributed \$325,323 and the employee contributed \$0.

The expected minimum contribution for the next fiscal year is \$333,373. Although the City of Great Falls pays all these amounts on a monthly basis, there was a payables balance of \$23,914 as of June 30, 2020.

Plumbers and Pipefitters National Pension Fund

The name of the plan is the Plumbers and Pipefitters National Pension Fund. This fund is administered by a joint Board of Trustees consisting of equal representation by the United Association and the contributing employers. This plan issues a publicly available financial report that can be obtained by going to <http://www.ppnf.org>. The Plumbers and Pipefitter National Pension Fund covers five (5) City of Great Falls employees as of June 30, 2020 and provides pension benefits.

The authority in which the benefit terms were established and may be amended as follows:

Per Agreement and Declaration of Trust effective the 23rd day of June 1968; by and between the United Association of Journeymen and Apprentices of Plumbing and Pipefitting Industry of the United State and Canada, AFL-CIO as amended, and restated as of March 2, 2010. This Pension Fund is regulated by the Employee Retirement Income Security Act of 1974 (ERISA), as amended by the Pension Protection Act of 2006 (PPA) and the Multiemployer Pension Reform Act of 2014 (MPRA) and is guaranteed by the Pension Benefit Guaranty Corporation (PBGC), an agency of the U.S. Government established by ERISA.

All contribution amounts being paid by the City of Great Falls are per the Agreement between the City of Great Falls and the City of Great Falls Public Employees Crafts Council from July 1, 2016 – June 30, 2020. Required contribution rate for the employer and its employees for the reporting period is the amount equal to \$5.00 per hour paid to the employee. As of June 30, 2020 the City of Great Falls contributed \$50,413 and the employee contributed \$0.

The expected minimum contribution for the next fiscal year is \$52,000. Although the City of Great Falls pays all these amounts on a monthly basis, there was a payables balance of \$4,020 as of June 30, 2020

Western Conference of Teamsters Pension Plan

The name of the plan is the Western Conference of Teamsters Pension Trust. This plan is self-administered by the Trustees. This plan issues a publicly available financial report that can be obtained by going to <http://www.wctpension.org/forms-documents/plan-documents>. Western Conference of Teamsters Pension Trust covers 37 City of Great Falls employees as of June 30, 2020 and provides pension benefits.

The authority in which the benefit terms were established and may be amended as follows:

Per the Agreement and Declaration of Trust made this 26th day of April 1955, by and between the undersigned Union Trustees and Employer Trustees, who together with the successor Trustees and additional Trustees designated in the manner hereinafter provided are hereinafter collectively referred to as Trustees. This Pension Fund is regulated by the Employee Retirement Income Security Act of 1974 (ERISA), as amended by the

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

10. Multiple-Employer Defined Benefit Pension Plans – continued

Western Conference of Teamsters Pension Plan - continued

Pension Protection Act of 2006 (PPA) and the Multiemployer Pension Reform Act of 2014 (MPRA) and is guaranteed by the Pension Benefit Guaranty Corporation (PBGC), an agency of the U.S. Government established by ERISA.

All contribution amounts being paid by the City of Great Falls are per the Agreement between the City of Great Falls and the City of Great Falls Public Employees Crafts Council from July 1, 2016 – June 30, 2020.

Required contribution rate for the employer and its employees for the reporting period is the amount equal to \$3.35 per hour paid to the employee. As of June 30, 2020 the City of Great Falls contributed \$214,008 and the employee contributed \$0.

The expected minimum contribution for the next fiscal year is \$225,680. Although the City of Great Falls pays all these amounts on a monthly basis, there was a payables balance of \$16,935 as of June 30, 2020

11. Other Postemployment Benefits

The City allows its retired employees to continue to participate in its group health insurance plan at a premium rate that does not cover all of the related healthcare costs. This results in an OPEB referred to as an "implicit rate subsidy." OPEB is considered to be a long-term liability and is recorded on the accrual basis for proprietary funds and the government-wide Statements of Net Position and Activities.

Plan Description

The City provides a single-employer defined benefit post-employment health care plan that covers eligible retired employees of the City. A former covered employee whose employment with the City terminates due solely to retirement can continue coverage under the plan as a retiree if they have met the eligibility requirements and are receiving a retirement benefit from a qualified pension plan. Eligibility requires are as follows:

PERS:	Age 55 with 5 years of service or 25 years of service regardless of age
FURS:	20 years of service
MPORS:	Age 50 with 5 years of service or 20 years of service regardless of age

Coverage will continue for as long as the retiree is enrolled under the plan and the applicable premiums are paid, provided a break in coverage does not occur. If a break in coverage occurs, the retiree is no longer eligible to participate or re-enroll in the plan.

The retiree's termination of coverage from the plan does not apply to the retiree's spouse, provided the retiree is terminating because of Medicare coverage. The spouse of a retiree is permitted to maintain coverage unless the spouse is also eligible for Medicare coverage or the spouse has or is eligible for equivalent coverage.

No assets have accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The City is a member of the Montana Municipal Interlocal Authority (MMIA), a local government risk retention pool which administers the City's group health insurance plan. To continue this health insurance coverage, the retirees are required to pay the full amount of their premium. State law does not require that the City provide the same premium rates to retirees as it pays for its active employees, nor does it require that the City pay any portion of the retiree premiums. Premium rates and healthcare benefits may be administratively altered at the end of any contract year.

MMIA issues an annual financial report that can be obtained at Montana Municipal Interlocal Authority, PO Box 6669, Helena, MT 59604-6669. The table below presents a high-level summary of the medical benefits.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

11. Other Postemployment Benefits – continued

	Cost Sharing
Medical Deductible (Individual/ Family)	\$500/\$1,000
Out-of-Pocket Maximum (Individual/ Family)	\$2,500/\$5,000
Coinsurance	30%
Prescription Deductible	\$100
Prescription Copays:	
Generic	\$10
Brand Formulary	\$30
Brand Non-Formulary	\$50
Prescription Out-of-Pocket Maximum	None

Premium Rates

Retirees pay 100% of the active premium. The City does not make an explicit contribution for retiree covers. Premiums for the plan year beginning July1, 2019 are shown in the following table:

Coverage Category	Monthly Rate
Retiree Only	\$842.15
Retiree and Spouse	\$1,681.00
Retiree and Child	\$1,479.25
Retiree and Family	\$2,325.35
Retiree Only Medicare	\$562.15
Retiree and Spouse Medicare	\$1,121.00
One with Medicare and one without Medicare	\$1,401.00

Employees Covered by Benefit Terms

As of June 30, 2020, the number of active and inactive employees covered by the plan was as follows:

	Medical Plan
Inactive employees or beneficiaries currently covered	83
Active employees	467
Total	550

Total OPEB Liability

The City's total OPEB Liability is \$8,426,068 as of June 30, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Methods and Assumptions

The actuarial assumptions used in the valuation represents a reasonable long-term expectation of future OPEB outcomes. The assumptions are tested with each valuation for ongoing reasonableness and are updated if appropriate.

Measurement Date	June 30, 2020
Valuation Date	June 30, 2020
Census Data	All data was provided by the City. The census data was provided in July 2020 and was as of June 2020.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

11. Other Postemployment Benefits – continued

Actuarial Methods and Assumptions - continued

Liability Components	<p><u>Medical</u>: A liability exists for the implicit subsidy due to age. There are no explicit subsidies because the employer does not contribute toward the premium.</p> <p><u>Dental</u>: The implicit subsidy for these benefits is insignificant and was not included in the calculation.</p>
Cost Method	Entry age normal, determined as a level percent of projected pay.
Funding Policy	Pay as you go
Discount Rate	2.66% Source: S&R Municipal Bond 20 Year High Grade Rate Index as of June 30, 2020
Payroll Growth	PERS 3.5%, FURS 3.5%, MPORS 3.50% Source: Pension valuations 6/30/19
General Inflation	3.0% per year
Mortality Rate	RP-2014 Scale MP-2014 Fully Generational
Termination before Retirement and Retirement Rate	PERS, FURS and MPORS Pension Actuarial Valuation 6/30/2019 Source: MTPERA
Participation Rate	50% of those who retire before age 65 elect coverage. 0% of those who retire at 65 or older elect coverage. Based on a study of retirements over the last two years.
Retiree Lapsation	10% of covered retirees under age 65 lapse each year. 70% of covered retirees lapse at age 65 35% of covered retirees over the age of 65 drop coverage each year. Based on a study of retirees lapsation over the last two years.
Spousal Coverage	<p><u>Current active employees</u>: 47% of those assumed to elect coverage in retirement are assumed to elect coverage for their spouse in retirement. Based on a study of current retirees. Husbands are assumed to be 3 years older than their wives.</p> <p><u>Current retired employees</u>: Actual spouse information is used where available; otherwise, otherwise husbands are assumed to be 3 years older than their wives.</p>
Medical Trend Rate	The premium and the age-adjusted premiums were assumed to increase at the rate of 4.5% per year.
Administrative Trend Rate	Administrative costs are included in the premium and were not evaluated separately

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

11. Other Postemployment Benefits – continued

Actuarial Methods and Assumptions - continued

Medical Aging Factors Society of Actuaries 2013 study “Health Care Costs – From Birth to Death

Age Adjusted 2018 Medical Costs

Age	Male	Female
50	\$771	\$959
55	\$1,012	\$1,117
60	\$1,304	\$1,303
65	\$601	\$571

Change in Total OPEB Liability

	Total OPEB Liability
OPEB Liability as of 6/30/2019	\$7,149,924
Changes for the year:	
Service cost	276,374
Interest (2.66%)	190,188
Differences between expected and actual experience	1,827,362
Changes in assumptions	(1,017,780)
Changes of benefit terms	-
Net Changes	1,276,144
Balance at 6/30/2020	\$8,426,068

Changes in Assumptions

The table below shows the assumption changes that were made and their impact on the liability. The sources of the assumptions can be found under Actuarial Methods and Assumptions.

Assumption	Description of Change	Impact on Liability
Discount Rate	Decreased from 3.36% to 2.66%	\$711,519
Participation Rate (retiree)	Previously assumed 20% participation regardless of retirement age and lapsation other than death. New assumptions vary by age at retirement and include lapsation assumptions at various ages after retirement.	(\$1,686,938)
Participation Rates (spouse)	Percent of retirees covering spouses decreased from 48% to 47%	(\$29,489)
Excise Tax	Removed from the calculation because it was repealed in December 2019	(\$198,563)
Salary Trend	Was previously PERS 3.5%, FURS 5.0%, MPORS 5.5%. Revised to 3.5% for all.	\$185,691
Total Impact		(\$1,017,780)

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

11. Other Postemployment Benefits – continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or higher than the current discount rate.

	1% Decrease (1.66%)	Discount Rate (2.66%)	1% Increase (3.66%)
Total OPEB Liability	\$9,484,967	\$8,426,068	\$7,537,320

Sensitivity of the Total OPEB Liability to Changes in the Health Cost Trend Rates

The following table presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a medical trend rate that is 1-percentage-point lower or higher than the current trend rate.

	1% Decrease (3.5%)	Trend Rate (4.5%)	1% Increase (5.5%)
Total OPEB Liability	\$7,437,634	\$8,426,068	\$9,611,501

OPEB expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020 the City recognized OPEB expense of \$472,827. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Beginning balance 6/30/2019	\$ 601,954	\$ 1,347,452
Changes for the year:		
Differences between expected and actual experience	1,827,362	-
Current year amortization of experience differences	(360,845)	(79,160)
Changes in assumption	(1,017,780)	-
Current year amortization of assumption changes	(11,283)	(286,703)
Net change	\$ 437,454	\$ (365,863)
Balance as of 6/30/2020	\$ 1,039,408	\$ 981,589

Changes in total OPEB liability due to (1) changes in actuarial assumptions or (2) differences between expected actuarial experience and actual experience are deferred and recognized in the OPEB expense over a close period equal to the average expected remaining service lives of employees and retirees starting with the current reporting period. The average remaining service lives as of June 30, 2020 is 6.7 years.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

11. Other Postemployment Benefits – continued

Amounts reported as Deferred Inflows and Outflows of resources related to OPEB as June 30, 2020 will be recognized is OPEB expenses as follows:

Year	Actual to Expected Experience (Outflow)	Changes in Assumptions (inflow)	Combined
2021	\$ 272,741	\$ (151,907)	\$ 120,834
2022	272,741	(151,907)	120,834
2023	272,741	(151,907)	120,834
2024	272,741	(151,907)	120,834
2025	272,741	(151,907)	120,834
Thereafter	463,657	(258,245)	205,412
Total	\$ 1,827,362	\$ (1,017,780)	\$ 809,582

12. Construction Commitments

The City has entered into contracts for the design, construction or renovation of various facilities at June 30, 2020, some of which are as follows:

	Amount Expended to Date	Remaining Construction Commitment	Expected Date of Completion
Water Treatment Plant Improvements	1,298,119	86,453	Fall 2020
River Crossing for Upper Missouri & Sun River	6,003,343	593,450	Fall 2020
Lower Northside WMR and Street Recon	1,923	2,387,458	Fall 2020
Water Treatment Plant Phase I, UV and Chem Building	29,069,753	35,582	Fall 2020
Water Treatment Plant Filtration	2,355,942	2,469,279	Summer 2020
Septage Receiving Facility & Deaerating Pumps	532,766	73,582	Summer 2020
CMATP Phases 1,2, & 3	1,792,551	706,741	Fall 2020
Central Garage, Street, Sanitation Roof and Exterior	1,324,200	35,493	Fall 2020
Public Works Building Facility Plan & Repairs	213,615	340,009	Spring 2020
Stuckey Rd Improvements	15,299	88,194	Summer 2020
Skylyne Addistion Annexation	480,020	321,231	Fall 2020
WWTP Electric Distr Evaluation	118,256	205,251	Fall 2021
Feasibility study for Sewage Lift Station	181	2,000,319	Spring 2021
Rivers Edge Trail Slump Repair	30,826	269,174	Summer 2020
Park Dist Jaycee Park Improv	152,948	120,924	Summer 2020

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

13. Operating Lease

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 noncancelable operating leases as of June 30, 2020, were not significant.

Bulk Water Service

The City issued Cascade County a license to operate bulk water service dispensing stations for Cascade County residents. The term of this agreement is for the period of fifteen (15) years from July 1, 2010, through June 30, 2025. The County is required to pay for utility services at the same rate as other commercial customers.

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 noncancelable operating leases as of June 30, 2020, were not significant.

14. 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 current term of this agreement is for the period of three (3) years from October 1, 2015 to September 30, 2018. The agreement is renewed every three years and was renewed August 21, 2018 from October 1, 2018 to September 30, 2021.

Dispatch and Communication Services

The City provides dispatching and communication services for Cascade County, the Town of Cascade, the City of Belt, and the Town of Neihart and rural fire departments. The agreement is dated June 6, 2018, and continues in effect until canceled by either party.

Library

The City contributes to the operations of the Library Board. The financial accounting and reporting for the library operations is performed by the City. 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 financial accounting and reporting for the health department is performed by the County and the County assess a rural levy for department operating costs. 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:

Golf Courses

The City has a management agreement with CourseCo, Inc., d/b/a Great Falls Golf, LLC for operations of the Anaconda Hills Golf Course and Eagle Falls Golf Club. The agreement was approved December 18, 2018, for the period of February 1, 2019 to January 31, 2022. The agreement has an option for an additional three year term, February 1, 2022 through January 31, 2025.

Housing Authority

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

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

14. Contracted Services-continued

Parking Facilities

The City has a management agreement with Standard Parking for operation of all the City's parking facilities and for enforcement of parking violations. The contract ran through December 31, 2013 and was renewed through December 31, 2020.

Solid Waste

The City has contracted with Montana Waste Systems, currently operating a private landfill for landfill privileges. The contract was approved for the period of January 1, 2017 to December 31, 2024 with two five year extended term options.

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.

Wastewater Treatment Plant

The City's wastewater treatment plant is operated by Veolia Water North America Operating Services. The contract was renewed on September 1, 2015 through December 31, 2020.

15. 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 some of these matters may have a material adverse effect on the financial condition of the City. The effect on the financial statements cannot be determined at this time due to litigation. Accordingly, no provision has been made in the financial statements for these contingent liabilities.

16. Risk Management

The City faces a considerable number of risks of loss, including damage to and loss of property and contents, employee torts, Public Official 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. The City participates in four state-wide public risk pools programs operated by the Montana Municipal Interlocal Authority (MMIA), for workers' compensation, tort liability coverage to include, employment practice liability, property coverage, employment practices liability coverage and health insurance. In 2006/2007 the MMIA added pollution coverage at no additional cost to the members. Cyber Liability coverage was added to the MMIA Property Program through a third party provided in 2011 at no additional cost to members.

In 1986, the City joined together with other Montana cities to form the MMIA which established a workers' compensation plan and a tort liability plan. MMIA is a risk retention pool funded by member cities and towns, providing risk management services and coverage program. The City's statutory 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 a quarterly premium for its workers' compensation 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 liability program 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 bonds were retired on September 1, 2010.,

In 1998, the MMIA developed a property insurance program. The City joined this program. This is an all risk policy, essentially all property owned by the City being insured for 100% of replacement cost, or stated amount,

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

16. Risk Management –continued

subject to a \$25,000 deductible for property and \$10,000 deductible for vehicles per occurrence. MMIA reinsures their property insurance with a national municipal pool, Alliant Property Insurance Program. The Property Program funding differs from the Liability and Workers' Compensation Programs in that it has not utilized bond proceeds as a form of funding for losses. The program provides \$25 million of coverage for new acquisitions during the coverage period. Members have 18 months from date of acquisition to schedule property.

In 2013, the City became a member of the MMIA health insurance plan. This is a local government risk retention pool which is administered by MMIA. The group health insurance plan is considered an agent multiple-employer self-funded plan.

The coverages, transferring all risks of loss except for relatively small deductible amounts, are purchased through the MMIA and included Public Officials Errors & Omission. 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 experiences. Following national trends, the City has seen increased claims against law enforcement. Despite this, settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

17. Net Positions and Fund Balances

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

Net Investment in Capital Assets

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

Restricted Net Position

This category represents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through Constitutional provision 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.

Unrestricted Net Position

This category represents the net position 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.

The fund balance categories are as follows:

1. Nonspendable fund balance - The net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
2. Restricted fund balance - Are externally imposed by creditors, grantors, contributions, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.
3. Committed fund balance - Fund balance committed by a City Commission adopted ordinance.
4. Assigned fund balance - Fund balance that has been appropriated by the City Commission through budget resolution for the upcoming fiscal year.
5. Unassigned fund balance - The remaining of fund balance not classified into other categories. The General Fund is the only fund that reports a positive unassigned fund balance amount.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

17. Net Positions and Fund Balances – continued

The City has a policy for minimum fund balance of 22% of annual appropriations for the General Fund. All other tax levy supported funds shall be considered adequate at 17% of annual appropriations. An unreserved fund balance for other operating funds of the City shall be considered adequate at a range of 8% to 22% of annual appropriations. Such balances 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 City has elected to show the different fund balance categories in aggregate on the face of the financial statements for the governmental funds. The detail of the composition of the different categories is shown below:

	<u>Major Special Revenue Funds</u>				<u>Total</u>
	<u>General</u>	<u>Street District</u>	<u>Federal Block Grant</u>	<u>Other Governmental Funds</u>	
Fund balances					
Restricted for					
Land held for resale	\$ -	\$ 9,734	\$ -	\$ 15,615	\$ 25,349
Library projects	-	-	-	395,172	395,172
Federal block grant	-	-	1,182,597	-	1,182,597
Home grant	-	-	-	134,246	134,246
CTEP projects	-	-	-	-	-
Special assessment purposes	-	4,337,617	-	3,939,777	8,277,394
Gas Tax projects	-	-	-	1,867,250	1,867,250
Tax increment districts projects	-	-	-	3,476,372	3,476,372
General obligation debt	-	-	-	55,646	55,646
General obligation taxable debt	-	-	-	9,038	9,038
Tax increment debt	-	-	-	794,947	794,947
Special assessment debt	-	-	-	159,272	159,272
Total Restricted	<u>-</u>	<u>4,347,351</u>	<u>1,182,597</u>	<u>10,847,335</u>	<u>16,377,283</u>
Assigned for					
General government - planning	-	-	-	225,147	225,147
General government - economic development	-	-	-	4,796	4,796
General government -support & innovation	-	-	-	96,657	96,657
Public safety - fire projects	-	-	-	49,417	49,417
Public safety - police projects	-	-	-	1,043,248	1,043,248
Park and recreation - parkland	-	-	-	1,087,755	1,087,755
Housing and development	-	-	-	847,854	847,854
Capital outlay for general government	-	-	-	1,050,508	1,050,508
Library operations	-	-	-	557,311	557,311
Total Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,962,693</u>	<u>4,962,693</u>
Unassigned	<u>13,594,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,594,027</u>
Total Fund Balances	<u>\$13,594,027</u>	<u>\$ 4,347,351</u>	<u>\$ 1,182,597</u>	<u>\$ 15,810,028</u>	<u>\$ 34,934,003</u>

The unassigned in the Other Governmental Funds category is the deficit fund balance of the HIDTA Special Revenue.

18. Deficit Fund Balances and Net Positions

The Civic Center Events nonmajor enterprise fund has a fund balance deficit of \$91,755. This is due to the GASB 68 required recording of the unfunded net pension liability.

The Information Technology internal service fund has a net position deficit of \$355,646. This is due to the GASB 68 required recording of the unfunded net pension liability.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2020

18. Deficit Fund Balances and Net Positions - continued

The Health and Benefit internal service fund has a net position deficit of \$6,591,522. This is due to the GASB 75 required recording of the unfunded liability OPEB obligation.

The Human Resources internal service fund has a net position deficit of \$185,377. This is due to the GASB 68 required recording of the unfunded net pension liability.

The Finance internal service fund has a net position deficit of \$899,584. This is due to the GASB 68 required recording of the unfunded net pension liability.

The Engineering internal service fund has a net position deficit of \$347,334. This is due to the GASB 68 required recording of the unfunded net pension liability.

19. Subsequent Events

The City Commission on September 15, 2020, accepted a \$10,000,000 matching grant from the Office of Economic Development towards construction of a recreation and aquatic facility. The total project will be \$20,000,000 with the matching money coming from the Park Maintenance District. A debt issuance for the match is projected to be in the early summer of 2021.

The City Commission on December 1, 2020, authorized the expenditure of approximately \$8,828,810 funds from the Downtown Urban Renewal Tax Increment Financing District toward the Civic Center Façade Renovation Project. A debt issuance is projected to be later this winter.

Management has evaluated subsequent events through December x, 2020 the date on which the financial statements were available to be issued.



Required Supplementary Information
City of Great Falls, Montana
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Last Three Years

	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>
Service cost	\$269,990	\$274,467	\$276,374
Interest	\$242,494	\$240,915	\$190,188
Differences between expected and actual experience	\$700,425	(\$624,573)	\$1,827,362
Changes of assumptions or inputs	<u>(\$1,071,631)</u>	<u>\$89,020</u>	<u>(\$1,017,780)</u>
Net Change in Total OPEB Liability	\$141,278	(\$20,171)	\$1,276,144
Total OPEB Liability - beginning	\$7,028,817	\$7,170,095	\$7,149,924
Total OPEB Liability - ending	\$7,170,095	\$7,149,924	\$8,426,068
Plan Fiduciary Net Position	\$0	\$0	\$0
Plan Fiduciary Net Position as a percentage of the Total OPEB liability	0.00%	0.00%	0.00%
Covered Employee Payroll	\$26,067,551	\$27,110,253	\$28,117,535
Total OPEB Liability as a percentage of Covered Employee Payroll	27.5%	26.4%	30.0%
Notes to Schedule:			
	<u>Key Assumptions</u>		
	Discount Rate	3.45%	3.36%
	Medical Trend	3.45%	4.50%
		2.66%	4.50%

GASB Statement #75 was implemented in Fiscal Year 2018. This schedule is intended to show information for ten years. Additional years information will be displayed as it becomes available.

Required Supplementary Information
City of Great Falls, Montana
Schedule of the City's Proportionate Share of the Net Pension Liability
All Fiscal Years *

Public Employees' Retirement System							
	Reporting Date	2015	2016	2017	2018	2019	2020
As of Measurement Date	2014	2015	2016	2017	2018	2019	2020
City's proportionate share of the net pension liability associated with the City		1.39%	1.34%	1.33%	1.49%	1.07%	1.11%
City's proportion of the net pension liability	\$	17,266,157	\$ 18,745,848	\$ 22,662,652	\$ 26,279,968	\$ 22,241,067	\$23,100,228
State of Montana proportionate share of the net pension liability associated with the City		210,846	230,260	276,912	335,858	7,433,740	7,503,880
Total	\$	17,477,003	\$ 18,976,108	\$ 22,939,564	\$ 26,615,826	\$ 29,674,807	\$30,604,108
City's covered payroll	\$	15,769,377	\$ 15,650,061	\$ 15,936,803	\$ 16,751,180	\$ 17,552,424	\$18,253,915
City's proportionate share of the net pension liability as of its covered payroll		111.22%	119.78%	142.20%	156.88%	126.71%	126.55%
Plan fiduciary net position as a percentage of the total pension liability		79.87%	78.40%	74.71%	73.75%	73.47%	73.85%
Firefighters' Unified System							
	Reporting Date	2015	2016	2017	2018	2019	2020
As of Measurement Date	2014	2015	2016	2017	2018	2019	2020
City's proportionate share of the net pension liability associated with the City		3.36%	3.20%	3.21%	3.20%	3.18%	2.99%
City's proportion of the net pension liability	\$	3,276,335	\$ 3,266,908	\$ 3,669,168	\$ 3,619,015	\$ 3,662,058	\$ 3,428,389
State of Montana proportionate share of the net pension liability associated with the City		7,391,251	7,276,274	8,313,182	8,218,387	8,373,484	8,291,572
Total	\$	10,667,586	\$ 10,543,182	\$ 11,982,350	\$ 11,837,402	\$ 12,035,542	\$11,719,961
City's covered payroll	\$	4,359,771	\$ 4,292,501	\$ 4,523,854	\$ 4,786,308	\$ 5,007,758	\$ 5,182,586
City's proportionate share of the net pension liability as of its covered payroll		75.15%	76.11%	81.11%	75.61%	73.13%	66.15%
Plan fiduciary net position as a percentage of the total pension liability		76.70%	76.90%	75.48%	77.77%	79.03%	80.08%
Municipal Police Officers' Retirement System							
	Reporting Date	2015	2016	2017	2018	2019	2020
As of Measurement Date	2014	2015	2016	2017	2018	2019	2020
City's proportionate share of the net pension liability associated with the City		4.34%	4.20%	4.23%	4.21%	4.13%	4.18%
City's proportion of the net pension liability	\$	6,822,498	\$ 6,951,884	\$ 7,615,215	\$ 7,485,952	\$ 7,066,266	\$ 8,319,897
State of Montana proportionate share of the net pension liability associated with the City		13,782,261	14,085,177	15,116,534	15,257,632	14,444,839	16,942,236
Total	\$	20,604,759	\$ 21,037,061	\$ 22,731,749	\$ 22,743,584	\$ 21,511,105	\$25,262,133
City's covered payroll	\$	5,825,529	\$ 5,816,404	\$ 5,971,870	\$ 6,306,036	\$ 6,660,919	\$ 6,888,996
City's proportionate share of the net pension liability as of its covered payroll		117.11%	119.52%	127.52%	118.71%	106.09%	120.77%
Plan fiduciary net position as a percentage of the total pension liability		67.00%	66.90%	65.62%	68.34%	70.95%	68.84%

GASB Statement #68 was implemented in Fiscal Year 2015. This schedule is intended to show information for ten years. Additional years information will be displayed * as it becomes available.

Required Supplementary Information
City of Great Falls, Montana
Schedule of the City Retirement Systems Contributions
All Fiscal Years *

	Public Employees' Retirement System					
	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 1,319,344	\$ 1,363,529	\$ 1,401,041	\$ 1,477,477	\$ 1,656,534	\$ 1,552,068
Contributions in relation to the contractually required contributions	(1,319,344)	(1,363,529)	(1,401,041)	(1,477,477)	(1,656,534)	(1,552,068)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 15,650,061	\$ 15,936,803	\$ 16,751,180	\$ 17,552,424	\$ 18,253,915	\$17,901,595
Contributions of covered payroll	8.43%	8.56%	8.36%	8.42%	9.07%	8.67%
	Firefighters' Unified Retirement System					
	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 630,134	\$ 646,789	\$ 687,314	\$ 719,115	\$ 756,690	\$ 774,046
Contributions in relation to the contractually required contributions	(630,134)	(646,789)	(687,314)	(719,115)	(756,690)	(774,046)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 4,292,501	\$ 4,523,854	\$ 4,786,308	\$ 5,007,758	\$ 5,182,586	\$5,390,299
Contributions of covered payroll	14.68%	14.30%	14.36%	14.36%	14.60%	14.36%
	Municipal Police Officers' Retirement System					
	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 847,013	\$ 875,869	\$ 906,708	\$ 894,469	\$ 993,462	\$ 1,038,977
Contributions in relation to the contractually required contributions	(847,013)	(875,869)	(906,708)	(894,469)	(993,462)	(1,038,977)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 5,861,404	\$ 5,971,870	\$ 6,306,036	\$ 6,660,919	\$ 6,888,996	\$7,210,107
Contributions of covered payroll	14.45%	14.67%	14.38%	13.43%	14.42%	14.41%

GASB Statement #68 was implemented in Fiscal Year 2015. This schedule is intended to show information for ten years. Additional years information will be displayed as it becomes available.

Required Supplementary Information
City of Great Falls, Montana
Schedule of the City Additional Pension Contributions
All Fiscal Years *

National Electrical Benefit Fund

	2016	2017	2018	2019	2020
Contractually required contribution	\$ 8,758	\$ 10,210	\$ 11,334	\$ 10,134	\$ 9,052
Contributions in relation to the contractually required contribution	(8,758)	(10,210)	(11,334)	(10,134)	(9,052)
Contributions deficiency (excess)	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 291,210	\$ 340,340	\$ 374,565	\$ 332,360	\$ 352,818
Contributions of covered payroll	3%	3%	3%	3%	3%

Eighth District Electrical Pension

Contractually required contribution	\$ 19,985	\$ 24,550	\$ 29,926	\$ 27,352	\$ 23,576
Contributions in relation to the contractually required contribution	(19,985)	(24,550)	(29,926)	(27,352)	(23,576)
Contributions deficiency (excess)	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 291,210	\$ 340,340	\$ 374,565	\$ 332,360	\$ 352,818
Contributions of covered payroll	7%	7%	8%	8%	7%

LIUNA National (Industrial) Pension Fund

Contractually required contribution	\$ 243,665	\$ 287,798	\$ 313,336	\$ 317,178	\$ 329,865
Contributions in relation to the contractually required contribution	(243,665)	(287,798)	(313,336)	(317,178)	(329,865)
Contributions deficiency (excess)	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,165,989	\$ 2,372,831	2,427,644	2,244,405	2,114,308
Contributions of covered payroll	11%	12%	13%	14%	16%

I.A.M. National Pension Fund

Contractually required contribution	\$ 22,830	\$ 20,959	\$ 22,581	\$ 24,512	\$ 27,475
Contributions in relation to the contractually required contribution	(22,830)	(20,959)	(22,581)	(24,512)	(27,475)
Contributions deficiency (excess)	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 181,380	\$ 166,415	\$ 170,325	\$ 155,283	\$ 215,419
Contributions of covered payroll	13%	13%	13%	16% ¹	13%

Central Pension Fund of the International Union of Operating Engineers and Participating Employers

Contractually required contribution	\$ 251,310	\$ 283,973	\$ 305,795	\$ 339,085	\$ 325,323
Contributions in relation to the contractually required contribution	(251,310)	(283,973)	(305,795)	(339,085)	(325,323)
Contributions deficiency (excess)	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,724,007	\$ 1,867,018	\$ 1,935,505	\$ 1,969,754	\$ 1,939,936
Contributions of covered payroll	15%	15%	16%	17%	17%

GASB Statement #78 was implemented in Fiscal Year 2017. This schedule is intended to show information for ten years.

* Additional years information will be displayed as it becomes available.

¹ Increase in percentage due to retirement and additional sick and vacation payouts

Required Supplementary Information
City of Great Falls, Montana
Schedule of the City Additional Pension Contributions (Concluded)
All Fiscal Years *

Plumbers and Pipefitters National Pension Fund

	2016	2017	2018	2019	2020
Contractually required contribution	\$ 44,593	\$ 47,027	\$ 49,617	\$ 52,570	\$ 50,413
Contributions in relation to the contractually required contribution	(44,593)	(47,027)	(49,617)	(52,570)	(50,413)
Contributions deficiency (excess)	-	-	-	-	-
City's covered payroll	\$ 252,550	\$ 255,450	\$ 261,509	\$ 268,109	\$ 267,218
Contributions of covered payroll	18%	18%	19%	20%	19%

Western Conference of Teamsters Pension Plan

Contractually required contribution	\$ 182,562	\$ 189,661	\$ 190,001	\$ 209,523	\$ 214,008
Contributions in relation to the contractually required contribution	(182,562)	(189,661)	(190,001)	(209,523)	(214,008)
Contributions deficiency (excess)	-	-	-	-	-
City's covered payroll	\$ 1,176,980	\$ 1,193,723	\$ 1,157,790	\$ 1,246,400	\$ 1,222,726
Contributions of covered payroll	16%	16%	16%	17%	18%

* Additional years information will be displayed as it becomes available.

1 Increase in percentage due to retirement and additional sick and vacation payouts

City of Great Falls, Montana
Notes to Required Supplementary Information
For the Year Ended June 30, 2020

1. Employee Benefit Plan

Changes of Benefit Terms PERS

The following changes to the plan provision were made as identified:

2017:

Working Retiree Limitations – for PERS

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

Refunds – PERS

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

Interest credited to member accounts

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

Lump-sum payouts

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

Disabled PERS Defined Contribution (DC) Members

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

PERS -Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following Actuarial Assumptions were adopted from the June 2016 Experience Study:

General Wage Growth*	3.50%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increase	0% to 8.47%
Asset Valuation method	Four-year smoothed market
Actuarial costs method	Entry age Normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Mortality (Health members)	For Males and Femals: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year
Mortality (Disabled members)	For Males and Femals: RP 2000 Combined Mortality Table, with no projections
Admin Expense as % of Paryoll	0.26%

City of Great Falls, Montana
Notes to Required Supplementary Information (Continued)
For the Year Ended June 30, 2020

1. Employee Benefit Plan

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

Changes of Benefit Terms FURS

The following changes to the plan provision were made as identified:

2017:

Working Retiree Limitations – for FURS

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

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

Second Retirement Benefit – for FURS

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

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

City of Great Falls, Montana
Notes to Required Supplementary Information (Continued)
For the Year Ended June 30, 2020

1. Employee Benefit Plan

Refunds – FURS

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

Interest credited to member accounts

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

Lump-sum payouts

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

FURS -Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following Actuarial Assumptions were adopted from the June 30, 2018 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increase	0% to 6.30%
Asset Valuation method	Four-year smoothed market
Actuarial costs method	Entry age Normal
Amortization method	Level percentage of payroll, open
Mortality (Health members)	For Males and Femals: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year
Mortality (Disabled members)	For Males and Femals: RP 2000 Combined Mortality Table, with no projections
Admin Expense as % of Paryoll	0.25%

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

Changes of Benefit Terms MPORS

The following changes to the plan provision were made as identified:

2017:

Working Retiree Limitations – for MPORS

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

- 1) Members who return for less than 480 hours in a calendar year:
 - a. May not become an active member in the system; and
 - b. Are subject to a \$1 reduction in their retirement benefit for each \$3 earned in excess of \$5,000 in the calendar year.

City of Great Falls, Montana
Notes to Required Supplementary Information (Continued)
For the Year Ended June 30, 2020

1. Employee Benefit Plan

- 2) Members who return for 480 or more hours in a calendar year:
 - a. Must become an active member of the system
 - b. Will stop receiving a retirement benefit from the system; and
 - c. Will be eligible for a second retirement benefit if they earn 5 or more years of service credit through their second employment.
- 3) Employee, employer and state contributions, if any, apply as follows:
 - a. Employer contributions and state contributions (if any) must be paid on all working retirees;
 - b. Employee contributions must be paid on working retirees who return to covered employment for 480 or more hours in a calendar year.

Second Retirement Benefit – for MPORS

- 1) Applies to retirement system members who return on or after July 1, 2017 to active service covered by the system from which they retired.
- 2) If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
 - a. Is not awarded service credit for the period or reemployment;
 - b. Is refunded the accumulated contributions associated with the reemployment;
 - c. Starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
 - d. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a Guaranteed Annual Benefit Adjustment (GABA) in January immediately following retirement.
- 3) If the members works more than 480 hours in a calendar year and accumulates at least 5 years of service credit before terminating again, the member:
 - a. Is awarded service credit for the period of reemployments;
 - b. Starting the first month following termination of service, receives:
 - i. The same retirement benefit previously paid to the members and
 - ii. A second retirement benefit for the period of reemployment and calculated based on the laws in effect as a member's rehire date; and
 - c. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA;
 - i. On the initial retirement benefit in January immediately following second retirement, and
 - ii. On the second retirement benefit starting in January after receiving that benefit for at least 12 months.
- 4) A member who returns to covered service is not eligible for a disability benefit.

Refunds – MPORS

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

Interest credited to member accounts

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

City of Great Falls, Montana
Notes to Required Supplementary Information (Continued)
For the Year Ended June 30, 2020

1. Employee Benefit Plan

Lump-sum payouts

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

Method and assumptions used in calculations of actuarially determined contributions

The following Actuarial Assumptions were adopted from the June 30, 2017 actuarial valuation:

General Wage Growth*	3.50%
Investment rate of return*	7.65%
*Includes inflation at	2.75%
Merit salary increases	0% to 6.60%
Asset valuation method	Four-year smoothed market
Actuarial cost method	Entry age Normal
Amortization method	Level percentage of payroll, open
Mortality (Healthy members)	For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year
Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table
Admin Expense as a % of Payroll	0.23%

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

Required Supplementary Information
City of Great Falls, Montana
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2020

	General			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 20,564,142	\$ 20,564,142	\$ 22,146,728	\$ 1,582,586
Licenses and permits	1,070,600	1,070,600	1,036,689	(33,911)
Intergovernmental	8,550,052	14,610,780	17,088,031	2,477,251
Charges for services	1,198,588	1,198,588	1,158,263	(40,325)
Fines and forfeitures	820,000	820,000	627,765	(192,235)
Internal services	862,379	862,379	859,079	(3,300)
Investment income	40,000	40,000	85,430	45,430
Other	153,541	153,541	114,073	(39,468)
Total revenues	33,259,302	39,320,030	43,116,058	3,796,028
Expenditures				
Current				
General government				
Personal services	2,966,671	2,966,671	2,881,747	84,924
Operations and maintenance	1,901,190	1,956,429	1,848,090	108,339
Public safety				
Personal service	19,478,375	23,256,179	23,113,237	142,942
Operation and maintenance	4,271,889	4,418,012	4,213,228	204,784
Culture and recreation				
Personal services	1,922,552	1,922,552	1,754,645	167,907
Operations and maintenance	962,173	962,173	911,246	50,927
Debt service				
Principal	70,065	70,065	70,065	-
Interest	16,570	16,570	16,570	-
Capital outlay	-	-	45,287	(45,287)
Total expenditures	31,589,485	35,568,651	34,854,115	714,536
Revenues over (under) expenditures	1,669,817	3,751,379	8,261,943	4,510,564
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(1,662,877)	(1,662,877)	(1,662,877)	-
Proceeds of capital assets	-	-	2,200	2,200
Total other financing sources (uses)	(1,662,877)	(1,662,877)	(1,660,677)	2,200
Net changes in fund balance	\$ 6,940	\$ 2,088,502	6,601,266	\$ 4,512,764
Fund balance - beginning			6,992,761	
Fund balance - ending			\$ 13,594,027	

Required Supplementary Information
City of Great Falls, Montana
Budgetary Comparison Schedule - Special Revenue Funds
For the Year Ended June 30, 2020

Street District

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Licenses and permits	\$ 7,146	\$ 7,146	\$ 8,381	\$ 1,235
Intergovernmental	1,402,836	1,402,836	1,425,416	22,580
Charges for services	111,500	111,500	121,684	10,184
Internal services	111,768	111,768	57,518	(54,250)
Special assessments	4,583,265	4,583,265	4,620,048	36,783
Investment income	-	-	61,117	61,117
Other	1,000	1,000	239,573	238,573
Total revenues	6,217,515	6,217,515	6,533,737	316,222
Expenditures				
Current				
Public works				
Personal services	2,496,232	2,496,232	2,376,027	120,205
Operations and maintenance	3,730,944	3,730,944	2,967,723	763,221
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Capital outlay	3,363,989	3,563,989	1,414,561	2,149,428
Total expenditures	9,591,165	9,791,165	6,758,311	3,032,854
Revenues over (under) expenditures	(3,373,650)	(3,573,650)	(224,574)	3,349,076
Other financing sources (uses)				
Transfers out	(40,000)	(56,620)	(56,620)	-
Total other financing sources	(40,000)	(56,620)	(56,620)	-
Net changes in fund balance	\$ (3,413,650)	\$ (3,630,270)	\$ (281,194)	\$ 3,349,076
Fund balance - beginning			4,628,545	
Fund balance - ending			\$ 4,347,351	

Required Supplementary Information
City of Great Falls, Montana
Budgetary Comparison Schedule - Special Revenue Funds (Concluded)
For the Year Ended June 30, 2020

Federal Block Grant

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental	794,666	974,666	1,158,253	183,587
Charges for services	-	-	272,971	272,971
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	(236)	(236)
Other	-	-	-	-
Total revenues	794,666	974,666	1,430,988	456,322
Expenditures				
Current				
Public works				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	180,821	180,821	124,378	56,443
Operations and maintenance	43,758	1,481,583	165,070	1,316,513
Capital outlay	190,176	313,176	941,385	(628,209)
Total expenditures	414,755	1,975,580	1,230,833	744,747
Revenues over (under) expenditures	379,911	(1,000,914)	200,155	1,201,069
Other financing sources (uses)				
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net changes in fund balance	\$ 379,911	\$ (1,000,914)	\$ 200,155	\$ 1,201,069
Fund balance - beginning			982,442	
Fund balance - ending			\$ 1,182,597	

City of Great Falls, Montana
Notes to Budgetary Comparison Schedule
June 30, 2020

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 except capital outlay and debt principal is budgeted in the proprietary funds. Depreciation is not budgeted.

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. Major changes without "carryovers" in the legally adopted budgets consisted of:

<u>Fund</u>	<u>Amount</u>	<u>Purpose</u>
<u>Revenues</u>		
General	\$2,282,924	CARES grant
Park & Rec Recreation	\$300,000	Contribution for park improvement projects
Parkland Trust	\$113,653	Payment of Lieu of park land
Central Montana Ag Tech Park TID	\$1,500,000	Sale of bonds
Support and Innovation	\$97,000	Additional assessments revenues received
West Bank TID Bonds	\$3,200,000	Sale of bonds
General Capital Improvements	\$240,000	Additional revenue received for capital improvements for City Commission approved projects
911 Dispatch Center	\$222,940	Public safety grant
Central Garage	\$129,200	Insurance recoveries and sale of machinery

City of Great Falls, Montana
Notes to Budgetary Comparison Schedule (Concluded)
June 30, 2020

1. Summary of Significant Accounting Policies – continued

a. Budgets and Budgetary Accounting – continued

<u>Fund</u>	<u>Amount</u>	<u>Purpose</u>
<u>Expenses/ Expenditures (Continued)</u>		
Park & Recreation	\$386,000	Grants and contributions for park improvements
Parkland Trust	\$113,653	Payment for park improvements
Central Montana Ag Tech Park TID	\$1,500,000	Capital improvements from sale of bonds
East Industrial TID	\$650,000	Activated reserves for capital improvements for City Commission approved project
Support and Innovation	\$97,000	Additional assessments revenues received
West Bank TID Bonds	\$3,663,830	Capital improvements, professional services and refunding of bonds from sale of bonds
West Bank TID Bonds	\$350,000	Activated reserves for capital improvements for City Commission approved project
General Capital Improvements	\$240,000	Additional revenue received for capital improvements for City Commission approved projects
911 Dispatch Center	\$222,940	Public safety grant
Central Garage	\$129,200	Capital improvements from insurance recoveries and sale of machinery
Insurance & Safety	\$94,500	Activated reserves for insurance payments

b. Excess of Expenditures Over Appropriations

There were no excess expenditures over appropriations in the Governmental Funds.

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.

Park & Recreation 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.

Parkland Trust Fund – This fund is used to account for payments in lieu of parkland that are received.

Library Fund – This fund is used to account for fund operations for the Great Falls Public Library.

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

Planning & Community Development Fund – This fund is used to account for fund operations for the City’s Planning and Community Development (PCD) Department. The 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.

Central Montana Ag Tech Park TID Fund – This fund is used to account for fund operations to encourage industrial growth by providing tax increment financing from the Central MT Ag Tech Tax Increment District.

Airport TID Fund – This fund is used to account for special revenue derived from the Airport Tax Increment District.

Downtown TID Fund – This fund is used to account for revenue derived from the Downtown Urban Renewal District.

East Industrial Ag Tech Park TID Fund - This fund is used to account for revenue derived from the East Industrial Ag Tech Park Tax Increment District.

Economic Revolving Fund – This fund is used to account for economic development activities including the pass-through grants from the Big Sky Economic Development grants.

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

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.

Portage Meadows Fund – The purpose of this fund is to maintain the grass, trees, and irrigation system, and to provide snow removal in the green belt park of Portage Meadows Addition. The City created a special improvement maintenance district and assesses the property owners for the maintenance costs.

Park Maintenance District Fund – The fund accounts for special assessment revenues received for the District and expenses associated with identified park and recreation projects of the District.

Support & 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. This includes the assessments raised by the Business Improvement District and the Tourism Business Improvement District.

Gas Tax BaRSAA Fund – This fund is used to account for gas tax revenue received from the increase tax of the Bridge and Road Safety Accountability Act. Revenue is used for street maintenance capital projects.

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.

Special Revenue Funds (Continued)

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.

HIDTA Special Revenue Fund – This fund is used to account for High Intensity Drug Trafficking Area task force. HIDTA is funded through a Grant by the Office of National Drug Control Policy (ONDCP)

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

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.

Housing Authority Fund – This fund is used to account for staff to manage 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.

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

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.

Soccer Park GO Bond Fund – – This fund is used to account for General Obligation Bonds Series 2004 payable for construction of the Electric City Soccer Park. The bonds were refinanced in 2014 and are now General Obligation Bonds Series 2014A.

Swimming Pool GO 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. The bonds were refinanced in 2014 and are now General Obligation Bonds Series 2014A. This fund was closed in Fiscal Year 2018 since the last debt payment was in June, 2017.

West Bank TID Bonds Fund – This fund is used to account for the debt of the West Bank Park Urban Renewal District.

General Obligation Taxable Bonds Fund - This fund is used to account for the debt of the refinancing of the general obligation taxable bonds that were used to finance the Highwood Generating Station Feasibility Study.

SID Bonds Fund – This fund is used to account for bonded indebtedness on Special Improvement Districts (SIDs).

Master Debt SILD Fund – This fund is used to account for City owned and operated new lighting districts debt.

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.

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 cleanup of problem properties when the property owner is financially unable or unwilling to correct the problem.

**City of Great Falls
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020**

Special Revenue Funds

	Park & Recreation	Parkland Trust	Library	Library Foundation	Planning & Community Development
Assets					
Cash and investments	\$ 930,665	\$ 133,893	\$ 384,957	\$ 398,803	\$ 217,313
Restricted cash and investments	-	-	101,880	-	-
Receivables					
Taxes	-	-	144,733	-	-
Special assessments	-	-	-	-	-
Accounts	-	-	-	-	-
Accrued interest	429	-	-	-	-
Loans	-	-	-	-	-
Due from other city funds	26,059	-	-	-	-
Due from other governments	-	-	90,377	-	119,505
Other assets	-	-	-	-	-
Total assets	\$ 957,153	\$ 133,893	\$ 721,947	\$ 398,803	\$ 336,818
Liabilities					
Accounts payable	\$ 3,291	\$ -	\$ 50,093	\$ 3,631	\$ 28,576
Due to other city funds	-	-	-	-	-
Other liabilities	-	-	-	-	83,095
Total liabilities	3,291	-	50,093	3,631	111,671
Deferred inflows of resources					
Unavailable revenue-property taxes	-	-	114,543	-	-
Unavailable revenue-special assessments	-	-	-	-	-
Unavailable revenue-liens	-	-	-	-	-
Unavailable revenue-grants	-	-	-	-	-
Unavailable revenue-security agreement	-	-	-	-	-
Total deferred inflows of resources	-	-	114,543	-	-
Fund Balances					
Restricted	-	-	-	395,172	-
Assigned	953,862	133,893	557,311	-	225,147
Unassigned	-	-	-	-	-
Total fund balances	953,862	133,893	557,311	395,172	225,147
Total liabilities, deferred inflows of resources, and fund balances	\$ 957,153	\$ 133,893	\$ 721,947	\$ 398,803	\$ 336,818

Continued on next page

City of Great Falls
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2020

Special Revenue Funds

	Central Montana Ag Tech Park TID	Airport TID	Downtown TID	East Industrial Ag Tech Park TID	Economic Revolving
Assets					
Cash and investments	\$ 1,476,731	\$ 116,716	\$ 1,669,316	\$ 49,023	\$ 4,796
Restricted cash and investments	48,113	-	-	-	-
Receivables					
Taxes	17,902	2,099	158,513	23,850	-
Special assessments	-	-	-	-	-
Accounts	-	-	-	-	-
Accrued interest	-	-	-	-	-
Loans	-	-	-	-	-
Due from other city funds	-	-	-	-	-
Due from other governments	22	-	882	1	-
Other assets	-	-	-	-	15,615
Total assets	\$ 1,542,768	\$ 118,815	\$ 1,828,711	\$ 72,874	\$ 20,411
Liabilities					
Accounts payable	\$ 40,835	\$ -	\$ -	\$ -	\$ -
Due to other city funds	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total liabilities	40,835	-	-	-	-
Deferred inflows of resources					
Unavailable revenue-property taxes	-	665	45,296	-	-
Unavailable revenue-special assessments	-	-	-	-	-
Unavailable revenue-liens	-	-	-	-	-
Unavailable revenue-grants	-	-	-	-	-
Unavailable revenue-security agreement	-	-	-	-	-
Total deferred inflows of resources	-	665	45,296	-	-
Fund Balances					
Restricted	1,501,933	118,150	1,783,415	72,874	15,615
Assigned	-	-	-	-	4,796
Unassigned	-	-	-	-	-
Total fund balances	1,501,933	118,150	1,783,415	72,874	20,411
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,542,768	\$ 118,815	\$ 1,828,711	\$ 72,874	\$ 20,411

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City of Great Falls
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2020

Special Revenue Funds

	Permits	Natural Resources	Portage Meadows	Park Maintenance District	Support & Innovation
Assets					
Cash and investments	\$ 886,071	\$ 378,240	\$ 74,254	\$ 1,718,264	\$ 250,282
Restricted cash and investments	-	31,886	-	-	-
Receivables					
Taxes	-	-	-	-	-
Special assessments	-	25,661	2,169	59,458	82,268
Accounts	-	1,223	-	-	-
Accrued interest	382	-	-	-	-
Loans	-	-	-	-	-
Due from other city funds	-	-	-	-	-
Due from other governments	1,735	534	34	1,227	1,065
Other assets	-	-	-	-	-
Total assets	\$ 888,188	\$ 437,544	\$ 76,457	\$ 1,778,949	\$ 333,615
Liabilities					
Accounts payable	\$ 40,334	\$ 23,850	\$ 593	\$ 158,631	\$ 229,339
Due to other city funds	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total liabilities	40,334	23,850	593	158,631	229,339
Deferred inflows of resources					
Unavailable revenue-property taxes	-	-	-	-	-
Unavailable revenue-special assessments	-	10,654	380	16,455	7,619
Unavailable revenue-liens	-	-	-	-	-
Unavailable revenue-grants	-	-	-	-	-
Unavailable revenue-security agreement	-	-	-	-	-
Total deferred inflows of resources	-	10,654	380	16,455	7,619
Fund Balances					
Restricted	-	403,040	75,484	1,603,863	-
Assigned	847,854	-	-	-	96,657
Unassigned	-	-	-	-	-
Total fund balances	847,854	403,040	75,484	1,603,863	96,657
Total liabilities, deferred inflows of resources, and fund balances	\$ 888,188	\$ 437,544	\$ 76,457	\$ 1,778,949	\$ 333,615

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**City of Great Falls
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2020**

Special Revenue Funds

	Gas Tax BaRSAA	911 Special Revenue	Police Special Revenue	HIDTA Special Revenue	Fire Special Revenue
Assets					
Cash and investments	\$ 1,983,321	\$ 795,410	\$ 328,875	\$ 69,572	\$ 51,441
Restricted cash and investments	-	-	-	-	-
Receivables					
Taxes	-	-	-	-	-
Special assessments	-	-	-	-	-
Accounts	-	-	1,150	-	451
Accrued interest	-	-	-	-	-
Loans	-	-	-	-	-
Due from other city funds	-	-	-	-	-
Due from other governments	-	-	-	58,403	-
Other assets	-	-	-	-	-
Total assets	\$ 1,983,321	\$ 795,410	\$ 330,025	\$ 127,975	\$ 51,892
Liabilities					
Accounts payable	\$ 116,071	\$ -	\$ 43	\$ 5,388	\$ 266
Due to other city funds	-	-	-	-	-
Other liabilities	-	-	105,274	99,457	-
Total liabilities	116,071	-	105,317	104,845	266
Deferred inflows of resources					
Unavailable revenue-property taxes	-	-	-	-	-
Unavailable revenue-special assessments	-	-	-	-	-
Unavailable revenue-liens	-	-	-	-	-
Unavailable revenue-grants	-	-	-	-	2,209
Unavailable revenue-security agreement	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	2,209
Fund Balances					
Restricted	1,867,250	-	-	-	-
Assigned	-	795,410	224,708	23,130	49,417
Unassigned	-	-	-	-	-
Total fund balances	1,867,250	795,410	224,708	23,130	49,417
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,983,321	\$ 795,410	\$ 330,025	\$ 127,975	\$ 51,892

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City of Great Falls
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds			Debt Service Funds	
	Home Grant	Housing Authority	Street Lighting Districts	Soccer Park GO Bond	West Bank TID Bonds
Assets					
Cash and investments	\$ 132,447	\$ -	\$ 1,904,103	\$ 49,887	\$ 308,362
Restricted cash and investments	-	-	-	-	366,199
Receivables					
Taxes	-	-	-	10,080	118,650
Special assessments	-	-	59,255	-	-
Accounts	-	-	-	-	-
Accrued interest	-	-	477	-	-
Loans	40,000	-	-	-	-
Due from other city funds	-	-	-	-	-
Due from other governments	2,672	93,857	1,192	110	3,606
Other assets	-	-	-	-	-
Total assets	\$ 175,119	\$ 93,857	\$ 1,965,027	\$ 60,077	\$ 796,817
Liabilities					
Accounts payable	\$ 873	\$ 49,611	\$ 85,562	\$ -	\$ -
Due to other city funds	-	44,246	-	-	-
Other liabilities	-	-	-	-	-
Total liabilities	873	93,857	85,562	-	-
Deferred inflows of resources					
Unavailable revenue-property taxes	-	-	-	4,431	1,870
Unavailable revenue-special assessments	-	-	22,075	-	-
Unavailable revenue-liens	-	-	-	-	-
Unavailable revenue-grants	40,000	-	-	-	-
Unavailable revenue-security agreement	-	-	-	-	-
Total deferred inflows of resources	40,000	-	22,075	4,431	1,870
Fund Balances					
Restricted	134,246	-	1,857,390	55,646	794,947
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	134,246	-	1,857,390	55,646	794,947
Total liabilities, deferred inflows of resources, and fund balances	\$ 175,119	\$ 93,857	\$ 1,965,027	\$ 60,077	\$ 796,817

Continued on next page

City of Great Falls
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2020

	Debt Service Funds			Capital Projects Funds	
	General Obligation Taxable Bonds	SID Bonds	Master Debt SILD	General Capital Projects	Improvement District Projects
Assets					
Cash and investments	\$ 9,038	\$ 126,200	\$ 32,445	\$ 1,055,428	\$ 5,795
Restricted cash and investments	-	179,687	-	-	-
Receivables					
Taxes	-	-	-	-	-
Special assessments	-	-	50,674	-	-
Accounts	-	-	-	-	-
Accrued interest	-	-	-	-	-
Loans	-	-	-	-	-
Due from other city funds	-	-	-	-	-
Due from other governments	-	-	13	-	-
Other assets	-	-	-	-	-
Total assets	\$ 9,038	\$ 305,887	\$ 83,132	\$ 1,055,428	\$ 5,795
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 56,671	\$ -
Due to other city funds	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total liabilities	-	-	-	56,671	-
Deferred inflows of resources					
Unavailable revenue-property taxes	-	-	-	-	-
Unavailable revenue-special assessments	-	-	50,060	-	-
Unavailable revenue-liens	-	-	-	-	-
Unavailable revenue-grants	-	-	-	-	-
Unavailable revenue-security agreement	-	179,687	-	-	-
Total deferred inflows of resources	-	179,687	50,060	-	-
Fund Balances					
Restricted	9,038	126,200	33,072	-	-
Assigned	-	-	-	998,757	5,795
Unassigned	-	-	-	-	-
Total fund balances	9,038	126,200	33,072	998,757	5,795
Total liabilities, deferred inflows of resources, and fund balances	\$ 9,038	\$ 305,887	\$ 83,132	\$ 1,055,428	\$ 5,795

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**City of Great Falls
Combining Balance Sheet (Concluded)
Nonmajor Governmental Funds
June 30, 2020**

**Capital
Projects
Funds**

	Hazard Removal	Total Nonmajor Governmental Funds
Assets		
Cash and investments	\$ 46,034	\$ 15,587,682
Restricted cash and investments	-	727,765
Receivables		-
Taxes	-	475,827
Special assessments	39,457	318,942
Accounts	-	2,824
Accrued interest	-	1,288
Loans	-	40,000
Due from other city funds	-	26,059
Due from other governments	-	375,235
Other assets	-	15,615
Total assets	\$ 85,491	\$ 17,571,237
Liabilities		
Accounts payable	\$ 78	\$ 893,736
Due to other city funds	-	44,246
Other liabilities	-	287,826
Total liabilities	78	1,225,808
Deferred inflows of resources		
Unavailable revenue-property taxes	-	166,805
Unavailable revenue-special assessments	-	107,243
Unavailable revenue-liens	39,457	39,457
Unavailable revenue-grants	-	42,209
Unavailable revenue-security agreement	-	179,687
Total deferred inflows of resources	39,457	535,401
Fund Balances		
Restricted	-	10,847,335
Assigned	45,956	4,962,693
Unassigned	-	-
Total fund balances	45,956	15,810,028
Total liabilities, deferred inflows of resources, and fund balances	\$ 85,491	\$ 17,571,237

City of Great Falls
Combining Statement of Revenues, Expenditures, and Changes in Fund
Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Special Revenue Funds

	Park & Recreation	Parkland Trust	Library	Library Foundation	Planning & Community Development
Revenues					
Taxes	\$ -	\$ -	\$ 976,468	\$ -	\$ -
Licenses and permits	-	-	-	-	156,295
Intergovernmental	-	-	232,708	10,000	454,837
Charges for services	510	113,653	34,156	-	94,649
Fines and forfeitures	-	-	18,105	-	-
Internal services	-	-	-	-	39,126
Special assessments	-	-	-	-	-
Investment income	17,102	352	4,939	4,118	3,571
Other	359,672	-	56,133	330,146	68,875
Total revenues	<u>377,284</u>	<u>114,005</u>	<u>1,322,509</u>	<u>344,264</u>	<u>817,353</u>
Expenditures					
Current					
General government	-	-	-	-	1,083,628
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture and recreation	29,921	-	1,382,425	188,906	-
Housing & development	-	-	-	-	-
Interest & fees	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	146,293	-	309,322	8,072	-
Total expenditures	<u>176,214</u>	<u>-</u>	<u>1,691,747</u>	<u>196,978</u>	<u>1,083,628</u>
Excess (deficiency) of revenues over (under) expenditures	<u>201,070</u>	<u>114,005</u>	<u>(369,238)</u>	<u>147,286</u>	<u>(266,275)</u>
Other financing sources (uses)					
Transfers in	-	-	350,000	-	271,932
Transfers out	-	-	-	-	-
Issuance of debt	-	-	-	-	-
Proceeds of capital assets	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>350,000</u>	<u>-</u>	<u>271,932</u>
Net change in fund balances	201,070	114,005	(19,238)	147,286	5,657
Fund balances - beginning	<u>752,792</u>	<u>19,888</u>	<u>576,549</u>	<u>247,886</u>	<u>219,490</u>
Fund balances - ending	<u>\$ 953,862</u>	<u>\$ 133,893</u>	<u>\$ 557,311</u>	<u>\$ 395,172</u>	<u>\$ 225,147</u>

Continued on next page

City of Great Falls
Combining Statement of Revenues, Expenditures, and Changes in Fund
Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Special Revenue Funds

	Central		East		
	Montana Ag Tech Park TID	Airport TID	Downtown TID	Industrial Ag Tech Park TID	Economic Revolving
Revenues					
Taxes	\$ 317,596	\$ 74,814	\$ 1,326,973	\$ 318,105	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	3,517	23	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Internal services	-	-	-	-	-
Special assessments	-	-	-	-	-
Investment income	17,406	1,640	10,029	867	69
Other	-	-	-	-	-
Total revenues	338,519	76,477	1,337,002	318,972	69
Expenditures					
Current					
General government	41,614	2,537	19,317	20,077	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Housing & development	-	-	-	-	-
Interest & fees	-	-	-	-	-
Debt service					
Principal	29,000	-	-	-	-
Interest	4,978	-	-	-	-
Capital outlay	933,618	107,383	-	322,373	-
Total expenditures	1,009,210	109,920	19,317	342,450	-
Excess (deficiency) of revenues over (under) expenditures	(670,691)	(33,443)	1,317,685	(23,478)	69
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Issuance of debt	992,920	-	-	-	-
Proceeds of capital assets	-	-	-	-	-
Total other financing sources (uses)	992,920	-	-	-	-
Net change in fund balances	322,229	(33,443)	1,317,685	(23,478)	69
Fund balances - beginning	1,179,704	151,593	465,730	96,352	20,342
Fund balances - ending	<u>\$ 1,501,933</u>	<u>\$ 118,150</u>	<u>\$ 1,783,415</u>	<u>\$ 72,874</u>	<u>\$ 20,411</u>

Continued on next page

City of Great Falls
Combining Statement of Revenues, Expenditures, and Changes in Fund
Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Special Revenue Funds

	Permits	Natural Resources	Portage Meadows	Park Maintenance District	Support & Innovation
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	823,945	-	-	-	-
Intergovernmental	19,437	7,587	-	-	-
Charges for services	-	14,000	-	-	-
Fines and forfeitures	-	-	-	-	-
Internal services	18,246	140	-	-	-
Special assessments	-	407,062	65,713	1,508,887	1,026,854
Investment income	20,235	4,804	864	18,147	1,966
Other	16,863	4,625	-	-	6,333
Total revenues	898,726	438,218	66,577	1,527,034	1,035,153
Expenditures					
Current					
General government	-	-	-	-	1,028,086
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture and recreation	-	704,082	46,028	503,179	-
Housing & development	1,533,165	-	-	-	-
Interest & fees	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	508,040	-
Total expenditures	1,533,165	704,082	46,028	1,011,219	1,028,086
Excess (deficiency) of revenues over (under) expenditures	(634,439)	(265,864)	20,549	515,815	7,067
Other financing sources (uses)					
Transfers in	-	256,277	-	-	-
Transfers out	-	-	-	-	-
Issuance of debt	-	-	-	-	-
Proceeds of capital assets	-	-	-	-	-
Total other financing sources (uses)	-	256,277	-	-	-
Net change in fund balances	(634,439)	(9,587)	20,549	515,815	7,067
Fund balances - beginning	1,482,293	412,627	54,935	1,088,048	89,590
Fund balances - ending	<u>\$ 847,854</u>	<u>\$ 403,040</u>	<u>\$ 75,484</u>	<u>\$ 1,603,863</u>	<u>\$ 96,657</u>

Continued on next page

City of Great Falls
Combining Statement of Revenues, Expenditures, and Changes in Fund
Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Special Revenue Funds

	Gas Tax BaRSAA	911 Special Revenue	Police Special Revenue	HIDTA Special Revenue	Fire Special Revenue
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	1,853,221	606,154	26,189	279,215	141,072
Charges for services	-	-	8,985	-	14,234
Fines and forfeitures	-	-	53,884	1,108	-
Internal services	-	-	-	-	-
Special assessments	-	-	-	-	-
Investment income	11,599	10,827	3,908	1,153	683
Other	-	-	47,603	106,971	5,602
Total revenues	1,864,820	616,981	140,569	388,447	161,591
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	175,899	78,823	320,083	36,591
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Housing & development	-	-	-	-	-
Interest & fees	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	116,071	-	-	-	139,361
Total expenditures	116,071	175,899	78,823	320,083	175,952
Excess (deficiency) of revenues over (under) expenditures	1,748,749	441,082	61,746	68,364	(14,361)
Other financing sources (uses)					
Transfers in	56,620	-	-	-	-
Transfers out	-	(356,674)	-	-	-
Issuance of debt	-	-	-	-	-
Proceeds of capital assets	-	-	-	-	-
Total other financing sources (uses)	56,620	(356,674)	-	-	-
Net change in fund balances	1,805,369	84,408	61,746	68,364	(14,361)
Fund balances - beginning	61,881	711,002	162,962	(45,234)	63,778
Fund balances - ending	\$ 1,867,250	\$ 795,410	\$ 224,708	\$ 23,130	\$ 49,417

Continued on next page

City of Great Falls
Combining Statement of Revenues, Expenditures, and Changes in Fund
Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	<u>Special Revenue Funds</u>			<u>Debt Service Funds</u>	
	<u>Home Grant</u>	<u>Housing Authority</u>	<u>Street Lighting Districts</u>	<u>Soccer Park GO Bond</u>	<u>West Bank TID Bonds</u>
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 184,679	\$ 797,831
Licenses and permits	-	-	-	-	-
Intergovernmental	57,268	27,817	-	229	4,684
Charges for services	-	1,392,360	-	-	-
Fines and forfeitures	-	-	-	-	-
Internal services	-	-	-	-	-
Special assessments	-	-	1,177,007	-	-
Investment income	-	-	29,645	981	7,909
Other	-	-	-	-	15,685
Total revenues	<u>57,268</u>	<u>1,420,177</u>	<u>1,206,652</u>	<u>185,889</u>	<u>826,109</u>
Expenditures					
Current					
General government	-	1,420,177	1,360,677	4,044	50,391
Public safety	-	-	-	-	-
Public works	-	-	27,030	-	-
Culture and recreation	-	-	-	-	-
Housing & development	10,068	-	-	-	-
Interest & fees	-	-	-	-	51,200
Debt service					
Principal	-	-	-	145,000	1,725,000
Interest	-	-	-	17,999	127,659
Capital outlay	-	-	-	-	1,942,614
Total expenditures	<u>10,068</u>	<u>1,420,177</u>	<u>1,387,707</u>	<u>167,043</u>	<u>3,896,864</u>
Excess (deficiency) of revenues over (under) expenditures	<u>47,200</u>	<u>-</u>	<u>(181,055)</u>	<u>18,846</u>	<u>(3,070,755)</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Issuance of debt	-	-	-	-	3,200,000
Proceeds of capital assets	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,200,000</u>
Net change in fund balances	47,200	-	(181,055)	18,846	129,245
Fund balances - beginning	<u>87,046</u>	<u>-</u>	<u>2,038,445</u>	<u>36,800</u>	<u>665,702</u>
Fund balances - ending	<u>\$ 134,246</u>	<u>\$ -</u>	<u>\$ 1,857,390</u>	<u>\$ 55,646</u>	<u>\$ 794,947</u>

Continued on next page

City of Great Falls
Combining Statement of Revenues, Expenditures, and Changes in Fund
Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Debt Service Funds			Capital Projects Funds	
	General Obligation Taxable Bonds	SID Bonds	Master Debt SILD	General Capital Projects	Improvemen t District Projects
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Internal services	-	-	-	-	-
Special assessments	-	42,634	17,317	-	-
Investment income	941	4,346	323	18,265	84
Other	-	-	-	343,668	-
Total revenues	941	46,980	17,640	361,933	84
Expenditures					
Current					
General government	-	2,022	-	310,913	-
Public safety	-	-	-	-	-
Public works	-	-	-	274,742	-
Culture and recreation	-	-	-	4,383	-
Housing & development	-	-	-	-	-
Interest & fees	-	-	-	-	-
Debt service					
Principal	135,000	-	2,915	-	-
Interest	13,895	1,750	1,129	-	-
Capital outlay	-	-	-	5,796	-
Total expenditures	148,895	3,772	4,044	595,834	-
Excess (deficiency) of revenues over (under) expenditures	(147,954)	43,208	13,596	(233,901)	84
Other financing sources (uses)					
Transfers in	148,545	-	-	-	-
Transfers out	-	-	-	-	-
Issuance of debt	-	-	-	-	-
Proceeds of capital assets	-	-	-	-	-
Total other financing sources (uses)	148,545	-	-	-	-
Net change in fund balances	591	43,208	13,596	(233,901)	84
Fund balances - beginning	8,447	82,992	19,476	1,232,658	5,711
Fund balances - ending	\$ 9,038	\$ 126,200	\$ 33,072	\$ 998,757	\$ 5,795

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City of Great Falls
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (Concluded)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Capital Projects Funds

	<u>Hazard Removal</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues		
Taxes	\$ -	\$ 3,996,466
Licenses and permits	-	980,240
Intergovernmental	-	3,723,958
Charges for services	-	1,672,547
Fines and forfeitures	-	73,097
Internal services	-	57,512
Special assessments	-	4,245,474
Investment income	679	197,452
Other	5,675	1,367,851
Total revenues	<u>6,354</u>	<u>16,314,597</u>
Expenditures		
Current		
General government	-	5,343,483
Public safety	-	611,396
Public works	-	301,772
Culture and recreation	-	2,858,924
Housing & development	1,883	1,545,116
Interest & fees	-	51,200
Debt service		
Principal	-	2,036,915
Interest	-	167,410
Capital outlay	-	4,538,943
Total expenditures	<u>1,883</u>	<u>17,455,159</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,471</u>	<u>(1,140,562)</u>
Other financing sources (uses)		
Transfers in	-	1,083,374
Transfers out	-	(356,674)
Issuance of debt	-	4,192,920
Proceeds of capital assets	-	-
Total other financing sources (uses)	<u>-</u>	<u>4,919,620</u>
Net change in fund balances	4,471	3,779,058
Fund balances - beginning	<u>41,485</u>	<u>12,030,970</u>
Fund balances - ending	<u>\$ 45,956</u>	<u>\$ 15,810,028</u>

City of Great Falls, Montana
Combining Schedule of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Special Revenue Funds

	Park & Recreation		Parkland Trust	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	433,940	-	-	-
Charges for services	1,000	510	113,653	113,653
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	17,102	-	352
Other	42,600	359,672	-	-
Total revenues	<u>477,540</u>	<u>377,284</u>	<u>113,653</u>	<u>114,005</u>
Expenditures				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Public safety				
Personal services	-	-	-	-
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	96,820	29,921	113,653	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Interest & fees				
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	523,563	146,293	-	-
Total expenditures	<u>620,383</u>	<u>176,214</u>	<u>113,653</u>	<u>-</u>
Revenues over (under) expenditures	<u>(142,843)</u>	<u>201,070</u>	<u>-</u>	<u>114,005</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Proceeds of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ (142,843)</u>	<u>201,070</u>	<u>\$ -</u>	<u>114,005</u>
Fund balance - beginning		<u>752,792</u>		<u>19,888</u>
Fund balance - ending		<u>\$ 953,862</u>		<u>\$ 133,893</u>

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City of Great Falls, Montana
Combining Schedule of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Special Revenue Funds

	Library		Library Foundation	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ 800,000	\$ 976,468	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	206,926	232,708	-	10,000
Charges for services	35,100	34,156	-	-
Fines and forfeitures	18,000	18,105	-	-
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	2,500	4,939	1,000	4,118
Other	-	56,133	107,275	330,146
Total revenues	<u>1,062,526</u>	<u>1,322,509</u>	<u>108,275</u>	<u>344,264</u>
Expenditures				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Public safety				
Personal services	-	-	-	-
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	1,129,729	1,098,979	-	-
Operations and maintenance	339,724	283,446	343,406	188,906
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Interest & fees				
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	250,000	309,322	-	8,072
Total expenditures	<u>1,719,453</u>	<u>1,691,747</u>	<u>343,406</u>	<u>196,978</u>
Revenues over (under) expenditures	<u>(656,927)</u>	<u>(369,238)</u>	<u>(235,131)</u>	<u>147,286</u>
Other financing sources (uses)				
Transfers in	350,000	350,000	-	-
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Proceeds of capital assets	-	-	-	-
Total other financing sources (uses)	<u>350,000</u>	<u>350,000</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ (306,927)</u>	<u>(19,238)</u>	<u>\$ (235,131)</u>	<u>147,286</u>
Fund balance - beginning		<u>576,549</u>		<u>247,886</u>
Fund balance - ending		<u>\$ 557,311</u>		<u>\$ 395,172</u>

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City of Great Falls, Montana
Combining Schedule of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds			
	Planning & Community Development		Central Montana Ag Tech Park TID	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ -	\$ -	\$ 315,000	\$ 317,596
Licenses and permits	101,155	156,295	-	-
Intergovernmental	580,400	454,837	-	3,517
Charges for services	127,150	94,649	-	-
Fines and forfeitures	-	-	-	-
Internal services	39,126	39,126	-	-
Special assessments	-	-	-	-
Investment income	-	3,571	-	17,406
Other	30,000	68,875	-	-
Total revenues	<u>877,831</u>	<u>817,353</u>	<u>315,000</u>	<u>338,519</u>
Expenditures				
Current				
General government				
Personal services	744,773	708,150	-	-
Operations and maintenance	413,605	375,478	19,614	41,614
Public safety				
Personal services	-	-	-	-
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Interest & fees				
Debt service				
Principal	-	-	29,000	29,000
Interest	-	-	4,978	4,978
Capital outlay	-	-	1,608,438	933,618
Total expenditures	<u>1,158,378</u>	<u>1,083,628</u>	<u>1,662,030</u>	<u>1,009,210</u>
Revenues over (under) expenditures	<u>(280,547)</u>	<u>(266,275)</u>	<u>(1,347,030)</u>	<u>(670,691)</u>
Other financing sources (uses)				
Transfers in	271,932	271,932	-	-
Transfers out	-	-	-	-
Issuance of debt	-	-	1,500,000	992,920
Proceeds of capital assets	-	-	-	-
Total other financing sources (uses)	<u>271,932</u>	<u>271,932</u>	<u>1,500,000</u>	<u>992,920</u>
Net changes in fund balance	<u>\$ (8,615)</u>	<u>5,657</u>	<u>\$ 152,970</u>	<u>322,229</u>
Fund balance - beginning		<u>219,490</u>		<u>1,179,704</u>
Fund balance - ending		<u>\$ 225,147</u>		<u>\$ 1,501,933</u>

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City of Great Falls, Montana
Combining Schedule of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds			
	Airport TID		Downtown TID	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ 21,627	\$ 74,814	\$ 179,955	\$ 1,326,973
Licenses and permits	-	-	-	-
Intergovernmental	-	23	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	1,640	-	10,029
Other	-	-	-	-
Total revenues	<u>21,627</u>	<u>76,477</u>	<u>179,955</u>	<u>1,337,002</u>
Expenditures				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	2,537	2,537	19,317	19,317
Public safety				
Personal services	-	-	-	-
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Interest & fees				
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	107,383	107,383	205,109	-
Total expenditures	<u>109,920</u>	<u>109,920</u>	<u>224,426</u>	<u>19,317</u>
Revenues over (under) expenditures	<u>(88,293)</u>	<u>(33,443)</u>	<u>(44,471)</u>	<u>1,317,685</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Proceeds of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ (88,293)</u>	<u>(33,443)</u>	<u>\$ (44,471)</u>	<u>1,317,685</u>
Fund balance - beginning		<u>151,593</u>		<u>465,730</u>
Fund balance - ending		<u>\$ 118,150</u>		<u>\$ 1,783,415</u>

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City of Great Falls, Montana
Combining Schedule of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds			
	East Industrial Ag		Economic Revolving	
	Tech Park TID			
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ 318,739	\$ 318,105	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	867	-	69
Other	-	-	-	-
Total revenues	<u>318,739</u>	<u>318,972</u>	<u>-</u>	<u>69</u>
Expenditures				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	20,077	20,077	-	-
Public safety				
Personal services	-	-	-	-
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Interest & fees				
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	<u>323,178</u>	<u>322,373</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>343,255</u>	<u>342,450</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(24,516)</u>	<u>(23,478)</u>	<u>-</u>	<u>69</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Proceeds of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ (24,516)</u>	<u>(23,478)</u>	<u>\$ -</u>	<u>69</u>
Fund balance - beginning		<u>96,352</u>		<u>20,342</u>
Fund balance - ending		<u>\$ 72,874</u>		<u>\$ 20,411</u>

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City of Great Falls, Montana
Combining Schedule of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Special Revenue Funds

	Permits		Natural Resources	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	1,042,652	823,945	-	-
Intergovernmental	-	19,437	-	7,587
Charges for services	-	-	14,000	14,000
Fines and forfeitures	-	-	-	-
Internal services	18,246	18,246	1,000	140
Special assessments	-	-	431,617	407,062
Investment income	-	20,235	-	4,804
Other	1,000	16,863	2,000	4,625
Total revenues	1,061,898	898,726	448,617	438,218
Expenditures				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Public safety				
Personal services	-	-	-	-
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	455,436	457,740
Operations and maintenance	-	-	416,750	246,342
Housing and development				
Personal services	971,459	951,888	-	-
Operations and maintenance	379,593	581,277	-	-
Interest & fees				
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	235,083	-	66,720	-
Total expenditures	1,586,135	1,533,165	938,906	704,082
Revenues over (under) expenditures	<u>(524,237)</u>	<u>(634,439)</u>	<u>(490,289)</u>	<u>(265,864)</u>
Other financing sources (uses)				
Transfers in	-	-	256,277	256,277
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Proceeds of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>256,277</u>	<u>256,277</u>
Net changes in fund balance	<u>\$ (524,237)</u>	<u>(634,439)</u>	<u>\$ (234,012)</u>	<u>(9,587)</u>
Fund balance - beginning		<u>1,482,293</u>		<u>412,627</u>
Fund balance - ending		<u>\$ 847,854</u>		<u>\$ 403,040</u>

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City of Great Falls, Montana
Combining Schedule of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Special Revenue Funds

	Portage Meadows		Park Maintenance District	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	65,252	65,713	1,500,000	1,508,887
Investment income	-	864	-	18,147
Other	-	-	-	-
Total revenues	<u>65,252</u>	<u>66,577</u>	<u>1,500,000</u>	<u>1,527,034</u>
Expenditures				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Public safety				
Personal services	-	-	-	-
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	15,535	4,720	257,783	55,662
Operations and maintenance	48,037	41,308	1,232,763	447,517
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Interest & fees				
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	1,079,345	508,040
Total expenditures	<u>63,572</u>	<u>46,028</u>	<u>2,569,891</u>	<u>1,011,219</u>
Revenues over (under) expenditures	<u>1,680</u>	<u>20,549</u>	<u>(1,069,891)</u>	<u>515,815</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Proceeds of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ 1,680</u>	<u>20,549</u>	<u>\$ (1,069,891)</u>	<u>515,815</u>
Fund balance - beginning		<u>54,935</u>		<u>1,088,048</u>
Fund balance - ending		<u>\$ 75,484</u>		<u>\$ 1,603,863</u>

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City of Great Falls, Montana
Combining Schedule of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds			
	Support & Innovation		Gas Tax BaRSAA	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	1,853,221	1,853,221
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	1,029,000	1,026,854	-	-
Investment income	-	1,966	-	11,599
Other	-	6,333	-	-
	<u>1,029,000</u>	<u>1,035,153</u>	<u>1,853,221</u>	<u>1,864,820</u>
Total revenues				
Expenditures				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	1,048,770	1,028,086	-	-
Public safety				
Personal services	-	-	-	-
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Interest & fees				
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	1,975,401	116,071
	<u>1,048,770</u>	<u>1,028,086</u>	<u>1,975,401</u>	<u>116,071</u>
Total expenditures				
Revenues over (under) expenditures	<u>(19,770)</u>	<u>7,067</u>	<u>(122,180)</u>	<u>1,748,749</u>
Other financing sources (uses)				
Transfers in	-	-	56,620	56,620
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Proceeds of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>56,620</u>	<u>56,620</u>
Net changes in fund balance	<u>\$ (19,770)</u>	<u>7,067</u>	<u>\$ (65,560)</u>	<u>1,805,369</u>
Fund balance - beginning		<u>89,590</u>		<u>61,881</u>
Fund balance - ending		<u>\$ 96,657</u>		<u>\$ 1,867,250</u>

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City of Great Falls, Montana
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Special Revenue Funds				
	911 Special Revenue		Police Special Revenue	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	612,447	606,154	29,711	26,189
Charges for services	-	-	11,800	8,985
Fines and forfeitures	-	-	53,300	53,884
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	10,827	-	3,908
Other	-	-	46,905	47,603
Total revenues	<u>612,447</u>	<u>616,981</u>	<u>141,716</u>	<u>140,569</u>
Expenditures				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Public safety				
Personal services	-	-	-	-
Operation and maintenance	184,500	175,899	131,044	78,823
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Interest & fees				
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>184,500</u>	<u>175,899</u>	<u>131,044</u>	<u>78,823</u>
Revenues over (under) expenditures	<u>427,947</u>	<u>441,082</u>	<u>10,672</u>	<u>61,746</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(356,674)	(356,674)	-	-
Issuance of debt	-	-	-	-
Proceeds of capital assets	-	-	-	-
Total other financing sources (uses)	<u>(356,674)</u>	<u>(356,674)</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ 71,273</u>	<u>84,408</u>	<u>\$ 10,672</u>	<u>61,746</u>
Fund balance - beginning		<u>711,002</u>		<u>162,962</u>
Fund balance - ending		<u>\$ 795,410</u>		<u>\$ 224,708</u>

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City of Great Falls, Montana
Combining Schedule of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds			
	HIDTA Special Revenue		Fire Special Revenue	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	280,845	279,215	143,372	141,072
Charges for services	-	-	15,700	14,234
Fines and forfeitures	-	1,108	-	-
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	1,153	-	683
Other	106,970	106,971	2,100	5,602
Total revenues	<u>387,815</u>	<u>388,447</u>	<u>161,172</u>	<u>161,591</u>
Expenditures				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Public safety				
Personal services	144,211	140,077	-	-
Operation and maintenance	259,497	180,006	37,200	36,591
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Interest & fees				
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	139,361	139,361
Total expenditures	<u>403,708</u>	<u>320,083</u>	<u>176,561</u>	<u>175,952</u>
Revenues over (under) expenditures	<u>(15,893)</u>	<u>68,364</u>	<u>(15,389)</u>	<u>(14,361)</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Proceeds of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ (15,893)</u>	<u>68,364</u>	<u>\$ (15,389)</u>	<u>(14,361)</u>
Fund balance - beginning		<u>(45,234)</u>		<u>63,778</u>
Fund balance - ending		<u>\$ 23,130</u>		<u>\$ 49,417</u>

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City of Great Falls, Montana
Combining Schedule of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Special Revenue Funds

	Home Grant		Housing Authority	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	273,088	57,268	-	27,817
Charges for services	-	-	1,514,195	1,392,360
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total revenues	<u>273,088</u>	<u>57,268</u>	<u>1,514,195</u>	<u>1,420,177</u>
Expenditures				
Current				
General government				
Personal services	-	-	1,487,459	1,397,465
Operations and maintenance	-	-	26,736	22,712
Public safety				
Personal services	-	-	-	-
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	25,383	8,826	-	-
Operations and maintenance	167,670	1,242	-	-
Interest & fees				
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>193,053</u>	<u>10,068</u>	<u>1,514,195</u>	<u>1,420,177</u>
Revenues over (under) expenditures	<u>80,035</u>	<u>47,200</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Proceeds of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ 80,035</u>	<u>47,200</u>	<u>\$ -</u>	<u>-</u>
Fund balance - beginning		<u>87,046</u>		<u>-</u>
Fund balance - ending		<u>\$ 134,246</u>		<u>\$ -</u>

Continued on next page

City of Great Falls, Montana
Combining Schedule of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>	
	<u>Street Lighting Districts</u>		<u>Soccer Park GO Bond</u>	
	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues				
Taxes	\$ -	\$ -	\$ 171,000	\$ 184,679
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	229
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	1,170,052	1,177,007	-	-
Investment income	-	29,645	-	981
Other	-	-	-	-
	<u>1,170,052</u>	<u>1,206,652</u>	<u>171,000</u>	<u>185,889</u>
Total revenues				
Expenditures				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	1,386,724	1,360,677	4,044	4,044
Public safety				
Personal services	-	-	-	-
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	40,248	27,030	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Interest & fees				
Debt service				
Principal	-	-	145,000	145,000
Interest	-	-	17,999	17,999
Capital outlay	-	-	-	-
	<u>1,426,972</u>	<u>1,387,707</u>	<u>167,043</u>	<u>167,043</u>
Total expenditures				
Revenues over (under) expenditures	<u>(256,920)</u>	<u>(181,055)</u>	<u>3,957</u>	<u>18,846</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Proceeds of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ (256,920)</u>	<u>(181,055)</u>	<u>\$ 3,957</u>	<u>18,846</u>
Fund balance - beginning		<u>2,038,445</u>		<u>36,800</u>
Fund balance - ending		<u>\$ 1,857,390</u>		<u>\$ 55,646</u>

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City of Great Falls, Montana
Combining Schedule of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Debt Service Funds

	General Obligation Taxable			
	West Bank TID Bonds		Bonds	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ 600,000	\$ 797,831	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	4,684	4,684	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	7,909	-	941
Other	-	-	-	-
Total revenues	<u>604,684</u>	<u>810,424</u>	<u>-</u>	<u>941</u>
Expenditures				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	101,591	50,391	-	-
Public safety				
Personal services	-	-	-	-
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Interest & fees		51,200		
Debt service				
Principal	1,725,000	1,725,000	135,000	135,000
Interest	497,290	127,659	13,895	13,895
Capital outlay	<u>1,942,614</u>	<u>1,942,614</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>4,266,495</u>	<u>3,896,864</u>	<u>148,895</u>	<u>148,895</u>
Revenues over (under) expenditures	<u>(3,661,811)</u>	<u>(3,086,440)</u>	<u>(148,895)</u>	<u>(147,954)</u>
Other financing sources (uses)				
Transfers in	-	-	148,545	148,545
Transfers out	-	-	-	-
Issuance of debt	3,215,685	3,215,685	-	-
Proceeds of capital assets	-	-	-	-
Total other financing sources (uses)	<u>3,215,685</u>	<u>3,215,685</u>	<u>148,545</u>	<u>148,545</u>
Net changes in fund balance	<u>\$ (446,126)</u>	<u>129,245</u>	<u>\$ (350)</u>	<u>591</u>
Fund balance - beginning		<u>665,702</u>		<u>8,447</u>
Fund balance - ending		<u>\$ 794,947</u>		<u>\$ 9,038</u>

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City of Great Falls, Montana
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Debt Service Funds

	SID Bonds		Master Debt SILD	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	44,741	42,634	15,984	17,317
Investment income	-	4,346	-	323
Other	-	-	-	-
Total revenues	<u>44,741</u>	<u>46,980</u>	<u>15,984</u>	<u>17,640</u>
Expenditures				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	1,172	2,022	-	-
Public safety				
Personal services	-	-	-	-
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Interest & fees				
Debt service				
Principal	-	-	3,223	2,915
Interest	3,350	1,750	1,130	1,129
Capital outlay	-	-	-	-
Total expenditures	<u>4,522</u>	<u>3,772</u>	<u>4,353</u>	<u>4,044</u>
Revenues over (under) expenditures	<u>40,219</u>	<u>43,208</u>	<u>11,631</u>	<u>13,596</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Proceeds of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ 40,219</u>	<u>43,208</u>	<u>\$ 11,631</u>	<u>13,596</u>
Fund balance - beginning		<u>82,992</u>		<u>19,476</u>
Fund balance - ending		<u>\$ 126,200</u>		<u>\$ 33,072</u>

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City of Great Falls, Montana
Combining Schedule of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Continues)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Capital Projects Funds			
	General Capital Projects		Improvement District Projects	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	18,265	-	84
Other	240,000	343,668	-	-
Total revenues	<u>240,000</u>	<u>361,933</u>	<u>-</u>	<u>84</u>
Expenditures				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	21,798	310,913	-	-
Public safety				
Personal services	-	-	-	-
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	240,000	274,742	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	4,383	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Interest & fees				
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	<u>1,094,090</u>	<u>5,796</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,355,888</u>	<u>595,834</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(1,115,888)</u>	<u>(233,901)</u>	<u>-</u>	<u>84</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Proceeds of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ (1,115,888)</u>	<u>(233,901)</u>	<u>\$ -</u>	<u>84</u>
Fund balance - beginning		<u>1,232,658</u>		<u>5,711</u>
Fund balance - ending		<u>\$ 998,757</u>		<u>\$ 5,795</u>

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City of Great Falls, Montana
Combining Schedule of Revenues, Expenditures
and Changes In Fund Balances
Budget and Actual (Concluded)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	<u>Capital Projects Funds</u>		<u>Total Nonmajor Governmental Funds</u>	
	<u>Hazard Removal</u>			
	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues				
Taxes	\$ -	\$ -	\$ 2,406,321	\$ 3,996,466
Licenses and permits	-	-	1,143,807	980,240
Intergovernmental	-	-	4,418,634	3,723,958
Charges for services	-	-	1,832,598	1,672,547
Fines and forfeitures	-	-	71,300	73,097
Internal services	-	-	58,372	57,512
Special assessments	-	-	4,256,646	4,245,474
Investment income	-	679	3,500	197,452
Other	5,675	5,675	584,525	1,352,166
	<u>5,675</u>	<u>6,354</u>	<u>14,775,703</u>	<u>16,298,912</u>
Total revenues	<u>5,675</u>	<u>6,354</u>	<u>14,775,703</u>	<u>16,298,912</u>
Expenditures				
Current				
General government				
Personal services	-	-	2,232,232	2,105,615
Operations and maintenance	-	-	3,065,985	3,237,868
Public safety				
Personal services	-	-	144,211	140,077
Operation and maintenance	-	-	612,241	471,319
Public works				
Operations and maintenance	-	-	280,248	301,772
Culture and recreation				
Personal services	-	-	1,858,483	1,617,101
Operations and maintenance	-	-	2,591,153	1,241,823
Housing and development				
Personal services	-	-	996,842	960,714
Operations and maintenance	5,675	1,883	552,938	584,402
Interest & fees				51,200
Debt service				
Principal	-	-	2,037,223	2,036,915
Interest	-	-	538,642	167,410
Capital outlay	-	-	9,550,285	4,538,943
	<u>5,675</u>	<u>1,883</u>	<u>24,460,483</u>	<u>17,455,159</u>
Total expenditures	<u>5,675</u>	<u>1,883</u>	<u>24,460,483</u>	<u>17,455,159</u>
Revenues over (under) expenditures	<u>-</u>	<u>4,471</u>	<u>(9,684,780)</u>	<u>(1,156,247)</u>
Other financing sources (uses)				
Transfers in	-	-	1,083,374	1,083,374
Transfers out	-	-	(356,674)	(356,674)
Issuance of debt	-	-	4,715,685	4,208,605
Proceeds of capital assets	-	-	0	0
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,442,385</u>	<u>4,935,305</u>
Net changes in fund balance	<u>\$ -</u>	<u>4,471</u>	<u>\$ (4,242,395)</u>	<u>3,779,058</u>
Fund balance - beginning		<u>41,485</u>		<u>12,030,970</u>
Fund balance - ending		<u>\$ 45,956</u>		<u>\$ 15,810,028</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.

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

Swimming 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.

911 Dispatch Center 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 Planning & Community Development Department administers a management contract with Standard Parking for the day-to-day operation of parking facilities and parking enforcement. The fund receipts and processes all citation based revenue.

Recreation Fund – This fund is used to account for revenues and expenses related to the recreation center, recreation programs, the annual Ice-Breaker road race, and other miscellaneous fee-based recreation programs administered by the Parks and Recreation Department. In FY 2017 the Ice Breaker Run was separated out and became a fund.

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

Ice Breaker Run Fund – This fund is used to account for revenues and expenses related to the Ice Breaker road race. This fund was created in Fiscal Year 2017.

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
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2020

	<u>Golf Courses</u>	<u>Swimming Pools</u>	<u>911 Dispatch Center</u>	<u>Parking</u>	<u>Recreation</u>
Assets and deferred outflows of resources					
Assets					
Current assets					
Cash and investments	\$ -	\$ 215,455	\$ 1,174,789	\$ 434,999	\$ -
Receivables					
Accounts	-	2,589	-	2,127	44,553
Due from other governments	-	-	418,462	-	1,650
Inventories	38,453	-	-	-	-
Prepaid Items	14,689	-	-	-	-
Total current assets	<u>53,142</u>	<u>218,044</u>	<u>1,593,251</u>	<u>437,126</u>	<u>46,203</u>
Noncurrent assets					
Restricted cash and investments	-	-	-	49,026	-
Non-depreciable capital assets	1,362,597	-	-	863,397	5,449
Depreciable capital assets, net	640,554	223,553	614,588	1,012,443	262,424
Total noncurrent assets	<u>2,003,151</u>	<u>223,553</u>	<u>614,588</u>	<u>1,924,866</u>	<u>267,873</u>
Total assets	<u>2,056,293</u>	<u>441,597</u>	<u>2,207,839</u>	<u>2,361,992</u>	<u>314,076</u>
Deferred outflows of resources					
Deferred charge-pension	133,805	39,931	229,441	13,006	30,731
Total deferred outflows of resources	<u>133,805</u>	<u>39,931</u>	<u>229,441</u>	<u>13,006</u>	<u>30,731</u>
Total assets and deferred outflows of resources	<u>\$ 2,190,098</u>	<u>\$ 481,528</u>	<u>\$ 2,437,280</u>	<u>\$ 2,374,998</u>	<u>\$ 344,807</u>
Liabilities, deferred inflows of resources, and net position					
Liabilities					
Current liabilities					
Accounts payable	\$ 46,893	\$ 45,623	\$ 66,684	\$ 35,853	\$ 18,871
Compensated absences	-	\$ 716	\$ 10,524	-	\$ 3,104
Due to other city funds	-	-	-	-	26,059
Other liabilities	53,409	3,600	-	660	2,900
Total current liabilities	<u>100,302</u>	<u>49,939</u>	<u>77,208</u>	<u>36,513</u>	<u>50,934</u>
Noncurrent liabilities					
Advances from other funds	1,285,052	-	-	-	-
Compensated absences	-	6,079	89,313	-	26,341
Net pension liability	614,573	203,219	1,333,599	77,393	149,790
Total noncurrent liabilities	<u>1,899,625</u>	<u>209,298</u>	<u>1,422,912</u>	<u>77,393</u>	<u>176,131</u>
Total liabilities	<u>1,999,927</u>	<u>259,237</u>	<u>1,500,120</u>	<u>113,906</u>	<u>227,065</u>
Deferred inflows of resources					
Deferred revenue - pension	7,649	20,413	156,235	8,680	18,594
Total deferred inflows of resources	<u>7,649</u>	<u>20,413</u>	<u>156,235</u>	<u>8,680</u>	<u>18,594</u>
Net position					
Net investment in capital assets	2,003,151	223,553	614,588	1,875,840	267,873
Unrestricted	(1,820,629)	(21,675)	166,337	376,572	(168,725)
Total net position	<u>182,522</u>	<u>201,878</u>	<u>780,925</u>	<u>2,252,412</u>	<u>99,148</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 2,190,098</u>	<u>\$ 481,528</u>	<u>\$ 2,437,280</u>	<u>\$ 2,374,998</u>	<u>\$ 344,807</u>

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City of Great Falls
Combining Statement of Net Position (Concluded)
Nonmajor Enterprise Funds
June 30, 2020

	<u>Multi-Sports</u>	<u>Ice Breaker Run</u>	<u>Civic Center Events</u>	<u>Total Nonmajor Enterprise Funds</u>
Assets and deferred outflows of resources				
Assets				
Current assets				
Cash and investments	\$ 15,002	\$ 2,570	\$ 174,730	\$ 2,017,545
Receivables				
Accounts	250	-	-	49,519
Due from other governments	-	-	-	420,112
Inventories	-	-	-	38,453
Prepaid Items				14,689
Total current assets	<u>15,252</u>	<u>2,570</u>	<u>174,730</u>	<u>2,540,318</u>
Noncurrent assets				
Restricted cash and investments	-	-	30,402	79,428
Non-depreciable capital assets	-	-	-	2,231,443
Depreciable capital assets, net	68,236	-	47,111	2,868,909
Total noncurrent assets	<u>68,236</u>	<u>-</u>	<u>77,513</u>	<u>5,179,780</u>
Total assets	<u>83,488</u>	<u>2,570</u>	<u>252,243</u>	<u>7,720,098</u>
Deferred outflows of resources				
Deferred charge-pension	4,685	-	44,906	496,505
Total deferred outflows of resources	<u>4,685</u>	<u>-</u>	<u>44,906</u>	<u>496,505</u>
Total assets and deferred outflows of resources	<u>\$ 88,173</u>	<u>\$ 2,570</u>	<u>\$ 297,149</u>	<u>\$ 8,216,603</u>
Liabilities, deferred inflows of resources, and net position				
Liabilities				
Current liabilities				
Accounts payable	\$ 6,130	\$ -	\$ 8,314	\$ 228,368
Compensated absences	\$ 52	\$ -	\$ 3,630	18,026
Due to other city funds	-	-	-	26,059
Other liabilities	-	-	58,213	118,782
Total current liabilities	<u>6,182</u>	<u>-</u>	<u>70,157</u>	<u>391,235</u>
Noncurrent liabilities				
Advances from other funds				1,285,052
Compensated absences	440	-	30,809	152,982
Net pension liability	43,859	-	257,119	2,679,552
Total noncurrent liabilities	<u>44,299</u>	<u>-</u>	<u>287,928</u>	<u>4,117,586</u>
Total liabilities	<u>50,481</u>	<u>-</u>	<u>358,085</u>	<u>4,508,821</u>
Deferred inflows of resources				
Deferred revenue - pension	3,015	-	30,839	245,425
Total deferred inflows of resources	<u>3,015</u>	<u>-</u>	<u>30,839</u>	<u>245,425</u>
Net position				
Net investment in capital assets	68,236	-	47,111	5,100,352
Unrestricted	(33,559)	2,570	(138,886)	(1,637,995)
Total net position	<u>34,677</u>	<u>2,570</u>	<u>(91,775)</u>	<u>3,462,357</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 88,173</u>	<u>\$ 2,570</u>	<u>\$ 297,149</u>	<u>\$ 8,216,603</u>

City of Great Falls
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2020

	<u>Golf Courses</u>	<u>Swimming Pools</u>	<u>911 Dispatch Center</u>	<u>Parking</u>	<u>Recreation</u>
Operating revenues					
Charges for services	\$ 1,234,000	\$ 392,889	\$ 2,473,492	\$ 597,728	\$ 271,244
Operating expenses					
Personal services	-	316,350	1,769,538	57,665	273,041
Supplies and materials	226,045	91,365	166,509	1,870	29,584
Purchased services	973,092	97,537	238,833	471,372	112,688
Internal services	-	140,719	158,787	54,716	75,949
Other	-	-	-	-	-
Depreciation	162,635	69,170	126,047	248,392	17,181
Total operating expenses	<u>1,361,772</u>	<u>715,141</u>	<u>2,459,714</u>	<u>834,015</u>	<u>508,443</u>
Operating income (loss)	<u>(127,772)</u>	<u>(322,252)</u>	<u>13,778</u>	<u>(236,287)</u>	<u>(237,199)</u>
Nonoperating revenues (expenses)					
Investment income (loss)	-	2,618	13,719	7,414	433
Proceeds (loss) on sale of capital assets	-	-	-	-	-
Net pension on-behalf revenue	-	2,882	39,436	1,098	3,349
Other	18,470	-	664	1,115	1,448
Total nonoperating revenues (expenses)	<u>18,470</u>	<u>5,500</u>	<u>53,819</u>	<u>9,627</u>	<u>5,230</u>
Income (loss) before contributions and transfers	<u>(109,302)</u>	<u>(316,752)</u>	<u>67,597</u>	<u>(226,660)</u>	<u>(231,969)</u>
Transfers in	-	267,861	356,674	-	39,206
Change in net position	<u>(109,302)</u>	<u>(48,891)</u>	<u>424,271</u>	<u>(226,660)</u>	<u>(192,763)</u>
Total net position - beginning	<u>291,824</u>	<u>250,769</u>	<u>356,654</u>	<u>2,479,072</u>	<u>291,911</u>
Total net position - ending	<u>\$ 182,522</u>	<u>\$ 201,878</u>	<u>\$ 780,925</u>	<u>\$ 2,252,412</u>	<u>\$ 99,148</u>

Continued on next page

City of Great Falls
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position (Concluded)
Nonmajor Enterprise Funds
For the Year Ended June 30, 2020

	<u>Multi-Sports</u>	<u>Ice Breaker Run</u>	<u>Civic Center Events</u>	<u>Total Nonmajor Enterprise Funds</u>
Operating revenues				
Charges for services	\$ 73,040	\$ 12,844	\$ 155,700	\$ 5,210,937
Operating expenses				
Personal services	24,683	-	272,641	2,713,918
Supplies and materials	13,398	541	5,005	534,317
Purchased services	21,695	9,837	20,746	1,945,800
Internal services	22,776	683	232,625	686,255
Other	-	25,454	-	25,454
Depreciation	2,783	-	20,107	646,315
Total operating expenses	<u>85,335</u>	<u>36,515</u>	<u>551,124</u>	<u>6,552,059</u>
Operating income (loss)	<u>(12,295)</u>	<u>(23,671)</u>	<u>(395,424)</u>	<u>(1,341,122)</u>
Nonoperating revenues (expenses)				
Investment income (loss)	62	310	4,277	28,833
Proceeds (loss) on sale of capital assets	-	-	-	-
Net pension on-behalf revenue	321	-	4,984	52,070
Other	-	-	13,004	34,701
Total nonoperating revenues (expenses)	<u>383</u>	<u>310</u>	<u>22,265</u>	<u>115,604</u>
Income (loss) before contributions and transfers	<u>(11,912)</u>	<u>(23,361)</u>	<u>(373,159)</u>	<u>(1,225,518)</u>
Transfers in	-	-	265,913	929,654
Change in net position	(11,912)	(23,361)	(107,246)	(295,864)
Total net position - beginning	<u>46,589</u>	<u>25,931</u>	<u>15,471</u>	<u>3,758,221</u>
Total net position - ending	<u>\$ 34,677</u>	<u>\$ 2,570</u>	<u>\$ (91,775)</u>	<u>\$ 3,462,357</u>

City of Great Falls, Montana
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2020

	<u>Golf Courses</u>	<u>Swimming Pools</u>	<u>911 Dispatch Center</u>	<u>Parking</u>
Cash flows from operating activities				
Receipts from customers and users	\$ 1,230,617	\$ 392,889	\$ 552,365	\$ 597,727
Receipts from interfund services provided	-	-	1,277,585	-
Receipts from others	3,384	-	664	3,242
Receipts from other govts	-	-	643,542	-
Payments to suppliers	(1,198,380)	(173,149)	(713,830)	(502,173)
Payments to employees	-	(340,232)	(1,763,424)	(57,329)
Payments for interfund services used	-	(143,382)	(158,787)	(54,716)
Payments to others	-	-	-	-
Net cash provided by (used for) operating activities	<u>35,621</u>	<u>(263,874)</u>	<u>(161,885)</u>	<u>(13,249)</u>
Cash flows from noncapital financing activities				
Transfers in	-	267,860	356,674	-
Transfers out	-	-	-	-
Interfund cash flow loans	(35,621)	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>(35,621)</u>	<u>267,860</u>	<u>356,674</u>	<u>-</u>
Cash flows from capital and related financing activities				
Proceeds from sale of assets	-	-	-	-
Principal payments received - capital leases	-	-	-	-
New borrowing - loans	-	-	-	-
Principal payments - loans	-	-	-	-
Principal payments - advances	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Principal payments - revenue bonds	-	-	-	-
Principal payments - capital leases	-	-	-	-
Discount/premium	-	-	-	-
Interest paid	-	-	-	-
Acquisition/construction of capital assets	-	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities				
Interest and dividends on investments	-	0	13,719	7,414
Net cash provided by (used for) investing activities	<u>-</u>	<u>2,618</u>	<u>13,719</u>	<u>7,414</u>
Net increase (decrease) in cash	-	6,604	208,508	(5,835)
Cash, beginning of year	<u>-</u>	<u>208,851</u>	<u>966,281</u>	<u>489,860</u>
Cash, end of year (a)	<u>\$ -</u>	<u>\$ 215,455</u>	<u>\$ 1,174,789</u>	<u>\$ 484,025</u>
(a) Shown on the statement of net position as:				
Cash and investments	\$ -	\$ 215,455	\$ 1,174,789	\$ 434,999
Restricted cash and investments	-	-	-	49,026
	<u>\$ -</u>	<u>\$ 215,455</u>	<u>\$ 1,174,789</u>	<u>\$ 484,025</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Cash Flows (Continued)
Nonmajor Enterprise Funds
For the Year Ended June 30, 2020

	<u>Recreation</u>	<u>Multi-Sports</u>	<u>Ice Breaker Rund</u>	<u>Civic Center Events</u>	<u>Total Nonmajor Enterprise Funds</u>
Cash flows from operating activities					
Receipts from customers and users	\$ 271,244	\$ 73,040	\$ 12,844	\$ 155,700	\$ 3,286,426
Receipts from interfund services provided	-	-	-	-	1,277,585
Receipts from others	1,448	-	-	13,004	21,742
Receipts from other govts	-	-	-	-	643,542
Payments to suppliers	(96,828)	(36,194)	(11,008)	(26,512)	(2,758,074)
Payments to employees	(270,396)	(25,190)	-	(263,718)	(2,720,289)
Payments for interfund services used	(75,949)	(22,776)	(683)	(232,625)	(688,918)
Payments to others	-	-	(25,454)	-	(25,454)
Net cash provided by (used for) operating activities	<u>(170,481)</u>	<u>(11,120)</u>	<u>(24,301)</u>	<u>(354,151)</u>	<u>(963,440)</u>
Cash flows from noncapital financing activities					
Transfers in	39,160	-	-	265,913	929,607
Transfers out	-	-	-	-	-
Interfund cash flow loans	-	-	-	-	(35,621)
Net cash provided by (used for) noncapital financing activities	<u>39,160</u>	<u>-</u>	<u>-</u>	<u>265,913</u>	<u>893,986</u>
Cash flows from capital and related financing activities					
Proceeds from sale of assets	-	-	-	-	-
Principal payments received - capital leases	-	-	-	-	-
New borrowing - loans	-	-	-	-	-
Principal payments - loans	-	-	-	-	-
Principal payments - advances	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-
Principal payments - revenue bonds	-	-	-	-	-
Principal payments - capital leases	-	-	-	-	-
Discount/premium	-	-	-	-	-
Interest paid	-	-	-	-	-
Acquisition/construction of capital assets	-	-	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities					
Interest and dividends on investments	433	62	310	4,278	28,834
Net cash provided by (used for) investing activities	<u>433</u>	<u>62</u>	<u>310</u>	<u>4,278</u>	<u>28,834</u>
Net increase (decrease) in cash	(130,888)	(11,058)	(23,991)	(83,960)	(40,620)
Cash, beginning of year	<u>130,888</u>	<u>26,060</u>	<u>26,561</u>	<u>289,092</u>	<u>2,137,593</u>
Cash, end of year (a)	<u>\$ -</u>	<u>\$ 15,002</u>	<u>\$ 2,570</u>	<u>\$ 205,132</u>	<u>\$ 2,096,973</u>
(a) Shown on the statement of net position as:					
Cash and investments	\$ -	\$ 15,002	\$ 2,570	\$ 174,730	\$ 2,017,545
Restricted cash and investments	-	-	-	30,402	\$ 79,428
	<u>\$ -</u>	<u>\$ 15,002</u>	<u>\$ 2,570</u>	<u>\$ 205,132</u>	<u>\$ 2,096,973</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Cash Flows (Continued)
Nonmajor Enterprise Funds
For the Year Ended June 30, 2020

	<u>Golf Courses</u>	<u>Swimming Pools</u>	<u>911 Dispatch Center</u>	<u>Parking</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ (127,772)	\$ (322,252)	\$ 13,778	\$ (236,287)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
GASB 68 pension expense	-	2,882	39,436	1,098
Depreciation expense	162,635	69,170	126,047	248,392
Cash provided (used) by changes in operating assets and liabilities				
(Increase) decrease in accounts receivable	(3,059)	4,986	-	2,127
(Increase) decrease in due from other governments	(35,621)		(336,030)	-
(Increase) decrease in inventories	38,453	-	-	-
(Decrease) increase in accounts payable	(20,061)	(83)	(31,985)	(8,904)
(Decrease) increase in other liabilities	2,576	1,920	-	(28,204)
(Decrease) increase in compensated absences payable		(23,115)	12,486	-
Other nonoperating revenue	18,470	2,618	14,383	8,529
Total adjustments	\$ 163,393	\$ 58,378	\$ (175,663)	\$ 223,038
Net cash provided by (used for) operating activities	<u>\$ 35,621</u>	<u>\$ (263,874)</u>	<u>\$ (161,885)</u>	<u>\$ (13,249)</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Cash Flows (Concluded)
Nonmajor Enterprise Funds
For the Year Ended June 30, 2020

	<u>Recreation</u>	<u>Multi-Sports</u>	<u>Ice Breaker Run</u>	<u>Civic Center Events</u>	<u>Total Nonmajor Enterprise Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Operating income (loss)	\$ (237,199)	\$ (12,295)	\$ (23,671)	\$ (395,424)	\$ (1,341,122)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
GASB 68 pension expense	3,349	321	-	4,984	52,070
Depreciation expense	17,181	2,783	-	20,107	646,315
Cash provided (used) by changes in operating assets and liabilities					
(Increase) decrease in accounts receivable	10,680	(5,175)	-	-	9,559
(Increase) decrease in due from other governments	1,650	-	-	-	(370,001)
(Increase) decrease in inventories	-	-	-	-	38,453
(Decrease) increase in accounts payable	5,787	6,748	(940)	(242)	(49,680)
(Decrease) increase in other liabilities	20,664	(2,411)	-	(4,411)	(9,866)
(Decrease) increase in compensated absences payable	5,526	(1,153)	-	3,554	(2,702)
Other nonoperating revenue	1,881	62	310	17,281	63,534
Total adjustments	<u>\$ 66,718</u>	<u>\$ 1,175</u>	<u>\$ (630)</u>	<u>\$ 41,273</u>	<u>\$ 377,682</u>
Net cash provided by (used for) operating activities	<u>\$ (170,481)</u>	<u>\$ (11,120)</u>	<u>\$ (24,301)</u>	<u>\$ (354,151)</u>	<u>\$ (963,440)</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.

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.

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

Insurance & 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.

Health & Benefits 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.

Human Resources 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.

City Telephone Fund – This fund is used to account for overseeing operations related to all City telephones, telephone leases, and long-distance carriers for the Civic Center, Park & Recreation, Fire and Police Department buildings.

Finance Fund – This fund is used to account for providing centralized services for accounting, cash investments, utility billing and customer service, debt issuance, payroll and capital asset tracking. The fund changed its name from the Fiscal Services Fund to the Finance Fund in Fiscal Year 2018.

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 Works Admin 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.

Civic Center 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
Combing Statement of Net Position
Internal Services Fund
June 30, 2020

	Central Garage	Information Technology	Insurance & Safety	Health & Benefits
Assets and deferred outflows of resources				
Assets				
Current assets				
Cash and investments	\$ 1,079,527	\$ 167,219	\$ 480,027	\$ 1,706,816
Receivables				
Accounts	8,513	-	-	70,102
Accrued interest	-	-	218	690
Due from other governments	2,910	26,335	-	-
Interfund loans receivable	-	-	-	-
Inventories	208,135	-	-	-
Total current assets	<u>1,299,085</u>	<u>193,554</u>	<u>480,245</u>	<u>1,777,608</u>
Noncurrent assets				
Restricted cash and investments	1,557,899	213,953	-	-
Non-depreciable capital assets	504,373	-	-	-
Depreciable capital assets, net	5,944,426	8,056	124,676	-
Total noncurrent assets	<u>8,006,698</u>	<u>222,009</u>	<u>124,676</u>	<u>-</u>
Total assets	<u>9,305,783</u>	<u>415,563</u>	<u>604,921</u>	<u>1,777,608</u>
Deferred outflows of resources				
Deferred charge-pension	127,570	111,671	11,360	-
Deferred charge-OPEB	-	-	-	1,039,408
Total deferred outflows of resources	<u>127,570</u>	<u>111,671</u>	<u>11,360</u>	<u>1,039,408</u>
Total assets and deferred outflows of resources	<u>\$ 9,433,353</u>	<u>\$ 527,234</u>	<u>\$ 616,281</u>	<u>\$ 2,817,016</u>
Liabilities, deferred inflows of resources, and net position				
Liabilities				
Current liabilities				
Accounts payable	\$ 76,758	\$ 41,618	\$ 12,974	\$ -
Loans payable	-	-	-	-
Other liabilities	-	-	-	881
Total current liabilities	<u>76,758</u>	<u>41,618</u>	<u>12,974</u>	<u>881</u>
Noncurrent liabilities				
Compensated absences	63,651	86,413	2,145	-
Net pension liability	730,925	674,513	69,055	-
OPEB liability	-	-	-	8,426,068
Total noncurrent liabilities	<u>794,576</u>	<u>760,926</u>	<u>71,200</u>	<u>8,426,068</u>
Total liabilities	<u>871,334</u>	<u>802,544</u>	<u>84,174</u>	<u>8,426,949</u>
Deferred inflows of resources				
Deferred revenue-pension	84,414	80,336	9,044	-
Deferred revenue-OPEB	-	-	-	981,589
Total deferred inflows of resources	<u>84,414</u>	<u>80,336</u>	<u>9,044</u>	<u>981,589</u>
Net position				
Net investment in capital assets	6,448,799	8,056	124,676	-
Unrestricted	2,028,806	(363,702)	398,387	(6,591,522)
Total net position	<u>8,477,605</u>	<u>(355,646)</u>	<u>523,063</u>	<u>(6,591,522)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 9,433,353</u>	<u>\$ 527,234</u>	<u>\$ 616,281</u>	<u>\$ 2,817,016</u>

Continued on next page

City of Great Falls
Combing Statement of Net Position (Continued)
Internal Services Funds
June 30, 2020

	Human Resources	City Telephone	Finance	Engineering
Assets and deferred outflows of resources				
Assets				
Current assets				
Cash and investments	\$ 218,039	\$ 29,491	\$ 292,833	\$ 293,797
Receivables				
Accounts	-	-	138	48,429
Accrued interest	-	-	-	-
Due from other governments	55	-	55	-
Interfund loans receivable	-	-	-	-
Inventories	-	-	-	-
Total current assets	<u>218,094</u>	<u>29,491</u>	<u>293,026</u>	<u>342,226</u>
Noncurrent assets				
Restricted cash and investments	-	-	-	36,922
Non-depreciable capital assets	-	-	-	-
Depreciable capital assets, net	9,227	32,806	2,399	560,995
Total noncurrent assets	<u>9,227</u>	<u>32,806</u>	<u>2,399</u>	<u>597,917</u>
Total assets	<u>227,321</u>	<u>62,297</u>	<u>295,425</u>	<u>940,143</u>
Deferred outflows of resources				
Deferred charge-pension	48,015	3,019	163,515	208,529
Deferred charge-OPEB	-	-	-	-
Total deferred outflows of resources	<u>48,015</u>	<u>3,019</u>	<u>163,515</u>	<u>208,529</u>
Total assets and deferred outflows of resources	<u>\$ 275,336</u>	<u>\$ 65,316</u>	<u>\$ 458,940</u>	<u>\$ 1,148,672</u>
Liabilities, deferred inflows of resources, and net position				
Liabilities				
Current liabilities				
Accounts payable	\$ 22,378	\$ 910	\$ 60,660	\$ 49,826
Loans payable	-	-	-	-
Other liabilities	-	-	-	9,026
Total current liabilities	<u>22,378</u>	<u>910</u>	<u>60,660</u>	<u>58,852</u>
Noncurrent liabilities				
Compensated absences	67,366	-	96,896	145,657
Net pension liability	313,127	18,415	1,060,898	1,145,568
OPEB liability	-	-	-	-
Total noncurrent liabilities	<u>380,493</u>	<u>18,415</u>	<u>1,157,794</u>	<u>1,291,225</u>
Total liabilities	<u>402,871</u>	<u>19,325</u>	<u>1,218,454</u>	<u>1,350,077</u>
Deferred inflows of resources				
Deferred revenue-pension	57,802	2,403	140,070	145,929
Deferred revenue-OPEB	-	-	-	-
Total deferred inflows of resources	<u>57,802</u>	<u>2,403</u>	<u>140,070</u>	<u>145,929</u>
Net position				
Net investment in capital assets	9,227	32,806	2,399	560,995
Unrestricted	(194,564)	10,782	(901,983)	(908,329)
Total net position	<u>(185,337)</u>	<u>43,588</u>	<u>(899,584)</u>	<u>(347,334)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 275,336</u>	<u>\$ 65,316</u>	<u>\$ 458,940</u>	<u>\$ 1,148,672</u>

Continued on next page

City of Great Falls
Combing Statement of Net Position (Concluded)
Internal Services Funds
June 30, 2020

	Public Works Admin	Civic Center Facility Service	Total Internal Service Funds
Assets and deferred outflows of resources			
Assets			
Current assets			
Cash and investments	\$ 138,625	\$ 153,247	\$ 4,559,621
Receivables			
Accounts	-	-	127,182
Accrued interest	-	-	908
Due from other governments	480	852	30,687
Interfund loans receivable	-	-	-
Inventories	-	-	208,135
Total current assets	<u>139,105</u>	<u>154,099</u>	<u>4,926,533</u>
Noncurrent assets			
Restricted cash and investments	5,271	97,116	1,911,161
Non-depreciable capital assets	402,585	-	906,958
Depreciable capital assets, net	52,085	239,585	6,974,255
Total noncurrent assets	<u>459,941</u>	<u>336,701</u>	<u>9,792,374</u>
Total assets	<u>599,046</u>	<u>490,800</u>	<u>14,718,907</u>
Deferred outflows of resources			
Deferred charge-pension	64,197	46,863	784,739
Deferred charge-OPEB	-	-	1,039,408
Total deferred outflows of resources	<u>64,197</u>	<u>46,863</u>	<u>1,824,147</u>
Total assets and deferred outflows of resources	<u>\$ 663,243</u>	<u>\$ 537,663</u>	<u>\$ 16,543,054</u>
Liabilities, deferred inflows of resources, and net position			
Liabilities			
Current liabilities			
Accounts payable	\$ 11,082	\$ 18,699	\$ 294,905
Loans payable	-	-	-
Other liabilities	-	-	9,907
Total current liabilities	<u>11,082</u>	<u>18,699</u>	<u>304,812</u>
Noncurrent liabilities			
Compensated absences	7,087	14,949	484,164
Net pension liability	293,094	269,156	4,574,751
OPEB liability	-	-	8,426,068
Total noncurrent liabilities	<u>300,181</u>	<u>284,105</u>	<u>13,484,983</u>
Total liabilities	<u>311,263</u>	<u>302,804</u>	<u>13,789,795</u>
Deferred inflows of resources			
Deferred revenue-pension	39,324	34,171	593,493
Deferred revenue-OPEB	-	-	981,589
Total deferred inflows of resources	<u>39,324</u>	<u>34,171</u>	<u>1,575,082</u>
Net position			
Net investment in capital assets	454,670	239,585	7,881,213
Unrestricted	(142,014)	(38,897)	(6,703,036)
Total net position	<u>312,656</u>	<u>200,688</u>	<u>1,178,177</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 663,243</u>	<u>\$ 537,663</u>	<u>\$ 16,543,054</u>

City of Great Falls
Combining State of Revenues, Expenses and
Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2020

	<u>Central Garage</u>	<u>Information Technology</u>	<u>Insurance & Safety</u>	<u>Health & Benefits</u>
Operating revenues				
Charges for services	\$ 3,158,666	\$ 1,476,228	\$ 1,179,680	\$ 10,633,035
Operating expenses				
Personal services	1,009,779	725,162	81,406	-
Supplies and materials	858,407	229,721	2,547	-
Purchased services	132,532	484,415	1,173,462	10,733,407
Internal services	161,097	57,268	12,589	1,528
Other	10,484	-	-	-
Depreciation	1,108,066	8,093	16,597	-
Total operating expenses	<u>3,280,365</u>	<u>1,504,659</u>	<u>1,286,601</u>	<u>10,734,935</u>
Operating income (loss)	<u>(121,699)</u>	<u>(28,431)</u>	<u>(106,921)</u>	<u>(101,900)</u>
Nonoperating revenues (expenses)				
Investment income (loss)	34,288	6,250	8,568	15,333
Interest expense	-	-	-	-
Proceeds (loss) on sale of capital assets	68,659	-	-	-
Net pension on-behalf revenue	16,654	13,598	1,558	-
Other	76,929	10,191	-	(3,730)
Total nonoperating revenues (expenses)	<u>196,530</u>	<u>30,039</u>	<u>10,126</u>	<u>11,603</u>
Income (loss) before contributions and transfers	<u>74,831</u>	<u>1,608</u>	<u>(96,795)</u>	<u>(90,297)</u>
Transfers in	-	-	-	-
Change in net position	74,831	1,608	(96,795)	(90,297)
Total net position - beginning	8,402,774	(357,254)	619,858	(6,501,225)
Prior period adjustment	-	-	-	-
Total net position - ending	<u>\$ 8,477,605</u>	<u>\$ (355,646)</u>	<u>\$ 523,063</u>	<u>\$ (6,591,522)</u>

Continued on next page

City of Great Falls
Combining State of Revenues, Expenses and
Changes in Fund Net Position (Continued)
Internal Service Funds
For the Year Ended June 30, 2020

	<u>Human Resources</u>	<u>City Telephone</u>	<u>Finance</u>	<u>Engineering</u>
Operating revenues				
Charges for services	\$ 552,171	\$ 65,796	\$ 1,804,489	\$ 1,741,998
Operating expenses				
Personal services	503,325	20,131	1,144,237	1,388,096
Supplies and materials	19,415	-	8,728	35,724
Purchased services	77,990	48,065	611,589	41,477
Internal services	50,004	2,500	186,469	232,883
Other	1,252	-	10,352	-
Depreciation	1,241	6,936	2,879	65,093
Total operating expenses	<u>653,227</u>	<u>77,632</u>	<u>1,964,254</u>	<u>1,763,273</u>
Operating income (loss)	<u>(101,056)</u>	<u>(11,836)</u>	<u>(159,765)</u>	<u>(21,275)</u>
Nonoperating revenues (expenses)				
Investment income (loss)	3,409	574	3,807	2,366
Interest expense	-	-	-	-
Proceeds (loss) on sale of capital assets	-	-	-	-
Net pension on-behalf revenue	9,483	415	22,200	25,160
Other	164	-	166	-
Total nonoperating revenues (expenses)	<u>13,056</u>	<u>989</u>	<u>26,173</u>	<u>27,526</u>
Income (loss) before contributions and transfers	<u>(88,000)</u>	<u>(10,847)</u>	<u>(133,592)</u>	<u>6,251</u>
Transfers in	-	-	-	63,143
Change in net position	(88,000)	(10,847)	(133,592)	69,394
Total net position - beginning	(97,337)	54,435	(765,992)	(416,728)
Prior period adjustment	-	-	-	-
Total net position - ending	<u>\$ (185,337)</u>	<u>\$ 43,588</u>	<u>\$ (899,584)</u>	<u>\$ (347,334)</u>

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City of Great Falls
Combining State of Revenues, Expenses and Changes in
Fund Net Position (Concluded)
Internal Service Funds
For the Year Ended June 30, 2020

	<u>Public Works Admin</u>	<u>Civic Center Facility Service</u>	<u>Total Internal Service Funds</u>
Operating revenues			
Charges for services	\$ 638,165	\$ 605,073	\$ 21,855,301
Operating expenses			
Personal services	374,353	323,779	5,570,268
Supplies and materials	26,114	24,617	1,205,273
Purchased services	151,381	242,804	13,697,122
Internal services	61,589	18,547	784,474
Other	-	-	22,088
Depreciation	7,912	59,200	1,276,017
Total operating expenses	<u>621,349</u>	<u>668,947</u>	<u>22,555,242</u>
Operating income (loss)	<u>16,816</u>	<u>(63,874)</u>	<u>(699,941)</u>
Nonoperating revenues (expenses)			
Investment income (loss)	3,405	3,656	81,656
Interest expense	-	-	-
Proceeds (loss) on sale of capital assets	995	-	69,654
Net pension on-behalf revenue	6,726	4,913	100,707
Other	572	-	84,292
Total nonoperating revenues (expenses)	<u>11,698</u>	<u>8,569</u>	<u>336,309</u>
Income (loss) before contributions and transfers	<u>28,514</u>	<u>(55,305)</u>	<u>(363,632)</u>
Transfers in	-	-	63,143
Change in net position	28,514	(55,305)	(300,489)
Total net position - beginning	284,142	255,993	1,478,666
Prior period adjustment	-	-	-
Total net position - ending	<u>\$ 312,656</u>	<u>\$ 200,688</u>	<u>\$ 1,178,177</u>

City of Great Falls, Montana
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2020

	Central Garage	Information Technology	Insurance & Safety	Health & Benefits
Cash flows from operating activities				
Receipts from customers and users	\$ 25,589	\$ 608	\$ -	\$ 1,545,993
Receipts from interfund services provided	3,133,077	1,412,378	1,135,421	9,087,042
Receipts from others	76,929	109,191	-	(3,730)
Receipts from other govts	2,910	26,335	-	-
Payments to suppliers	(983,146)	(746,583)	(1,166,913)	(10,322,238)
Payments to employees	(1,003,562)	(714,522)	(80,973)	-
Payments for interfund services used	(161,097)	(57,268)	(9,836)	(1,528)
Payments to others	(10,484)	-	-	-
Net cash provided by (used for) operating activities	<u>1,080,216</u>	<u>30,139</u>	<u>(122,301)</u>	<u>305,539</u>
Cash flows from noncapital financing activities				
Transfers in	-	-	-	-
Interfund cash flow loans	-	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities				
Proceeds from sale of assets	68,659	-	-	-
Principal payments received - advances	-	-	-	-
Principal payments - loans	-	-	-	-
Interest paid	-	-	-	-
Acquisition/construction of capital assets	(1,336,212)	(8,093)	(16,597)	-
Net cash provided by (used for) capital and related financing activities	<u>(1,267,553)</u>	<u>(8,093)</u>	<u>(16,597)</u>	<u>-</u>
Cash flows from investing activities				
Interest and dividends on investments	42,056	6,249	8,568	15,333
Net cash provided by (used for) investing activities	<u>42,056</u>	<u>6,249</u>	<u>8,568</u>	<u>15,333</u>
Net increase (decrease) in cash	(145,281)	28,295	(130,330)	320,872
Cash, beginning of year	<u>2,782,707</u>	<u>352,877</u>	<u>610,357</u>	<u>1,385,944</u>
Cash, end of year (a)	<u>\$ 2,637,426</u>	<u>\$ 381,172</u>	<u>\$ 480,027</u>	<u>\$ 1,706,816</u>
(a) Shown on the statement of net position as:				
Cash and investments	\$ 1,079,527	\$ 167,219	\$ 480,027	\$ 1,706,816
Restricted cash and investments	1,557,899	213,953	-	-
	<u>\$ 2,637,426</u>	<u>\$ 381,172</u>	<u>\$ 480,027</u>	<u>\$ 1,706,816</u>

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City of Great Falls, Montana
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2020

	Human Resources	City Telephone	Fiscal Services	Engineering
Cash flows from operating activities				
Receipts from customers and users	\$ -	\$ -	\$ -	\$ 205,403
Receipts from interfund services provided	552,116	65,796	1,804,089	1,523,554
Receipts from others	164	-	166	13,590
Receipts from other govts	55	-	55	-
Payments to suppliers	(93,566)	(47,690)	(571,713)	(77,586)
Payments to employees	(456,434)	(20,164)	(1,106,543)	(1,436,126)
Payments for interfund services used	(50,004)	(2,500)	(186,469)	(232,883)
Payments to others	(1,252)	-	(10,352)	-
Net cash provided by (used for) operating activities	<u>(48,921)</u>	<u>(4,558)</u>	<u>(70,767)</u>	<u>(4,048)</u>
Cash flows from noncapital financing activities				
Transfers in	-	-	-	63,143
Interfund cash flow loans	-	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,143</u>
Cash flows from capital and related financing activities				
Proceeds from sale of assets	-	-	-	-
Principal payments received - advances	-	-	-	-
Principal payments - loans	-	-	-	-
Interest paid	-	-	-	-
Acquisition/construction of capital assets	-	(6,936)	(2,879)	65,093
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(6,936)</u>	<u>(2,879)</u>	<u>65,093</u>
Cash flows from investing activities				
Interest and dividends on investments	3,408	574	3,807	2,365
Net cash provided by (used for) investing activities	<u>3,408</u>	<u>574</u>	<u>3,807</u>	<u>2,365</u>
Net increase (decrease) in cash	(45,513)	(10,920)	(69,839)	126,553
Cash, beginning of year	<u>263,552</u>	<u>40,411</u>	<u>362,672</u>	<u>204,166</u>
Cash, end of year (a)	<u>\$ 218,039</u>	<u>\$ 29,491</u>	<u>\$ 292,833</u>	<u>\$ 330,719</u>
(a) Shown on the statement of net position as:				
Cash and investments	\$ 218,039	\$ 29,491	\$ 292,833	\$ 293,797
Restricted cash and investments	-	-	-	36,922
	<u>\$ 218,039</u>	<u>\$ 29,491</u>	<u>\$ 292,833</u>	<u>\$ 330,719</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2020

	Public Works Admin	Civic Center Facility Service	Total Internal Service Funds
Cash flows from operating activities			
Receipts from customers and users	\$ -	\$ -	\$ 1,777,593
Receipts from interfund services provided	637,685	604,043	19,955,201
Receipts from others	572	178	197,060
Receipts from other govts	480	852	30,687
Payments to suppliers	(183,137)	(265,556)	(14,458,128)
Payments to employees	(356,706)	(325,106)	(5,500,136)
Payments for interfund services used	(61,589)	(18,547)	(781,721)
Payments to others	-	-	(22,088)
Net cash provided by (used for) operating activities	<u>37,305</u>	<u>(4,136)</u>	<u>1,198,468</u>
Cash flows from noncapital financing activities			
Transfers in	-	-	63,143
Interfund cash flow loans	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>63,143</u>
Cash flows from capital and related financing activities			
Proceeds from sale of assets	995	-	69,654
Principal payments received - advances	-	-	-
Principal payments - loans	-	-	-
Interest paid	-	-	-
Acquisition/construction of capital assets	(297,378)	16,335	(1,586,667)
Net cash provided by (used for) capital and related financing activities	<u>(296,383)</u>	<u>16,335</u>	<u>(1,517,013)</u>
Cash flows from investing activities			
Interest and dividends on investments	3,407	3,655	89,422
Net cash provided by (used for) investing activities	<u>3,407</u>	<u>3,655</u>	<u>89,422</u>
Net increase (decrease) in cash	(255,671)	15,854	(165,980)
Cash, beginning of year	<u>399,567</u>	<u>234,509</u>	<u>6,636,762</u>
Cash, end of year (a)	<u>\$ 143,896</u>	<u>\$ 250,363</u>	<u>\$ 6,470,782</u>
(a) Shown on the statement of net position as:			
Cash and investments	\$ 138,625	\$ 153,247	\$ 4,559,621
Restricted cash and investments	5,271	97,116	1,911,161
	<u>\$ 143,896</u>	<u>\$ 250,363</u>	<u>\$ 6,470,782</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2020

	<u>Central Garage</u>	<u>Information Technology</u>	<u>Insurance & Safety</u>	<u>Health & Benefits</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ (121,699)	\$ (28,431)	\$ (106,921)	\$ (101,900)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
GASB 68 pension expense	58,250	9,699	5,448	333,995
Depreciation expense	1,108,066	16,597	16,597	-
Cash provided (used) by changes in operating assets and liabilities				
(Increase) decrease in accounts receivable	(782)	-	(1,448)	61,841
(Increase) decrease in inventories	(5,453)	-	-	-
(Decrease) increase in accounts payable	4,530	9,303	(36,761)	-
(Decrease) increase in compensated absences payable	9,480	14,403	784	-
Other nonoperating revenue	27,824	8,568	-	11,603
Total adjustments	\$ 1,201,915	\$ 58,570	\$ (15,380)	\$ 407,439
Net cash provided by (used for) operating activities	<u>\$ 1,080,216</u>	<u>\$ 30,139</u>	<u>\$ (122,301)</u>	<u>\$ 305,539</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2020

	<u>Human Resources</u>	<u>City Telephone</u>	<u>Fiscal Services</u>	<u>Engineering</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ (101,056)	\$ (11,836)	\$ (159,765)	\$ (21,275)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
GASB 68 pension expense	33,168	47	77,651	(25,160)
Depreciation expense	1,241	6,936	2,879	65,093
Cash provided (used) by changes in operating assets and liabilities				
(Increase) decrease in accounts receivable	-	-	1	22,386
(Increase) decrease in inventories	-	-	-	-
(Decrease) increase in accounts payable	2,238	(279)	(479)	(20,315)
(Decrease) increase in compensated absences payable	14,956	-	5,958	(27,143)
Other nonoperating revenue	532	574	2,988	2,366
Total adjustments	\$ 52,135	\$ 7,278	\$ 88,998	\$ 17,227
Net cash provided by (used for) operating activities	<u>\$ (48,921)</u>	<u>\$ (4,558)</u>	<u>\$ (70,767)</u>	<u>\$ (4,048)</u>

Continued on next page

City of Great Falls, Montana
Combining Statement of Cash Flows (Concluded)
Internal Service Funds
For the Year Ended June 30, 2020

	Public Works Admin	Civic Center Facility Service	Total Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	\$ 16,816	\$ (63,874)	\$ (699,941)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
GASB 68 pension expense	23,524	6,723	523,345
Depreciation expense	7912	59200	1,284,521
Cash provided (used) by changes in operating assets and liabilities			
(Increase) decrease in accounts receivable	-	-	81,998
(Increase) decrease in inventories	-	-	(5,453)
(Decrease) increase in accounts payable	(12,833)	(10,546)	(65,142)
(Decrease) increase in compensated absences payable	(3,086)	956	16,308
Other nonoperating revenue	4,972	3,405	62,832
Total adjustments	\$ 20,489	\$ 59,738	\$ 1,898,409
Net cash provided by (used for) operating activities	\$ 37,305	\$ (4,136)	\$ 1,198,468

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
Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds
June 30, 2020

	Castle Pines Trust
Assets	
Cash and investments	\$ 1,328
Due from agency fund	-
Total Assets	1,328
 Liabilities	-
 Net Position - Held in trust	\$ 1,328

City of Great Falls
Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
For the Year Ended June 30, 2020

	Castle Pines Trust
Additions	
Investment income	\$ 19
Total additions	19
Deductions	
Public improvements	-
Total deductions	-
Change in net position	19
Net position - beginning	1,309
Net position - ending	\$ 1,328

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.

ULRRWSD (Upper Lower River Road Water Sewer District) Agency Fund – 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 in all phases.

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

Flex 1 Plans Fund – This fund is used to account for employee Flex 1 unreimbursed medical and daycare plan deductions.

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

City of Great Falls
Combining Statement of Fiduciary Net Position
Agency Funds
June 30, 2020

	ULRRWSD				Total Agency
	Agency	Court Agency	Flex 1 Plans	Payroll	Funds
Assets					
Cash and investments	\$ 218,623	\$ 41,508	\$ 30,117	\$ 172,494	\$ 462,742
Special assessments receivable	823,157		-	-	823,157
Payroll receivable	-	-	-	1,002,733	1,002,733
Due from other governments	61	-	-	-	61
Total Assets	1,041,841	41,508	30,117	1,175,227	2,288,693
Liabilities					
Accounts payable	-	-	-	1,175,227	1,175,227
Assets held for others	1,041,841	-	-	-	1,041,841
Other liabilities	-	41,508	30,117	-	71,625
Total Liabilities	\$ 1,041,841	\$ 41,508	\$ 30,117	\$ 1,175,227	\$ 2,288,693

City of Great Falls, Montana
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2020

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
ULRRWSD Agency				
ASSETS				
Cash and investments	\$ 204,219	\$ 87,599	\$ (73,195)	\$ 218,623
Special assessments receivable	876,167	72,140	(125,150)	823,157
Due from other governments	31	61	(31)	61
Total assets	<u>1,080,417</u>	<u>159,800</u>	<u>(198,376)</u>	<u>1,041,841</u>
LIABILITIES				
Assets held for others	<u>1,080,417</u>	<u>160,425</u>	<u>(199,001)</u>	<u>1,041,841</u>
Total liabilities	<u>\$ 1,080,417</u>	<u>\$ 160,425</u>	<u>\$ (199,001)</u>	<u>\$ 1,041,841</u>
Court Agency				
ASSETS				
Cash and investments	\$ 41,935		\$ (427)	\$ 41,508
Total assets	<u>41,935</u>	<u>-</u>	<u>(427)</u>	<u>41,508</u>
LIABILITIES				
Other liabilities	<u>41,935</u>		<u>(427)</u>	<u>41,508</u>
Total liabilities	<u>\$ 41,935</u>	<u>\$ -</u>	<u>\$ (427)</u>	<u>\$ 41,508</u>
Flex 1 Plans				
ASSETS				
Cash and investments	\$ 31,989	\$ 23,618	\$ (25,490)	\$ 30,117
Total assets	<u>31,989</u>	<u>23,618</u>	<u>(25,490)</u>	<u>30,117</u>
LIABILITIES				
Other liabilities	<u>31,989</u>	<u>107,112</u>	<u>(108,984)</u>	<u>\$ 30,117</u>
Total liabilities	<u>\$ 31,989</u>	<u>\$ 107,112</u>	<u>\$ (108,984)</u>	<u>\$ 30,117</u>
Payroll				
ASSETS				
Cash and investments	\$ 328,339	\$ 48,052,819	\$ (48,208,664)	\$ 172,494
Accounts receivable	1,206,160	1,737,529	(1,940,956)	1,002,733
Total assets	<u>1,534,499</u>	<u>49,790,348</u>	<u>(50,149,620)</u>	<u>1,175,227</u>
LIABILITIES				
Accounts payable	<u>1,534,499</u>	<u>56,126,717</u>	<u>(56,485,989)</u>	<u>1,175,227</u>
Total liabilities	<u>\$ 1,534,499</u>	<u>\$ 56,126,717</u>	<u>\$ (56,485,989)</u>	<u>\$ 1,175,227</u>
Total - All Agency Funds				
ASSETS				
Cash and investments	\$ 606,482	\$ 48,164,036	\$ (48,307,776)	\$ 462,742
Special assessments receivable	876,167	72,140	(125,150)	823,157
Accounts receivable	1,206,160	1,737,529	(1,940,956)	1,002,733
Due from other governments	31	61	(31)	61
Total assets	<u>2,688,840</u>	<u>49,973,766</u>	<u>(50,373,913)</u>	<u>2,288,693</u>
LIABILITIES				
Accounts payable	<u>1,534,499</u>	<u>56,126,717</u>	<u>(56,485,989)</u>	<u>1,175,227</u>
Assets held for others	<u>1,080,417</u>	<u>160,425</u>	<u>(199,001)</u>	<u>1,041,841</u>
Other liabilities	<u>73,924</u>	<u>107,112</u>	<u>(109,411)</u>	<u>71,625</u>
Total liabilities	<u>\$ 2,688,840</u>	<u>\$ 56,394,254</u>	<u>\$ (56,794,401)</u>	<u>\$ 2,288,693</u>

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.	177
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	183
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.	188
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.	210
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.	212

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
General government	\$ 8,333,483	\$ 9,528,095	\$ 8,696,774	\$ 9,116,629	\$ 9,175,818	\$ 8,951,277	\$ 9,087,518	\$ 11,065,928	\$ 10,014,604	\$ 12,043,073
Public safety	17,238,592	17,821,137	18,473,368	18,452,067	18,925,163	21,047,599	22,308,585	25,387,960	26,468,988	29,605,935
Public works	3,986,960	5,643,757	6,823,866	6,609,221	7,176,330	6,319,333	7,268,736	7,660,240	8,030,532	8,370,526
Culture and recreation	4,695,547	5,211,517	5,280,872	4,908,524	5,018,301	5,309,937	4,983,866	5,481,757	5,338,401	6,623,215
Housing and development	3,088,617	2,599,225	2,986,916	2,100,706	3,285,664	1,985,526	3,032,685	2,442,155	2,266,478	2,306,897
Interest and Fees	360,667	312,101	286,266	275,752	213,945	202,091	195,289	184,098	172,555	235,180
Total governmental activities expenses	37,703,866	41,115,832	42,548,062	41,462,899	43,795,221	43,815,763	46,876,679	52,222,138	52,291,558	59,184,826
Business-type activities										
Golf courses	1,393,793	1,371,666	1,393,735	1,274,279	1,286,360 *	-	-	-	-	-
Water	7,279,507	8,066,706	8,360,315	8,260,040	8,192,979	8,265,032	8,940,287	9,765,723	10,425,580	10,590,672
Sewer	7,395,670	7,265,547	7,676,489	7,823,272	7,856,343	7,802,738	9,433,803	9,540,200	9,851,779	10,226,134
Storm drain	1,262,923	1,243,172	1,358,316	1,322,246	1,485,612	1,626,546	1,995,463	2,251,017	2,500,962	2,601,173
Sanitation	3,222,473	3,464,588	3,406,713	3,367,323	3,249,148	3,351,925	3,856,076	3,645,331	3,847,103	3,963,297
Electric	11,777,771	3,648,328	2,606,675	854,118	175,481 *	-	-	-	-	-
Port authority	321,387	310,766	298,960	325,092	312,659	299,366	285,948	271,210	256,234	241,122
State Special Projects	-	-	-	63,680	373,134	367,623	361,514	355,527	349,420	343,367
Other	4,381,134	4,523,324	4,598,631	4,597,136	4,570,909	5,729,950	6,208,611	6,662,665	6,346,272	6,552,059
Total business-type activities expenses	37,034,658	29,894,097	29,699,834	27,887,186	27,502,625	27,443,180	31,081,702	32,491,673	33,577,350	34,517,824
Total primary government expenses	\$ 74,738,524	\$ 71,009,929	\$ 72,247,896	\$ 69,350,085	\$ 71,297,846	\$ 71,258,943	\$ 77,958,381	\$ 84,713,811	\$ 85,868,908	\$ 93,702,650
Program Revenues										
Governmental Activities:										
Charges for services										
General government	\$ 5,648,041	\$ 5,856,691	\$ 7,176,911	\$ 5,864,755	\$ 6,466,937	\$ 6,371,925	\$ 6,253,126	\$ 6,065,475	\$ 7,084,764	\$ 3,141,467
Public safety	2,556,209	1,594,501	1,488,048	1,638,667	1,698,851	1,607,759	1,759,398	1,765,576	843,365	1,524,117
Public works	3,769,809	5,503,781	4,884,645	4,770,651	5,440,670	5,911,491	6,225,343	6,066,093	6,203,263	6,187,528
Culture and recreation	1,103,631	1,267,802	745,946	750,894	730,995	799,487	755,906	771,207	2,257,770	2,435,123
Housing and development	1,084,434	1,347,775	1,311,128	1,387,925	1,813,459	2,096,699	1,738,247	1,902,249	1,405,620	1,115,162
Operating grants and contributions	1,469,801	1,081,039	2,277,090	1,171,027	2,236,251	1,675,205	1,449,025	2,666,624	1,400,143	5,488,027
Capital grants and contributions	674,013	458,821	499,861	616,593	1,211,232	1,399,292	1,748,919	1,014,668	668,996	3,148,306
Total governmental activities program revenues	16,305,938	17,110,410	18,383,629	16,200,512	19,598,395	19,861,858	19,929,964	20,251,892	19,863,921	23,039,730

* Golf Courses was moved to the other category for Fiscal Year 2016. The Electric Fund was closed in FY 2015.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities										
Charges for services										
Golf Courses	\$ 1,347,695	\$ 1,404,894	\$ 1,379,693	\$ 1,314,324	\$ 1,350,398	\$ -	\$ -	\$ -	\$ -	\$ -
Water	7,697,120	9,586,179	10,585,717	9,872,232	11,038,165	11,117,378	12,108,595	13,972,825	13,221,101	13,726,302
Sewer	8,110,507	8,972,566	10,230,776	10,446,285	10,904,305	10,541,575	11,173,547	11,426,703	11,441,446	11,613,924
Storm Drain	1,851,161	1,864,490	1,930,203	1,867,201	1,993,861	2,105,174	2,410,858	2,632,616	2,878,879	3,110,007
Sanitation	3,196,563	3,263,001	3,149,008	3,257,465	3,465,672	3,453,572	3,644,315	3,692,698	3,838,298	4,201,779
Electric	10,095,151	3,292,906	2,472,625	1,849,794	3,692	*	-	-	-	-
Port Authority	465,187	465,188	465,187	465,187	465,187	465,187	465,188	465,187	465,187	465,187
State Special Projects	-	-	-	-	383,402	383,402	383,402	383,402	383,402	383,402
Other	2,898,573	3,288,579	3,421,754	3,152,726	3,647,316	4,588,459	4,602,675	4,775,665	4,794,727	4,565,746
Operating grants and contributions	-	-	-	870,461	11,119	177,174	108,544	-	-	649,141
Capital grants and contributions	5,612	-	42,130	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>35,667,569</u>	<u>32,137,803</u>	<u>33,677,093</u>	<u>33,095,675</u>	<u>33,263,117</u>	<u>32,831,921</u>	<u>34,897,124</u>	<u>37,349,096</u>	<u>37,023,040</u>	<u>38,715,488</u>
Total primary government program revenues	<u>\$ 51,973,507</u>	<u>\$ 49,248,213</u>	<u>\$ 52,060,722</u>	<u>\$ 49,296,187</u>	<u>\$ 52,861,512</u>	<u>\$ 52,693,779</u>	<u>\$ 54,827,088</u>	<u>\$ 57,600,988</u>	<u>\$ 56,886,961</u>	<u>\$ 61,755,218</u>
Net (Expense)/Revenue										
Governmental activities	\$ (21,397,928)	\$ (24,005,422)	\$ (24,164,433)	\$ (25,262,387)	\$ (24,196,826)	\$ (23,953,905)	\$ (26,946,715)	\$ (31,970,246)	\$ (32,427,637)	\$ (36,145,096)
Business-type activities	<u>(1,367,089)</u>	<u>2,243,706</u>	<u>3,977,259</u>	<u>5,208,489</u>	<u>5,760,492</u>	<u>5,388,741</u>	<u>3,815,422</u>	<u>4,857,423</u>	<u>3,445,690</u>	<u>4,197,664</u>
Total primary government net expense	<u>\$ (22,765,017)</u>	<u>\$ (21,761,716)</u>	<u>\$ (20,187,174)</u>	<u>\$ (20,053,898)</u>	<u>\$ (18,436,334)</u>	<u>\$ (18,565,164)</u>	<u>\$ (23,131,293)</u>	<u>\$ (27,112,823)</u>	<u>\$ (28,981,947)</u>	<u>\$ (31,947,432)</u>
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property taxes	\$ 15,196,868	\$ 15,520,772	\$ 16,238,131	\$ 17,124,467	\$ 17,982,474	\$ 18,224,876	\$ 19,665,472	\$ 19,042,057	\$ 21,739,975	\$ 26,143,194
Grants and contributions not restricted to specific pr	10,223,824	6,727,541	7,612,104	8,042,009	8,578,380	8,624,074	8,506,999	8,520,364	8,670,610	9,373,657
Unrestricted investment earnings	131,130	96,731	48,395	8,681	77,419	146,782	77,389	223,271	622,092	425,419
Miscellaneous	344,436	1,132,493	475,503	463,284	2,831,946	3,489,764	3,604,956	4,411,096	4,802,670	5,081,769
Gain (loss) on sale of capital assets	-	-	-	-	-	-	284,822	(63,656)	88,999	71,854
Transfers	(1,280,271)	(1,209,727)	(10,017,773)	(1,875,441)	(569,896)	(1,202,370)	(931,689)	(902,483)	(929,654)	(929,654)
Total governmental activities general revenues	<u>24,615,987</u>	<u>22,267,810</u>	<u>14,356,360</u>	<u>23,763,000</u>	<u>28,920,323</u>	<u>29,283,126</u>	<u>31,207,949</u>	<u>31,230,649</u>	<u>34,994,692</u>	<u>40,166,239</u>
Business Type Activities:										
Grants and contributions not restricted to specific pr	-	-	50,488	89	24,960	2,632	14,953	1,252	1,874	2,784
Unrestricted investment earnings	165,930	64,538	26,276	13,487	91,417	109,398	43,714	115,980	801,240	584,254
Miscellaneous	273,282	537,209	120,976	787,181	114,395	710,061	513,414	383,939	216,148	207,495
Gain (loss) on sale of capital assets	-	-	-	-	-	-	16,260	49,390	(15,325)	
Transfers	1,280,271	1,209,727	10,017,773	1,875,441	569,896	1,202,370	931,689	902,483	929,654	929,654
Extraordinary item	-	(1,400,000)	(4,117,122)	-	-	-	-	-	-	-
Total business-type activities general revenues	<u>1,719,483</u>	<u>411,474</u>	<u>6,098,391</u>	<u>2,676,198</u>	<u>800,668</u>	<u>2,024,461</u>	<u>1,503,770</u>	<u>1,419,914</u>	<u>1,998,306</u>	<u>1,708,862</u>
Total primary government general revenues	<u>\$ 26,335,470</u>	<u>\$ 22,679,284</u>	<u>\$ 20,454,751</u>	<u>\$ 26,439,198</u>	<u>\$ 29,720,991</u>	<u>\$ 31,307,587</u>	<u>\$ 32,711,719</u>	<u>\$ 32,650,563</u>	<u>\$ 36,992,998</u>	<u>\$ 41,875,101</u>
Change in Net Position										
Governmental activities	\$ 3,218,059	\$ (1,737,612)	\$ (9,808,073)	\$ (1,499,387)	\$ 4,723,497	\$ 5,329,221	\$ 4,261,234	\$ (739,597)	\$ 2,567,055	\$ 4,021,143
Business-type activities	<u>352,394</u>	<u>2,655,180</u>	<u>10,075,650</u>	<u>7,884,687</u>	<u>6,561,160</u>	<u>7,413,202</u>	<u>5,319,192</u>	<u>6,277,337</u>	<u>5,443,996</u>	<u>5,906,526</u>
Total primary government	<u>\$ 3,570,453</u>	<u>\$ 917,568</u>	<u>\$ 267,577</u>	<u>\$ 6,385,300</u>	<u>\$ 11,284,657</u>	<u>\$ 12,742,423</u>	<u>\$ 9,580,426</u>	<u>\$ 5,537,740</u>	<u>\$ 8,011,051</u>	<u>\$ 9,927,669</u>

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

* Golf Courses was moved to the other category for Fiscal Year 2016. The Electric Fund was closed in FY 2015.

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 74,391,543	\$ 72,430,194	\$ 71,608,711	\$ 69,788,446	\$ 69,736,173	\$ 66,393,049	\$ 68,231,770	\$ 65,775,809	\$ 66,973,666	\$ 66,153,408
Restricted	7,671,970	10,536,256	8,702,271	7,528,842	10,075,593	16,712,699	18,200,964	20,093,281	20,213,914	23,424,215
Unrestricted	14,512,551	11,872,002	4,666,887	6,161,194	(16,610,550)	(14,575,311)	(13,641,063)	(19,205,562)	(17,956,997)	(16,325,897)
Total governmental activities net position	\$ 96,576,064	\$ 94,838,452	\$ 84,977,869	\$ 83,478,482	\$ 63,201,216	\$ 68,530,437	\$ 72,791,671	\$ 66,663,528	\$ 69,230,583	\$ 73,251,726
Business-Type activities										
Net investment in capital assets	\$ 89,541,681	\$ 93,789,614	\$ 100,276,282	\$ 104,871,641	\$ 110,400,631	\$ 116,023,829	\$ 117,442,637	\$ 118,781,340	\$ 123,530,483	\$ 130,112,018
Restricted	12,402,105	10,824,265	5,803,799	4,653,658	7,682,782	7,477,563	8,592,636	10,342,611	10,350,105	9,213,962
Unrestricted	5,238,763	5,223,850	13,467,886	17,907,355	9,515,712	11,510,935	14,296,246	17,484,905	18,172,264	18,633,398
Total business-type activities net position	\$ 107,182,549	\$ 109,837,729	\$ 119,547,967	\$ 127,432,654	\$ 127,599,125	\$ 135,012,327	\$ 140,331,519	\$ 146,608,856	\$ 152,052,852	\$ 157,959,378
Primary government										
Net investment in capital assets	\$ 163,933,224	\$ 166,219,808	\$ 171,884,993	\$ 174,660,087	\$ 180,136,804	\$ 182,416,878	\$ 185,674,407	\$ 184,557,149	\$ 190,504,149	\$ 196,265,426
Restricted	20,074,075	21,360,521	14,506,070	12,182,500	17,758,375	24,190,262	26,793,600	30,435,892	30,564,019	32,638,177
Unrestricted	19,751,314	17,095,852	18,134,773	24,068,549	(7,094,838)	(3,064,376)	655,183	(1,720,657)	215,267	2,307,501
Total primary government net position	\$ 203,758,613	\$ 204,676,181	\$ 204,525,836	\$ 210,911,136	\$ 190,800,341	\$ 203,542,764	\$ 213,123,190	\$ 213,272,384	\$ 221,283,435	\$ 231,211,104

In Fiscal Year 2015, GASB 68 was implemented which resulted in the negative unrestricted balance in the governmental activities.

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 159,696	\$ 59,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	5,755,325	6,636,339	1,520,000	3,068,392	5,892,518	7,026,833	8,684,105	7,086,399	6,992,761	13,594,027
Total general fund	<u>\$ 5,915,021</u>	<u>\$ 6,696,035</u>	<u>\$ 1,520,000</u>	<u>\$ 3,068,392</u>	<u>\$ 5,892,518</u>	<u>\$ 7,026,833</u>	<u>\$ 8,684,105</u>	<u>\$ 7,086,399</u>	<u>\$ 6,992,761</u>	<u>\$ 13,594,027</u>
All Other Governmental Funds										
Nonspendable	\$ 713,907	\$ 713,907	\$ 25,349	\$ 25,349	\$ 25,349	\$ 25,349	\$ -	\$ -	\$ -	\$ -
Restricted	6,798,367	6,829,759	6,079,675	4,986,807	7,020,783	9,189,220	9,976,542	11,577,709	12,234,266	16,377,283
Assigned	2,877,564	2,932,894	2,597,247	2,516,686	3,029,461	4,525,824	5,186,112	5,658,221	5,362,925	4,962,693
Unassigned	(18,680)	(38,601)	(13,163)	(4,242)	(2,600)	(71,364)	(24,045)	(29,660)	(45,234)	-
Total all other governmental funds	<u>\$10,371,158</u>	<u>\$10,437,959</u>	<u>\$ 8,689,108</u>	<u>\$ 7,524,600</u>	<u>\$10,072,993</u>	<u>\$13,669,029</u>	<u>\$ 15,138,609</u>	<u>\$ 17,206,270</u>	<u>\$ 17,551,957</u>	<u>\$ 21,339,976</u>

The decrease in General Fund unassigned fund balance in 2008 was due to the timing of the personal property tax collection.

The increase in General Fund unassigned fund balance in 2010 was due to an increase in taxes revenue collected due to timing in personal property collection and under spending in expenditure budget.

The increase in General Fund unassigned fund balance in 2011 was due to an increase in intergovernmental revenue and a decrease in transfers out.

The increase in General Fund unassigned fund balance in 2012 was due to an increase in taxes revenue collected due to newly taxable property and under spending in expenditure budget.

The decrease in General Fund unassigned fund balance in 2013 was due to the one time transfer of \$5,553,054 to the Electric fund to cover the cash deficit in the Electric fund.

The decrease in General Fund unassigned fund balance in 2018 was due to protested taxes not received in the fiscal year.

The fluctuations in All Other Governmental Funds Restricted balances were due to the changing needs for debt service reserves and capital projects restrictions in the funds.

Fiscal Years before 2011 have been restated to present fund balances to comply with GASB Statement No. 45 reporting requirements.

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	¹ \$ 15,196,868	\$ 15,575,895	\$ 16,238,131	\$ 17,124,467	\$ 17,982,474	\$ 18,224,876	\$ 19,665,473	\$ 19,042,057	\$ 21,739,975	⁸ \$ 26,143,194
Licenses & permits	1,761,023	2,122,096	2,045,169	2,055,879	2,495,048	2,497,673	2,440,334	2,470,070	2,409,720	2,025,310
Intergovernmental	³ 12,535,101	11,195,580	11,864,173	11,387,609	13,224,455	13,082,799	13,283,947	15,705,866	15,739,945	23,395,658
Charges for services	2,893,084	2,934,191	2,904,088	2,910,944	2,906,916	3,256,242	2,977,325	3,155,620	3,113,928	3,225,465
Fines & forfeitures	1,440,067	1,264,402	1,147,959	939,146	1,052,578	866,178	932,647	854,590	734,585	700,862
Internal service	1,106,690	1,014,815	1,058,730	1,068,809	1,061,100	1,012,506	1,164,382	1,182,948	967,666	974,109
Special assessments	² 6,138,832	² 6,358,146	6,665,671	6,654,478	6,834,965	7,338,572	6,859,028	6,804,476	8,333,057	8,865,522
Other	1,133,152	1,714,371	716,288	917,119	776,643	727,272	1,102,848	693,183	946,240	343,763
Investment income	74,683	55,573	25,862	321	⁷ 65,782	105,570	⁷ 38,148	157,479	499,233	⁹ 1,721,497
Total revenues	42,279,500	42,235,069	42,666,071	43,058,772	46,399,961	47,111,688	48,464,132	50,066,289	54,484,349	67,395,380
Expenditures										
General government	6,752,078	7,518,860	7,779,966	8,116,341	7,992,378	8,343,304	8,332,346	9,283,151	8,909,329	¹⁰ 10,073,320
Public safety	17,208,800	17,360,185	18,271,958	18,263,076	18,535,967	19,189,830	20,751,256	25,169,696	26,736,872	¹⁰ 27,937,861
Public works	4,106,622	4,475,802	4,731,856	4,773,496	4,767,232	4,765,396	5,145,631	5,317,670	5,911,177	5,645,522
Culture & recreation	4,190,657	4,521,930	4,397,868	4,233,348	4,018,480	4,096,963	4,279,873	4,615,269	4,708,138	5,524,815
Housing & development	³ 2,584,976	2,181,794	2,605,288	1,797,475	2,485,943	2,150,885	2,598,400	2,032,080	1,873,922	1,834,564
Debt service										
Principal	463,998	1,269,759	444,479	558,887	642,516	761,895	755,264	468,826	489,302	2,106,980
Interest & fees	360,294	312,101	282,232	272,889	211,806	199,450	192,808	182,234	172,325	235,180
Capital outlay	⁴ 3,413,384	2,417,859	2,899,085	2,637,817	1,726,777	3,091,932	2,347,528	1,545,782	4,348,438	6,940,176
Total expenditures	39,080,809	40,058,290	41,412,732	40,653,329	40,381,099	42,599,655	44,403,106	48,614,708	53,149,503	60,298,418
Excess of revenues over (under) expenditures	3,198,691	2,176,779	1,253,339	2,405,443	6,018,862	4,512,033	4,061,026	1,451,581	1,334,846	7,096,962
Other financing sources (uses)										
Transfers in	1,559,931	990,377	924,746	844,012	1,092,415	1,010,674	1,108,018	1,782,760	1,096,173	1,083,374
Transfers out	(2,912,592)	(2,319,341)	(9,072,667)	(2,695,291)	(1,738,759)	(2,315,449)	(2,113,939)	(2,773,386)	(2,088,970)	(2,076,171)
Issuance of debt	⁵ -	-	-	-	-	852,666	2,193	-	-	4,192,920
Issuance of refunding bonds	-	-	-	2,349,720	-	-	-	-	-	-
Payment to refunded bonds escrow agent	-	-	-	(2,520,000)	-	-	-	-	-	-
Proceeds of capital assets	2,184	-	-	-	-	670,427	69,554	9,000	-	2,200
Total other financing sources (uses)	(1,350,477)	(1,328,964)	(8,147,921)	(2,021,559)	(646,344)	218,318	(934,174)	(981,626)	(992,797)	3,202,323
Net change in fund balance	\$ 1,848,214	\$ 847,815	\$(6,894,582)	\$ 383,884	\$ 5,372,518	\$ 4,730,351	\$ 3,126,852	\$ 469,955	\$ 342,049	\$ 10,299,285
Debt service as a percentage of noncapital expenditures	2.31%	4.20%	1.89%	2.19%	2.21%	2.43%	2.25%	1.38%	1.36%	4.39%

¹ This year's decrease in taxes is due primarily to the completion of debt payments in the Tax Increment Bond Fund.

² This year's increase in special assessment is due primarily to an increase in Street District fund and Lighting Districts fund assessments.

³ This year's increase in grants is due primarily to ARRA stimulus grants and additional pass-through grants due to State HB645 MT Recovery Act grants.

⁴ This year's increase in capital outlay is due primarily to receipt of ARRA stimulus grants and additional pass-through grants due to State HB645 MT Recovery Act grants.

⁵ This year's increase in issuance of debt is due primarily to West Bank Tax Increment District debt.

⁶ This year's increase in transfers out is due to one-time transfers to the Electric Fund cash deficit and settlement payment.

⁷ This year's decrease in investment income is due to adjustments which 'mark investments to market' and interest receivable.

⁸ This year's decrease in taxes is due primarily to protested taxes.

⁹ This year's increase in investment income is due to increase of interest rates.

¹⁰ This year's increase in expenditures is due to increased personal and operation costs.

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 Value	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								
2011	2,286,266,340	63,422,541	335,049,320	14,853,161	2,621,315,660	78,275,702	2.99%	173.10
2012	2,353,657,366	62,915,536	343,605,243	15,793,499	2,697,262,609	78,709,035	2.92%	183.24
2013	2,562,754,623	71,724,719	217,648,518	6,128,272	2,780,403,141	77,852,991	2.80%	193.57
2014	2,645,842,533	71,466,672	233,291,897	6,587,918	2,879,134,430	78,054,590	2.71%	198.74
2015	2,711,922,840	70,661,377	216,917,883	5,436,977	2,928,840,723	76,098,354	2.60%	204.54
2016	4,902,476,643	78,823,672	363,583,585	9,754,099	5,266,060,228	88,577,771	1.68%	190.29
2017	4,956,742,318	80,856,634	395,573,329	10,491,169	5,352,315,647	91,347,803	1.71%	198.24
2018	5,515,576,327	94,060,050	106,575,740	1,762,443	5,622,152,067	95,822,493	1.70%	194.78
2019	5,657,454,119	97,741,707	113,347,623	1,822,862	5,770,801,742	99,564,569	1.73%	201.24
2020	5,988,180,028	102,882,454	116,532,959	1,897,868	6,104,712,987	104,780,322	1.72%	200.78
TAXABLE ASSESSED AND MARKET VALUE OF TAXABLE PROPERTY - NET OF TAX INCREMENT DISTRICTS (TID)								
2011	2,232,576,531	61,903,579	333,352,184	14,800,836	2,565,928,715	76,704,415	2.99%	173.10
2012	2,299,416,422	61,430,953	341,552,897	15,728,446	2,640,969,319	77,159,399	2.92%	183.24
2013	2,510,700,401	70,256,694	216,731,371	6,108,978	2,727,431,772	76,365,672	2.80%	193.57
2014	2,467,468,606	66,426,926	219,254,983	5,723,343	2,686,723,589	72,150,269	2.69%	198.74
2015	2,507,288,203	65,146,953	202,918,247	4,599,174	2,710,206,450	69,746,127	2.57%	204.54
2016	4,602,793,224	73,709,855	343,909,919	8,832,202	4,946,703,143	82,542,057	1.67%	190.29
2017	4,679,803,741	75,245,526	385,641,073	10,336,672	5,065,444,814	85,582,198	1.69%	198.24
2018	5,216,076,085	88,187,361	94,556,655	1,569,152	5,310,632,740	89,756,513	1.69%	194.78
2019	5,343,981,416	91,578,510	97,111,181	1,567,981	5,441,092,597	93,146,491	1.71%	201.24
2020	5,647,709,389	95,611,019	95,802,462	1,575,336	5,743,511,851	97,186,355	1.69%	200.78
TAXABLE ASSESSED AND MARKET VALUE OF TAXABLE PROPERTY - TOTAL TAX INCREMENT DISTRICTS (TID) ¹								
2011	53,689,809	1,518,962	1,697,136	52,325	55,386,945	1,571,287	2.84%	167.10
2012	54,240,944	1,484,583	2,052,346	65,053	56,293,290	1,549,636	2.75%	177.24
2013	52,054,222	1,468,025	917,147	19,294	52,971,369	1,487,319	2.81%	187.57
2014	178,373,927	5,039,746	14,036,914	864,575	192,410,841	5,904,321	3.07%	192.74
2015	204,634,637	5,514,424	13,999,636	837,803	218,634,273	6,352,227	2.91%	198.54
2016	299,683,419	5,113,817	19,673,666	921,897	319,357,085	6,035,714	1.89%	184.29
2017	276,938,577	5,611,108	9,932,256	154,497	286,870,833	5,765,605	2.01%	192.24
2018	299,500,242	5,872,689	12,019,085	193,291	311,519,327	6,065,980	1.95%	188.78
2019	313,472,703	6,163,197	16,236,442	254,881	329,709,145	6,418,078	1.95%	195.24
2020	340,470,639	7,271,435	20,730,497	322,532	361,201,136	7,593,967	2.10%	194.78

Source: Montana State Department of Revenue.

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
Taxable Assessed Value and Market Value of Taxable Property All Tax Increment Districts
Last Ten Fiscal Years

Real Property

	Downtown Urban Renewal TID Market Value	Downtown Urban Renewal TID TAV	Industrial International Malting Co. TID Market Value	Industrial International Malting Co. TID TAV	Urban Renewal West Bank TID Market Value	Urban Renewal West Bank TID TAV	International Airport TID Market Value	International Airport TID TAV Value	East Industrial Ag Tech Park TID Market Value	East Industrial Ag Tech Park TID TAV Value
Base Value	N/A	\$ 3,643,575	N/A	\$ 362,124	N/A	\$ 292,250	N/A	\$ 107,149	N/A	\$ 2,322
2011	-	-	19,259,823	543,160	30,601,803	¹ 867,844	3,828,183	107,958	N/A	N/A
2012	-	-	19,258,904	523,995	30,791,048	846,591	4,190,992	113,997	N/A	N/A
2013	-	-	19,198,044	504,908	28,541,803	849,635	4,314,375	113,482	N/A	N/A
2014	123,431,697	3,646,875	19,953,345	502,683	30,330,227	771,868	4,658,658	118,320	N/A	N/A
2015	128,594,319	3,685,340	34,752,393	809,138	35,118,927	867,572	4,801,702	118,600	1,367,296	33,774
2016	195,391,550	3,211,943	46,763,872	844,655	46,788,808	872,334	8,374,742	140,006	2,364,447	44,879
2017	179,749,691	3,783,918	42,590,582	804,532	44,466,752	³ 837,983	7,814,404	140,691	2,317,148	43,984
2018	180,209,897	3,819,643	46,740,875	681,946	49,358,717	940,473	7,917,092	142,654	15,273,661	287,973
2019	180,097,784	3,851,787	49,506,568	733,149	55,379,006	1,053,913	7,919,065	142,678	20,570,280	381,670
2020	189,911,142	4,584,180	47,164,129	723,019	71,532,946	1,364,492	11,032,895	200,349	20,829,527	399,395
	Downtown Urban Renewal TID Market Value	Downtown Urban Renewal TID TAV	Industrial International Malting Co. TID Market Value	Industrial International Malting Co. TID TAV	Urban Renewal West Bank TID Market Value	Urban Renewal West Bank TID TAV	International Airport TID Market Value	International Airport TID TAV Value	East Industrial Ag Tech Park TID Market Value	East Industrial Ag Tech Park TID TAV Value
2011	-	-	18,106	² 543	1,679,030	¹ 51,782	N/A	N/A	N/A	N/A
2012	-	-	13,757	527	2,038,589	64,526	N/A	N/A	N/A	N/A
2013	-	-	-	-	917,147	² 19,294	N/A	N/A	N/A	N/A
2014	12,583,883	834,448	765,763	15,310	684,712	² 14,766	2,556	51	N/A	N/A
2015	12,583,384	816,242	925,650	13,885	489,792	² 7,664	810	12	N/A	N/A
2016	16,625,748	875,948	1,484,318	22,265	952,066	14,511	611,534	9,173	N/A	N/A
2017	⁴ 4,414,343	68,004	4,634,259	69,513	215,888	6,805	667,766	10,175	N/A	N/A
2018	⁴ 5,035,663	76,664	4,268,423	64,027	405,439	6,316	805,253	12,362	1,504,307	33,922
2019	5,293,018	81,449	4,601,093	69,016	769,986	11,526	841,265	12,788	4,762,480	80,525
2020	7,352,426	113,602	4,562,251	68,433	1,001,063	15,015	748,241	11,338	7,066,516	114,144

Source: Montana State Department of Revenue.

Note: Incremental Value equals Base Value less Tax Increment District (TID) Taxable Assessed Value (TAV)

¹ The increase in value this year is due to the completion of the first structures and improvements in the district.

² The decrease in personal property for this year is due to the method of valuation which had the property as personal while under construction. Once placed in production the property became real property.

³ The decrease in value this year is due to the demolition of several prominent structures & improvements in the district.

⁴ The changes during FY 2018 were caused by the Montana Department of Revenue providing the wrong information/ reports to the City in previous years.

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

Fiscal Year	Overlapping Governments						Direct					Total Direct	Total
	State University	State School Equalization	Cascade County	State-Other School	Great Falls School Districts	Transit District	City of Great Falls	Permissive Medical Levy	Soccer Park Debt Service	Swimming Pool Debt Service			
2011	6.00	40.00	122.83	101.31	179.93	17.84	151.28	15.54	2.45	3.83	173.10	641.01	
2012	6.00	40.00	126.23	95.72	180.11	19.09	161.52	15.44	2.56	3.72	183.24	650.39	
2013	6.00	40.00	131.02	102.63	186.38	20.00	169.13	17.93	2.58	3.93	193.57	679.60	
2014	6.00	40.00	131.36	103.48	186.59	20.24	172.19	20.06	2.57	3.92	198.74	686.41	
2015	6.00	40.00	133.56	106.45	200.28	21.17	175.77	22.87	2.28	3.62	204.54	712.00	
2016	6.00	40.00	121.87	101.86	186.60	19.61	162.17	23.03	1.97	3.12	190.29	666.23	
2017	6.00	40.00	127.07	103.26	181.31	19.60	167.26	26.14	1.90	2.94	198.24	675.48	
2018	6.00	40.00	127.28	105.57	231.99	19.31	165.41	27.63	1.74	-	194.78	724.93	
2019	6.00	40.00	129.64	104.24	249.97	19.65	169.62	29.86	1.76	-	201.24	750.74	
2020	6.00	40.00	126.92	102.53	243.93	21.33	165.99	33.11	1.68	-	200.78	741.49	

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	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation
Calumet Montana Refining, LLC	\$ 8,762,541	1	8.36%	\$ 1,650,245	2	2.11%
Northwestern Energy, LLC	6,488,898	2	6.19%	3,774,185	1	4.82%
Energy West Montana Inc	1,887,024	3	1.80%	901,861	4	1.15%
Burlington Northern Santa Fe Railroad Co	1,067,928	4	1.02%			
GK Development Inc	791,251	5	0.76%	702,258	5	0.90%
Pasta Montana LLC	770,710	6	0.74%	671,499	8	0.86%
Verizon Wireless	688,735	7	0.66%			
DOC Great Falls Holding LLC	675,352	8	0.64%			
Bresnan Communications (Charter)	663,280	9	0.63%	698,779	6	0.89%
Federal Express Corp	662,824	10	0.63%			
Centurylink, Inc				955,568	3	1.22%
General Mills, Inc				600,258	9	0.77%
Malteurop North America Inc.				532,256	10	0.68%
Benefis Health System, Inc				672,705	7	0.86%
	<u>\$ 22,458,543</u>		<u>21.43%</u>	<u>\$ 11,159,614</u>		<u>14.26%</u>
Total Assessed Value	<u>\$104,780,322</u>			<u>\$ 78,275,702</u>		

Source: Treasurer's Office, Cascade County, Montana

¹ In Fiscal Year 2014, Holiday Village Partners LLC changed to GK Development Inc

² In Fiscal Year 2014, Great Falls Gas Co. changed to Energy West Montana Inc.

³ In Fiscal Year 2015, Qwest Corporation changed to Centurylink, Inc.

⁴ In Fiscal Year 2015, Montana Refining Corp. changed to Calumet Montana Refining, LLC

⁵ In Fiscal Year 2016, International Malting Company LLC changed to Malteurop North America Inc.

**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						
2011	13,996,931	12,809,614	91.52%	1,180,509	13,990,123	99.95%
2012	14,722,663	13,104,833	89.01%	1,604,540	14,709,373	99.91%
2013	15,921,285	13,820,468	86.80%	2,085,975	15,906,443	99.91%
2014	15,877,678	14,442,695	90.96%	1,420,219	15,862,914	99.91%
2015	16,499,453	14,897,755	90.29%	1,581,613	16,479,368	99.88%
2016	17,481,060	15,536,927	88.88%	1,770,184	17,307,111	99.00%
2017	18,951,993	16,514,190	87.14%	2,327,312	18,841,502	99.42%
2018	20,555,516	17,914,889	87.15%	2,543,590	20,458,479	99.53%
2019	21,338,561	19,942,269	93.46%	728,441	20,670,710	96.87%
2020	23,254,940	22,916,657	98.55%	-	22,916,657	98.55%
PROPERTY TAX LEVIES AND COLLECTIONS - NET OF TAX INCREMENT DISTRICTS ¹						
2011	13,510,828	12,423,862	91.95%	1,080,158	13,504,020	99.95%
2012	14,257,354	12,659,663	88.79%	1,584,401	14,244,064	99.91%
2013	15,450,077	13,351,783	86.42%	2,083,452	15,435,235	99.90%
2014	15,324,979	13,928,320	90.89%	1,381,895	15,310,215	99.90%
2015	15,671,690	14,087,159	89.89%	1,564,446	15,651,605	99.87%
2016	16,490,112	14,728,958	89.32%	1,587,205	16,316,163	98.95%
2017	18,099,805	15,775,631	87.16%	2,213,683	17,989,314	99.39%
2018	19,342,096	16,703,221	86.36%	2,541,838	19,245,059	99.50%
2019	19,774,666	18,389,811	93.00%	721,834	19,111,645	96.65%
2020	20,393,115	20,100,840	98.57%	-	20,100,840	98.57%
PROPERTY TAX LEVIES AND COLLECTIONS - TAX INCREMENT DISTRICTS ¹						
2011	486,103	385,752	79.36%	100,351	486,103	100.00%
2012	465,309	445,170	95.67%	20,139	465,309	100.00%
2013	471,208	468,685	99.46%	2,523	471,208	100.00%
2014	552,699	514,375	93.07%	38,324	552,699	100.00%
2015	827,763	810,596	97.93%	17,167	827,763	100.00%
2016	990,948	807,969	81.53%	182,979	990,948	100.00%
2017	852,188	738,559	86.67%	113,629	852,188	100.00%
2018	1,213,420	1,211,668	99.86%	1,752	1,213,420	100.00%
2019	1,563,895	1,552,458	99.27%	6,607	1,559,065	99.69%
2020	2,861,825	2,815,818	98.39%	-	2,815,818	98.39%

Source: City of Great Falls, Montana

¹ Downtown Urban Renewal Tax Increment District; Industrial International Malting Co. Tax Increment District; Urban Renewal West Bank Tax Increment District; East Industrial Park Tax Increment District; Great Falls International Airport Tax Increment District

**City of Great Falls, Montana
Special Improvement Districts Outstanding
June 30, 2020**

	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)								
Medical Tech Park	1301	05/15/2005	\$ 630,000	\$ 113,508	8/1/2020	\$ 35,000	\$ -	\$ -
Total Bonds Outstanding			<u>\$ 630,000</u>	<u>\$ 113,508</u>		<u>\$ 35,000</u>	<u>\$ -</u>	<u>\$ -</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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Beginning fund balance, July 1	\$ 176,388	\$ 152,712	\$ 125,176	\$ 95,923	\$ 50,980	\$ 21,591	\$ 16,304	\$ 15,322	\$ 14,504	\$ 13,669
Receipts over (under) disbursements	(23,676)	(27,536)	(29,253)	(44,943)	(29,389)	(5,287)	(982)	(818)	(835)	(978)
Ending fund balance, June 30	<u>\$ 152,712</u>	<u>\$ 125,176</u>	<u>\$ 95,923</u>	<u>\$ 50,980</u>	<u>\$ 21,591</u>	<u>\$ 16,304</u>	<u>\$ 15,322</u>	<u>\$ 14,504</u>	<u>\$ 13,669</u>	<u>\$ 12,691</u>
Assets										
Cash	\$ 152,468	\$ 124,950	\$ 95,731	\$ 50,980	\$ 21,591	\$ 16,304	\$ 15,322	\$ 14,504	\$ 13,669	\$ 12,691
Assessments receivable	-	-	-	-	-	-	-	-	-	-
Accrued interest	244	226	192	-	-	-	-	-	-	-
Due from Other City Funds	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 152,712</u>	<u>\$ 125,176</u>	<u>\$ 95,923</u>	<u>\$ 50,980</u>	<u>\$ 21,591</u>	<u>\$ 16,304</u>	<u>\$ 15,322</u>	<u>\$ 14,504</u>	<u>\$ 13,669</u>	<u>\$ 12,691</u>
Liabilities										
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Total Fund Balance	152,712	125,176	95,923	50,980	21,591	16,304	15,322	14,504	13,669	12,691
Total Liabilities/Fund Balances	<u>\$ 152,712</u>	<u>\$ 125,176</u>	<u>\$ 95,923</u>	<u>\$ 50,980</u>	<u>\$ 21,591</u>	<u>\$ 16,304</u>	<u>\$ 15,322</u>	<u>\$ 14,504</u>	<u>\$ 13,669</u>	<u>\$ 12,691</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
2011	152,468	420,000	36.30%
2012	124,950	370,000	33.77%
2013	95,731	370,000	25.87%
2014	50,980	215,000	23.71%
2015	21,591	175,000	12.34%
2016	16,304	125,000	13.04%
2017	15,322	85,000	18.03%
2018	14,504	60,000	24.17%
2019	13,669	35,000	39.05%
2020	12,691	35,000	36.26%

Individual Special Improvement Districts - Continuing Disclosure

	SID 1301
Properties with assessments outstanding	
Number	1
Amount	\$ -
Market Value	1,807,647

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 Collections ¹	
		Amount	Percent	Amount	Percent
2011 ²	78,994	80,672	102.1%	80,729	102.2%
2012	74,280	73,378	98.8%	73,708	99.2%
2013 ²	71,469	71,183	99.6%	71,946	100.7%
2014 ²	55,276	55,276	100.0%	55,579	100.5%
2015	53,169	53,169	100.0%	53,169	100.0%
2016	51,062	51,062	100.0%	51,062	100.0%
2017	48,955	48,955	100.0%	48,955	100.0%
2018	46,848	46,848	100.0%	46,848	100.0%
2019	44,741	44,741	100.0%	44,741	100.0%
2020	42,634	42,634	100.0%	42,634	100.0%

¹ Includes principal and interest assessed and delinquent assessment collections.

² 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**

Fiscal Year	Assessment Billing	Collections in Year Assessed		Total Outstanding Assessment
		Amount	Percent	Amount
2011	6,151,041	5,844,531	95.0%	2,167,736
2012	6,384,737	5,788,307	90.7%	2,014,226
2013	6,621,680	6,246,345	94.3%	1,913,383
2014	6,638,541	6,604,245	99.5%	1,342,209
2015	6,848,321	6,783,380	99.1%	1,289,795
2016	7,210,595	7,168,045	99.4%	1,527,590
2017	6,942,609	6,862,695	98.8%	1,395,975
2018	6,906,661	6,767,235	98.0%	1,268,269
2019	8,444,062	8,266,069	97.9%	1,220,711
2020	8,871,909	8,598,181	96.9%	1,187,488

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

Source: City of Great Falls

City of Great Falls, Montana
West Bank Urban Renewal District Principal Taxpayers
Fiscal Year 2020

Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation
Big Sky Select Properties LLC	Courthouse	\$ 296,409	1	21.48%
Riverside Hotel Partners LLC	Hotel	246,172	2	17.84%
Virk Hospitality Great Falls LLC	Hotel	188,686	3	13.68%
Skiprock LLC	Retail	177,885	4	12.89%
Stockman Bank of Montana	Bank	63,563	5	4.61%
Paige Trust	Retail	59,023	6	4.28%
Talcott Properties LLC	Retail	34,423	7	2.49%
JD Land LLC	Retail	34,062	8	2.47%
Kobe Holdings LLC	Restaurant	26,843	9	1.95%
SDM Development LLC	Retail	23,748	10	1.72%
		<u>\$ 1,150,814</u>		<u>83.41%</u>
Total Assessed Value		<u>\$ 1,379,732</u>		

Source: Treasurer's Office, Cascade County, Montana

City of Great Falls, Montana
West Bank Renewal Tax Increment District Debt Service Fund- Statement of Revenues, Expenditures and Changes in Fund Balances
All Years
City of Great Falls, Montana

	Fiscal Year										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues											
Taxes	\$ 108,124	\$ 350,619	\$ 364,984	\$ 371,310	\$ 394,485	\$ 411,464	\$ 348,904	\$ 365,098	\$ 454,674	\$ 574,686	\$ 797,831
Investment Income	1,911	1,534	1,117	1,093	1,173	4,629	5,785	3,448	11,897	17,675	7,909
Other	-	-	812,776	-	13	4,684	5,134	4,684	4,684	4,684	20,369
Total revenues	<u>110,035</u>	<u>352,153</u>	<u>1,178,877</u>	<u>372,403</u>	<u>395,671</u>	<u>420,777</u>	<u>359,823</u>	<u>373,230</u>	<u>471,255</u>	<u>597,045</u>	<u>826,109</u>
Expenditures											
General Government	42,500	440	1,795	18,536	18,759	19,176	2,856	46,404	30,095	35,439	50,391
Debt Service											
Principal	-	50,000	855,659	85,000	85,000	90,000	90,000	95,000	95,000	100,000	1,725,000
Interest & fees	130,778	174,951	140,368	128,528	126,228	123,728	120,828	117,818	114,418	110,875	178,859
Capital Outlay	-	-	-	2,440	-	4,068	220,030	163,198	71,508	700,000	1,942,614
Total Expenditures	<u>173,278</u>	<u>225,391</u>	<u>997,822</u>	<u>234,504</u>	<u>229,987</u>	<u>236,972</u>	<u>433,714</u>	<u>422,420</u>	<u>311,021</u>	<u>946,314</u>	<u>3,896,864</u>
Revenues over (under) expenditures	(63,243)	126,762	181,055	137,899	165,684	183,805	(73,891)	(49,190)	160,234	(349,269)	(3,070,755)
Other Financing Sources (Uses) - Issuance of Debt	<u>234,030</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,200,000</u>
Revenues and other financing uses over (under) expenditures	170,787	126,762	181,055	137,899	165,684	183,805	(73,891)	(49,190)	160,234	(349,269)	129,245
Fund balances, beginning of year	-	170,787	297,549	490,338	628,329	794,013	977,818	903,927	854,737	1,014,971	665,702
Transfers in (out)	-	-	11,734	92	-	-	-	-	-	-	-
Fund balances, end of year	<u>\$ 170,787</u>	<u>\$ 297,549</u>	<u>\$ 490,338</u>	<u>\$ 628,329</u>	<u>\$ 794,013</u>	<u>\$ 977,818</u>	<u>\$ 903,927</u>	<u>\$ 854,737</u>	<u>\$ 1,014,971</u>	<u>\$ 665,702</u>	<u>\$ 794,947</u>
	Parity	Parity	Parity	Parity	Parity	Parity	Parity	Parity	Parity	Parity	Parity
<u>Bond reserves</u>											
Debt service account	\$ 13,729	\$ 21,785	\$ 115,065	\$ 17,548	\$ 17,752	\$ 88,762	\$ 88,762	\$ 88,762	\$ 90,068	\$ 90,068	\$ 90,068
<u>Coverage covenant calculation</u>											
Increment taxes collected and available	\$ 108,124	\$ 350,285	\$ 364,984	\$ 371,310	\$ 394,485	\$ 411,464	\$ 348,904	\$ 365,098	\$ 454,674	\$ 574,686	\$ 797,831
Maximum annual debt service	156,530	156,530	216,165	216,165	216,165	216,165	216,165	216,165	216,165	216,165	263,925
Debt service coverage	.69x	2.24x	1.69x	1.72x	1.82x	1.90x	1.61x	1.69x	2.10x	2.66x	3.02x
Debt service coverage required	1.40x ¹	1.40x ¹	1.40x ¹	1.40x ¹	1.40x ¹	1.40x ¹	1.40x ¹	1.40x ¹	1.40x ¹	1.40x ¹	1.40x

West Bank Urban Renewal Tax Increment District taxes were first billed Fiscal Year 2010

¹ Fiscal year 2019 changed Debt service coverage required from 1.25x to 1.40x
Source: City of Great Falls, Montana

City of Great Falls, Montana
Major Water, Sanitary Sewerage, and Storm Drain System Users
June 30, 2020

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 AFB	752,329	1	5.39%	523,205	2	4.39%	0		0.00%
Calumet Montana Refining, LLC	617,787	2	4.43%	289,884	3	2.43%	16,757	9	0.54%
City of Great Falls	316,123	3	2.27%	21,948		0.18%	24,354	3	0.78%
Benefis Health Systems	193,024	4	1.38%	206,107	4	1.73%	45,187	2	1.45%
Black Eagle, Cascade Co, Water District	157,384	5	1.13%	65,290	8	0.55%	0		0.00%
Great Falls Public Schools	155,384	6	1.11%	72,890	6	0.61%	125,771	1	4.04%
Cascade County	106,925	7	0.77%	70,021	7	0.59%	7,731		0.25%
Great Falls Housing Authority	100,099	8	0.72%	127,631	5	1.07%	15,983	10	0.51%
University of Providence	58,534	9	0.42%	26,587		0.22%	19,336	7	0.62%
Oasis Water Service	55,893	10	0.40%	110		0.00%	35		0.00%
Town Pump	40,421		0.29%	53,669	10	0.45%	14,337		0.46%
Malteurop North America, Inc	32,716		0.23%	626,117	1	5.26%	3,293		0.11%
Meadow Gold Daries	42,433		0.30%	57,040	9	0.48%	2,147		0.07%
GK Holiday Village LLC	17,615		0.13%	1,315		0.01%	23,382	4	0.75%
Great Falls Marketplace Holdings, LLC	11,922		0.09%	6,797		0.06%	23,099	5	0.74%
BN Santa Fe Railway Co	6,413		0.05%	5,743		0.05%	22,334	6	0.72%
Great Falls College, MSU	11,311		0.08%	2,916		0.02%	18,339	8	0.59%
	<u>\$ 2,676,313</u>		<u>19.19%</u>	<u>\$ 2,157,270</u>		<u>18.11%</u>	<u>\$ 362,085</u>		<u>11.64%</u>

In Fiscal Year 2013, customers individual accounts were combined to calculated charges and rankings.

In Fiscal Year 2014, City Park bills were added to City of Great Falls water charges.

Source: Utility Division, City of Great Falls, Montana.

¹ In Fiscal Year 2014, Holiday Village Partners LLC changed to GK Development Inc

² In Fiscal Year 2015, Montana Refining Corp. changed to Calumet Montana Refining, LLC

³ In Fiscal Year 2016, International Malting Company LLC changed to Malteurop North America Inc.

⁴ In Fiscal Year 2018, University of Great Falls changed to University of Providence

City of Great Falls, Montana
Current Water Rate Structure
June 30, 2020

	<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	\$ 7.79	\$ 7.01	\$ 7.79	\$ -	\$ -
1	9.23	8.30	9.23	-	-
1 1/4	14.61	13.14	14.61	-	-
1 1/2	14.61	13.14	14.61	-	-
2	20.03	18.01	20.03	-	-
3	63.04	56.72	63.04	-	-
4	86.44	77.82	86.44	-	-
6	148.30	133.48	148.30	-	-
8	216.74	195.06	216.74	216.74	216.74
10	306.47	275.84	306.47	-	306.47
12	452.25	407.03	452.25	-	-
Monthly consumption charge					
First 600 cf ¹	\$ 1.76	\$ 1.59	\$ 2.01	\$ 2.04	\$ 2.32
Over 600 cf ¹	2.95	2.66	2.01	2.04	2.32
Monthly fire hydrant charge					
Meter size (in inches)					
3/4	\$ 2.70	\$ 2.70	\$ 2.70		
1	3.73	3.73	3.73		
1 1/4	8.56	8.56	8.56		
1 1/2	8.56	8.56	8.56		
2	13.29	13.29	13.29		
3	37.51	37.51	37.51		
4	56.02	56.02	56.02		
6	116.52	116.52	116.52		
Annual fire line charge					
Line size (in inches)					
2			\$ 21.60		
3			52.53		
4			91.32		
6			265.44		
8			565.20		
12			1,640.16		

Source: Utility Division, City of Great Falls, Montana.

**City of Great Falls, Montana
Historical Water System Connections
Last Ten Fiscal Years**

Fiscal Year	Residential Customers	Commercial /Industrial Customers	Total Customers	% of Residential Customers	Debt per connection
2011	18,123	2,371	20,494	88.4%	417
2012	18,325	2,362	20,687	88.6%	375
2013	18,604	2,832	21,436	86.8%	314
2014	18,307	2,406	20,713	88.4%	233
2015	18,357	2,602	20,959	87.6%	213
2016	18,409	2,430	20,839	88.3%	215
2017	18,481	2,706	21,187	87.2%	293
2018	18,370	2,401	20,771	88.4%	707
2019	18,546	2,669	21,215	87.4%	1,452
2020	18,629	2,747	21,376	87.1%	1,361

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating Revenues:										
Water charges for services ¹	\$ 7,697,120	\$ 9,586,179	\$ 10,551,476	\$ 9,857,288	\$ 11,027,200	\$ 11,107,594	\$ 12,076,482	\$ 13,961,722	\$ 13,214,836	\$ 13,720,128
Investment income	39,264	27,400	15,089	21,555	42,582	65,942	40,766	125,218	409,326	229,572
Gain on disposal of assets	-	1,681	8,124	12,298	1,459	562	9,106	7,070	(58,232)	-
Total operating revenues	7,736,384	9,615,260	10,574,689	9,891,141	11,071,241	11,174,098	12,126,354	14,094,010	13,565,930	13,949,700
Operating Expenses:²										
Personal services	2,041,140	2,196,201	2,264,051	2,321,012	2,296,225	2,287,701	2,525,022	2,747,271	2,734,340	2,776,465
Supplies and materials	545,963	985,185	824,822	872,711	870,907	912,383	858,466	1,261,800	1,126,160	949,325
Purchased services	658,518	848,400	943,415	799,501	706,909	692,198	704,133	857,070	792,263	672,260
Internal services	1,270,871	1,239,423	1,332,709	1,394,791	1,385,165	1,244,844	1,349,756	1,342,248	1,414,835	1,638,132
Other	47,423	45,594	45,806	50,551	45,877	47,330	50,211	46,671	46,733	47,426
Total operating expenses	4,563,915	5,314,803	5,410,803	5,438,566	5,305,083	5,184,456	5,487,588	6,255,060	6,114,331	6,083,608
Net revenue available for debt service	\$ 3,172,469	\$ 4,300,457	\$ 5,163,886	\$ 4,452,575	\$ 5,766,158	\$ 5,989,642	\$ 6,638,766	\$ 7,838,950	\$ 7,451,599	\$ 7,866,092
Net revenue	\$ 3,172,469	\$ 4,300,457	\$ 5,163,886	\$ 4,452,575	\$ 5,766,158	\$ 5,989,642	\$ 6,638,766	\$ 7,838,950	\$ 7,451,599	\$ 7,866,092
Depreciation expense	(2,470,702)	(2,532,581)	(2,755,971)	(2,759,952)	(2,857,431)	(3,035,806)	(3,436,604)	(3,490,663)	(3,531,514)	(3,740,167)
Total non-operating income	67,815	286,084	50,307	49,847	69,164	159,102	355,766	61,222	66,840	65,376
Total non-operating expenses	(244,890)	(219,322)	(193,541)	(61,522)	(30,465)	(44,770)	(16,115)	(20,000)	(779,734)	(766,897)
Transfers in (out)	-	-	(300,477)	-	-	-	-	-	-	-
Net income (loss)	\$ 524,692	\$ 1,834,638	\$ 1,964,204	\$ 1,680,948	\$ 2,947,426	\$ 3,068,168	\$ 3,541,813	\$ 4,389,509	\$ 3,207,191	\$ 3,424,404
Reserve cash account balances:										
Reserve account	\$ 1,337,490	\$ 1,337,490	\$ 485,055	\$ 485,055	\$ 328,066	\$ 328,066	\$ 647,330	\$ 1,241,960	\$ 1,241,948	\$ 1,191,893
Current debt service reserve account	981,922	1,001,297	40,413	40,421	314,021	328,066	647,330	1,241,960	1,241,948	1,191,893
Operating reserve account	592,922	773,434	521,109	527,204	527,204	442,090	432,038	457,299	521,255	509,528
Repair/replacement reserve account	1,092,514	975,582	975,582	935,514	935,514	935,514	935,514	935,514	935,514	935,514
Total reserves	\$ 4,004,848	\$ 4,087,803	\$ 2,022,159	\$ 1,988,194	\$ 2,104,805	\$ 2,033,736	\$ 2,662,212	\$ 3,876,733	\$ 3,940,665	\$ 3,828,828
* Maximum future principal and interest	\$ 1,340,595	\$ 1,329,511	\$ 485,055	\$ 485,055	\$ 656,075	\$ 656,075	\$ 1,294,659	\$ 2,483,921	\$ 2,483,897	\$ 2,383,785
Debt service coverage	236.65%	323.46%	1064.60%	917.95%	878.89%	912.95%	512.78%	315.59%	300.00%	329.98%

Source: City of Great Falls, Montana

Note: Water Revenue Bonds issued in Fiscal Year 2009; Water Revenue Bonds amended and restated Fiscal Year 2013; Water Revenue Bonds issued in Fiscal Year 2015.

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.

* As of Fiscal Year 2015, the maximum future principal and interest required is 110% of the maximum future principal and interest payment.

City of Great Falls, Montana
Current Sanitary Sewerage Rate Structure
June 30, 2020

	<u>Residential</u>	<u>Low Income</u>	<u>Commercial</u>	<u>Black Eagle</u>	<u>Malmstrom AFB</u>	<u>MaltEurop</u>
Standard Sewer						
Monthly service charge	\$ 9.02	\$ 8.10	\$ 9.02	\$ 9.02	\$ 9.02	\$ 8.19
Over 600 cft ¹	2.48	2.23	2.80	2.91	2.49	1.95

Residential, low income and qualifying commercial customers are billed at a flat rate based on the winter quarter average for the reads in December, January, February and March.

Sewer Extra-Strength:

BOD>200 mg/L	0.339 /lb
TSS>250mg/L	0.500 /lb

Pre-Treatment:

Monthly service charge	\$ 9.02
Volume charge/ccf	1.42
BOD>200 mg/L	0.339 /lb
TSS>250mg/L	0.500 /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>
2011	17,945	2,325	20,270	88.5%	747
2012	18,083	2,316	20,399	88.6%	683
2013	18,634	2,774	21,408	87.0%	594
2014	18,165	2,343	20,508	88.6%	549
2015	18,199	2,359	20,558	88.5%	506
2016	18,256	2,378	20,634	88.5%	961
2017	18,320	2,389	20,709	88.5%	1,025
2018	18,525	2,691	21,216	87.3%	910.73
2019	18,394	2,396	20,790	88.5%	738.14
2020	18,469	2,408	20,877	88.5%	636.87

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating Revenues:¹										
Sanitary sewer charges for services	\$ 8,110,507	\$ 8,972,566	\$ 10,264,207	\$ 10,445,901	\$ 10,903,714	\$ 10,541,575	\$ 11,009,843	\$ 11,426,321	\$ 11,441,446	\$ 11,617,561
Investment income	47,896	31,724	13,662	8,712	45,462	62,831	52,518	114,991	300,410	230,436
Gain on disposal of assets	-	2,505	147	-	-	-	-	-	98,782	62,807
Total operating revenues	8,158,403	9,006,795	10,278,016	10,454,613	10,949,176	10,604,406	11,062,361	11,541,312	11,840,638	11,910,804
Operating Expenses:²										
Personal services	798,163	832,920	838,822	827,825	894,692	898,041	971,755	1,008,462	1,033,931	1,073,928
Supplies and materials	70,782	83,847	77,330	70,796	65,554	70,751	66,588	82,493	74,523	78,926
Purchased services	3,137,508	2,979,993	3,352,392	3,543,057	3,318,492	2,762,614	3,420,855	3,771,745	3,535,482	3,679,802
Internal services	872,795	844,275	843,699	842,952	1,001,671	1,030,174	1,095,245	1,031,948	1,091,402	1,154,076
Other	29,373	42,214	34,432	154,369	31,820	28,822	35,664	36,454	32,403	33,330
Total operating expenses	4,908,621	4,783,249	5,146,675	5,438,999	5,312,229	4,790,402	5,590,107	5,931,102	5,767,741	6,020,062
Net revenue available for debt service	\$ 3,249,782	\$ 4,223,546	\$ 5,131,341	\$ 5,015,614	\$ 5,636,947	\$ 5,814,004	\$ 5,472,254	\$ 5,610,210	\$ 6,072,897	\$ 5,890,742
Net revenue	\$ 3,249,782	\$ 4,223,546	\$ 5,131,341	\$ 5,015,614	\$ 5,636,947	\$ 5,814,004	\$ 5,472,254	\$ 5,610,210	\$ 6,072,897	\$ 5,890,742
Depreciation expense	(1,964,477)	(2,043,243)	(2,209,363)	(2,332,859)	(2,378,678)	(2,429,975)	(3,318,708)	(3,608,749)	(3,590,930)	(3,770,774)
Total non-operating income	9,766	2,091	14,266	22,501	24,875	471,173	229,254	237,006	34,847	18,328
Total non-operating expenses	(522,572)	(439,055)	(320,451)	(51,414)	(165,437)	(753,049)	(521,486)	(350)	(493,107)	(435,298)
Transfers in (out)	-	-	(278,802)	110,973	-	-	-	-	-	-
Net income (loss)	\$ 772,499	\$ 1,743,339	\$ 2,336,991	\$ 2,764,815	\$ 3,117,707	\$ 3,102,153	\$ 1,861,314	\$ 2,238,117	\$ 2,023,707	\$ 1,702,998
Reserve cash account balances:										
Reserve account	\$ 1,948,051	\$ 1,956,105	\$ 1,766,857	\$ 2,281,282	\$ 2,287,583	\$ 2,241,398	\$ 2,211,075	\$ 2,500,758	\$ 2,482,663	\$ 1,831,843
Current debt service reserve account	1,339,518	1,365,971	147,238	189,650	1,141,423	1,109,609	1,270,958	1,250,379	1,241,331	915,922
Operating reserve account	560,687	572,758	398,604	428,890	428,890	442,686	399,200	465,842	494,259	480,645
Repair/replacement reserve account	1,005,695	765,777	765,777	1,032,938	1,032,938	1,032,938	1,032,938	1,032,938	1,032,938	1,032,938
Total reserves	4,853,951	4,660,611	3,078,476	3,932,760	4,890,834	4,826,631	4,914,171	5,249,917	5,251,191	4,261,348
Maximum future principal and interest	\$ 1,948,051	\$ 1,943,004	\$ 1,766,857	\$ 2,050,230	\$ 2,287,583	\$ 2,594,536	\$ 2,541,916	\$ 2,500,758	\$ 2,482,663	\$ 1,831,843
Debt service coverage	166.82%	217.37%	290.42%	244.64%	246.41%	224.09%	215.28%	224.34%	244.61%	321.57%

Source: City of Great Falls, Montana

Note: Sewer Revenue Bonds issued in Fiscal Year 2002; Sewer Revenue Bonds issued in Fiscal Year 2005; Sewer Revenue Bonds issued in 2012; Sewer Revenue Bonds amended and restated in Fiscal Year 2013; Sewer Revenue Bonds issued in

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, 2018

Classification	Rate
<p>Group A</p> <p>Accounts in this group include Single Family; Mobile Home Single Family; Residence Predominant with Business; & Bed & Breakfast Residential. Additional area above 15,000 sq. feet shall be defined as agricultural or undeveloped.</p>	<p>\$0.6087119 (per 1,000 sq. ft.) + \$2.0290396757</p>
<p>Group B</p> <p>Accounts in this group include Two Family Residential; Townhouse Residential; Three/Four Family Residential; Condominium Residential; & Mobile Homes and Trailer Courts.</p>	<p>\$0.7608899 (per 1,000 sq. ft.) + \$2.0290396757</p>
<p>Group C</p> <p>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.</p>	<p>\$0.9891569 (per 1,000 sq. ft.) + \$2.0290396757</p>
<p>Group D</p> <p>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).</p>	<p>\$1.3696018 (per 1,000 sq. ft.) + \$2.0290396757</p>
<p>Group E</p> <p>Accounts in this group consist of developed property that does not discharge storm water runoff into an underground storm drainage system.</p>	<p>\$0.1521780 (per 1,000 sq. ft.) + \$2.0290396757</p>

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	
2011	16,195	895,632	1,604	104,641	904	370,134	1,121	412,229	941	69,689	20,765	1,852,325	198
2012	16,283	897,674	1,603	104,687	907	369,932	1,134	421,749	969	71,705	20,896	1,865,747	178
2013	16,246	881,899	1,561	101,145	911	377,750	1,156	422,334	1,000	67,882	20,874	1,851,010	159
2014	16,280	904,190	1,565	102,333	913	384,942	1,180	434,586	1,002	76,875	20,940	1,902,926	127
2015	16,311	914,469	1,586	104,025	920	394,355	1,182	444,347	1,049	78,517	21,048	1,935,713	116
2016	17,373	1,001,773	1,687	115,637	968	431,272	1,275	502,529	1,113	87,975	22,416	2,139,186	88
2017	17,463	1,104,726	1,692	127,282	956	488,176	1,300	574,563	1,137	91,501	22,548	2,386,248	87
2018	17,551	1,218,470	1,693	140,107	960	538,270	1,306	640,125	1,108	96,538	22,618	2,633,510	255
2019	17,569	1,308,476	1,690	149,581	959	580,299	1,297	689,232	1,108	102,840	22,623	2,830,428	426.47
2020	17,762	1,392,671	1,659	158,240	1,022	622,448	1,293	736,365	1,117	108,900	22,838	3,018,624	342.98

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating Revenues ¹	\$ 1,891,363	\$ 1,893,445	\$ 1,938,535	\$ 1,857,326	\$ 2,005,166	\$ 2,120,599	\$ 2,419,771	\$ 2,663,503	\$ 2,997,284	\$ 3,110,007
Operating Expenses:										
Personal services	43,990	44,393	46,357	45,917	30,757	27,614	105,170	295,974	310,809	256,552
Supplies	5,183	7,037	3,609	3,609	3,379	4,439	8,971	11,032	15,488	10,419
Other services	31,222	42,016	100,305	47,293	62,590	61,356	163,709	157,897	107,040	109,000
Internal support	272,348	270,109	281,801	293,276	328,981	318,979	352,648	360,667	395,582	406,829
Total operating expenses	<u>352,743</u>	<u>363,555</u>	<u>432,072</u>	<u>390,095</u>	<u>425,707</u>	<u>412,388</u>	<u>630,498</u>	<u>825,570</u>	<u>828,919</u>	<u>782,800</u>
Net operating income	<u>\$ 1,538,620</u>	<u>\$ 1,529,890</u>	<u>\$ 1,506,463</u>	<u>\$ 1,467,231</u>	<u>\$ 1,579,459</u>	<u>\$ 1,708,211</u>	<u>\$ 1,789,273</u>	<u>\$ 1,837,933</u>	<u>\$ 2,168,365</u>	<u>\$ 2,327,207</u>
Bonded Debt Service Requirements (per Operating Year):										
Principal	\$ 382,000	\$ 410,472	\$ 279,000	\$ 279,000	\$ 279,000	\$ 279,000	\$ 438,000	\$ 514,000	\$ 579,539	\$ 596,000
Interest	157,818	117,735	7,920	7,920	7,920	7,920	77,238	148,194	199,854	203,954
Total	<u>\$ 539,818</u>	<u>\$ 528,207</u>	<u>\$ 286,920</u>	<u>\$ 286,920</u>	<u>\$ 286,920</u>	<u>\$ 286,920</u>	<u>\$ 515,238</u>	<u>\$ 662,194</u>	<u>\$ 779,393</u>	<u>\$ 799,954</u>
Operating year coverage	285.03%	289.64%	525.05%	511.37%	550.49%	595.36%	347.27%	277.55%	278.21%	290.92%
Maximum future principal and interest	\$ 531,824	\$ 528,207	\$ 286,920	\$ 286,920	\$ 286,920	\$ 286,920	\$ 606,283	\$ 830,349	\$ 800,139	\$ 797,815
Bond covenant coverage	289.31%	289.64%	525.05%	511.37%	550.49%	595.36%	295.12%	221.34%	271.00%	291.70%

Source: City of Great Falls

Note: Storm Drain System revenue bonds issued in Fiscal Year 2005. Storm Drain System revenue bonds 2003 were redeemed in Fiscal Year 2013.

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
Sanitation Historical Operating Results and Intercap Loan Coverage
Four Fiscal Years

	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Operating Revenues ¹					
Sanitation charges for services	\$ 3,452,468	\$ 3,639,175	\$ 3,690,985	\$ 3,836,379	\$ 4,201,007
Investment income	4,945	4,146	10,284	10,165	6,265
Proceeds on sale of capital items	100	-	983	-	-
Other	16,092	13,921	10,388	34,460	33,261
Total operating revenues	<u>3,473,605</u>	<u>3,657,242</u>	<u>3,712,640</u>	<u>3,881,004</u>	<u>4,240,533</u>
Operating Expenses:					
Personal services	1,264,476	1,393,589	1,454,779	1,449,341	1,557,716
Supplies	307,095	290,267	305,726	336,784	299,352
Purchased services	874,432	901,484	806,352	1,028,711	1,053,455
Internal support	706,236	749,159	786,413	740,589	741,081
Other	3,200	14,306	-	-	-
Total operating expenses	<u>3,155,439</u>	<u>3,348,805</u>	<u>3,353,270</u>	<u>3,555,425</u>	<u>3,651,604</u>
Net operating income	<u>\$ 318,166</u>	<u>\$ 308,437</u>	<u>\$ 359,370</u>	<u>\$ 325,579</u>	<u>\$ 588,929</u>
Maximum annual debt service requirement	\$ 74,913	\$ 273,857	\$ 273,700	\$ 267,469	\$ 251,849
Intercap Loan covenant coverage	424.71%	112.63%	131.30%	121.73%	233.84%

Source: City of Great Falls

¹ Includes all operating revenues and interest income.

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	General Obligation Taxable Bonds	Special Improvement Districts Bonds	Tax Incremental Bonds	Notes Payable	Capital Leases	Loans and Contracts Payable	Capital Leases	Loans and Notes Payable	Revenue Bonds Payable				
2011	3,331,785	-	420,000	1,950,000	761,463	-	524,003 ^b	695,067	6,257,235	25,245,095	39,184,648	12.74%	1,047	
2012	2,994,899	-	370,000	2,755,000	-	-	456,696 ^b	573,355	5,904,784	22,169,649	35,224,383	11.14%	908	
2013	2,640,000	-	370,000	2,670,000	-	-	410,959 ^b	443,548	5,538,024	19,117,404	31,189,935	9.66%	791	
2014	2,220,000	1,035,000	215,000	2,585,000	-	-	335,102 ^b	305,109	9,102,195	27,191,243	42,988,649	12.89%	1,053	
2015	1,835,000	915,000	175,000	2,495,000	-	-	289,892 ^b	157,464	8,524,230	30,258,336	44,649,922	13.30%	1,095	
2016	1,445,000	790,000	125,000	2,405,000	-	-	997,230	-	8,332,876	29,417,446	43,512,552	12.84%	1,057	
2017	1,050,000	665,000	85,000	2,310,000	-	-	812,996	-	8,536,188	39,754,845	53,214,029	15.38%	1,265	
2018	910,000	540,000	60,000	2,215,000	-	-	647,607	-	7,655,250	53,392,077	65,419,934	18.45%	1,508	
2019	765,000	410,000	35,000	2,115,000	-	-	543,575	-	6,753,503	54,579,893	65,201,971	17.37%	1,419	
2020	620,000	275,000	35,000	4,553,920	-	1,992,461	470,595	-	5,830,811	50,216,893	63,994,680	16.50%	1,347	

^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
Summary of Limited General Obligations
June 30, 2020

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Fund</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Amount Outstanding</u>
12-11-2015	\$ 802,000	General Fund	Purchase of FireTrucks - Intercap Loan	2026	\$ 439,236
07-31-2015	58,000	Nonmajor Governmental Fund - Master Debt SILD	Designe/Install City Street Lights - Intercap Loan #1309	2030	31,359
03-25-2014	1,065,000	Nonmajor Governmental Fund - General Obligation Taxable Bonds	2014B LTGO Bonds - Refund 2005 Note Payable	2023	275,000
	<u>\$ 1,925,000</u>				<u>\$ 745,595</u>

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	Net General Bonded Debt ^c	Real and Personal Taxable Assessed Value	Percentage of General Obligation Bonds to Taxable Assessed Value	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
2011	5,161,387	78,275,702	6.59%	137.87	65,532,892	5,161,387	60,371,505	7.88%
2012	4,658,775	78,709,035	5.92%	120.10	67,431,565	4,658,775	62,772,790	6.91%
2013	4,156,979	77,852,991	5.34%	105.38	69,510,079	4,156,979	65,353,100	5.98%
2014	3,590,102	78,054,590	4.60%	87.95	71,978,361	3,590,102	68,388,259	4.99%
2015	3,039,892	76,098,354	3.99%	74.58	73,221,018	3,039,892	70,181,126	4.15%
2016	3,232,230	88,577,771	3.65%	78.52	131,651,506	3,232,230	128,419,276	2.46%
2017	2,527,996	91,347,803	2.77%	60.11	133,807,891	2,527,996	131,279,895	1.89%
2018	2,097,607	95,822,493	2.19%	48.36	140,553,802	2,097,607	138,456,195	1.49%
2019	1,718,575	99,564,569	1.73%	37.39	144,270,044	1,718,575	142,551,469	1.19%
2020	1,365,595	104,780,322	1.30%	28.74	152,617,825	1,365,595	151,252,230	0.89%

^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 7-7-4201.

^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 Business-type activities Electric Fund notes payable is a taxable non-voted general obligation note. This note has been added to the net general bonded debt amount. In fiscal year 2013, all net general bonded debt amounts were restated to include this additional debt. In fiscal year 2014, the Business-type activities Electric Fund notes payable was refinanced and is a Governmental-type activities general obligation taxable bond.

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 Long Term Debt
June 30, 2020

Jurisdiction	General Obligation Debt Outstanding¹	Percent Allocable to City¹	Amount Allocable to City
Elementary School District No. 1	\$ 46,928,409	69.90%	\$ 32,800,669
High School District No. 1	50,897,826	68.62%	34,925,891
Cascade County	-	58.92%	-
Total overlapping debt			<u>67,726,560</u>
Total direct debt ²			<u>7,946,976</u>
Total direct and overlapping debt			<u><u>\$ 75,673,536</u></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
2011	58,505	3,076,502	37,437	10,127	6.4%
2012	58,950	3,161,768	38,790	10,109	5.4%
2013	58,893	3,228,329	39,448	10,198	5.1%
2014	59,351	3,336,106	40,822	10,347	4.0%
2015	59,152	3,357,888	40,759	10,193	3.9%
2016	59,638	3,389,496	41,163	10,520	4.1%
2017	59,178	3,460,063	42,053	10,549	3.8%
2018	58,876	3,546,163	43,375	10,476	3.9%
2019	58,701	3,752,800	45,959	10,416	3.4%
2020	58,434	3,879,504	47,518	10,491	6.9%

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.

**City of Great Falls, Montana
Major Employers
Current Year and Nine Years Ago**

Employer	2020			2011		
	Number of Employees ¹	Rank	Percentage of Total Employment	Number of Employees ¹	Rank	Percentage of Total Employment
Malmstrom Air Force Base	3,960 ²	1	11%	4,850 ²	1	13%
Benefis Health Care Center	3,203	2	9%	2,600	2	7%
Great Falls Public Schools	1,926	3	5%	1,550	3	4%
Montana Air National Guard	1,012 ²	4	3%	1,085 ²	4	3%
Great Falls Clinic	631	5	2%	594	5	2%
Wal-Mart	600	6	2%	520	9	1%
City of Great Falls	589	7	2%	538 ³	7	1%
Cascade County	523	8	1%	527	8	1%
Centene Corporaton	319	9	1%	-	-	-
Albertsons	285	10	1%	260	10	1%
Asurion (formerly N.E.W. Customer Services Cos.)				550	6	1%

Source: Great Falls Tribune, Great Falls Montana Outlook 2018 printed February 19, 2018

www.greatfallstribune.com.

Ranking based on total employees.

¹ Full-time equivalents in full and part time positions.

² Includes military and civilian personnel.

³ Does not include seasonal labor

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Mayor/City Commission	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Housing Authority	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50
City Manager	3.17	4.17	4.17	4.17	4.17	4.16	4.00	4.00	4.00	4.00
City Clerk	1.51	1.51	1.51	1.51	1.51	1.84	2.00	2.00	2.00	2.00
Cable 7	0.50	0.50	-	-	-	-	-	-	-	-
Human Resources	3.60	3.60	3.60	3.60	3.60	4.60	4.60	4.60	4.60	4.60
Insurance & Safety	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Information Technology	-	-	-	-	-	-	-	8.00	8.00	8.00
Animal Shelter Operations	-	8.50	5.00	5.00	9.00	9.00	9.28	10.28	10.28	10.28
Events	-	-	-	-	4.54	4.54	4.54	4.54	4.54	4.54
City Planning	-	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-	-
Planning & Community Development	27.10	25.60	25.60	24.70	25.12	24.92	25.25	26.73	28.50	27.50
Fire	68.00	68.00	68.00	68.00	69.00	71.00	71.00	72.00	71.00	71.00
Finance	36.90	36.00	35.00	33.56	26.06	26.06	26.06	16.10	16.10	16.10
Legal	6.45	7.75	7.75	7.25	7.25	7.25	8.00	9.00	9.29	9.29
Library	20.54	21.54	21.54	21.54	17.47	17.47	18.17	17.80	17.80	17.80
Municipal Court	-	-	-	-	7.50	7.50	8.00	8.50	9.00	10.49
Park & Recreation	85.98	85.98	85.98	84.31	74.43	73.18	73.76	80.84	78.04	76.09
Police	134.00	126.00	126.00	128.00	127.00	129.00	132.00	132.00	132.00	133.00
Public Works	134.15	135.95	133.95	133.95	134.63	131.50	135.50	136.53	137.20	136.65
Total	541.65	544.85	538.85	536.34	532.03	532.77	542.91	553.67	553.10	552.09

Source: City of Great Falls Budget Office

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.
The number of employees listed on the major employers listing, page 191, is different from this total due to the calculations of FTE's.
In 2008 the City took over operations at the Animal Shelter and the employees were added to the Police Department.
In 2011 the City Planning and Community Development departments were combined.
In 2012 the Animal Shelter Operations employees were separated from the Police Department and listed on their own.
In 2013 the Animal Shelter Operations 4.5 employees were moved from City employees to contracted services.
In 2015 the Events employees were separated from the Park and Recreation Department and listed on their own.
In 2015 the Municipal Court employees were separated from the Fiscal Services Department and listed on their own.
In 2018, the Information Technology employees were separated from the Fiscal Services Department and listed on their own.
In 2019, the Fiscal Services Department changed its name to the Finance Department.

City of Great Falls, Montana
Operating Indicators by Function/Program
Last Ten Years

Function/Program	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Building Permits										
Residential Permits Issued	369	366	294	317	319	307	312	247	261	207
Residential Permits Value	\$ 21,925,096	\$ 17,785,534	\$ 14,491,053	\$ 20,429,394	\$ 47,027,407	\$ 24,072,839	\$ 24,988,681	\$ 17,895,208	\$ 14,432,565	\$ 11,271,021
Commercial Permits Issued	240	231	214	183	265	216	237	248	189	150
Commercial Permits Value	\$ 16,379,679	\$ 51,889,436	\$ 52,741,273	\$ 34,045,526	\$ 38,100,796	\$ 56,007,682	\$ 76,851,256	\$ 62,080,118	\$ 99,886,513	\$ 57,670,970
Fire Department										
Structure Fires	54	49	55	51	49	66	52	52	69	55
Fire Calls	600	601	637	589	615	626	677	688	120 ²	110
EMS/Rescue Calls	4,206	4,401	4,297	4,772	4,764	5,009	5,132	5,624	5,451	5,809
Haz-Mat Calls	78	87	85	49	45	69	59	61	105	120
Public Service Calls	598	738	841	852	809	768	867	952	931	907
Good Intent Calls	506	506	425	487	528	586	683	678	925 ²	970
Out of City	100	105	141	88	96	88	NA	5	6	8
Library										
Yearly Patrons	216,803	224,118	223,192	222,979	197,519	179,797	174,705	169,164	157,959	152,241
Yearly Circulation	355,502	339,267	335,399	346,063	307,935	293,360	279,909	280,497	274,574	296,820
Yearly Internet Users	113,428	65,657	62,843	59,708	50,433	40,004	62,434	89,443	89,844	90,868
Sanitation										
Residential Customers	14,996	14,836	14,547	14,879	14,891	15,000	15,000	15,190	15,805 ³	16,937
Commercial Customers	1,699	1,658	1,686	1,630	1,917	1,700	1,700	2,070	1,525 ³	1,439
Streets										
Weed Violations	2,185	2,329	2,853	1,312	2,655	2,481	2,448	2,925	2,713	2,052
Water Main Breaks										
Number of Breaks	43	38	37	41	46	37	33	38	34	44
Break Cost	\$ 285,711	\$ 154,845	\$ 180,574	\$ 247,672	\$ 234,659	\$ 174,045	\$ 191,096	\$ 184,979	\$ 181,232	\$ 290,718
911 Center Calls										
Police	46,807	46,188	43,831	40,216	38,093	38,074	42,139	43,768	43,655	48,680
Great Falls Fire	6,199	6,447	6,528	6,876	6,723	7,111	7,492	8,094	8,110	8,541
Cascade County	12,745	12,749	13,443	11,879	12,455	12,638	12,866	15,521	12,642	16,793
Medical Calls	5,443	5,703	5,611	6,075	6,195	6,600	6,881	7,611	9,154	9,182
Rural Fire	628	790	980	769	737	939	980	1,018	1,095	1,229
City Planning										
Annexation Applications	8	3	12	5	2	3	2	4	7	4
Subdivision Applications	10	5	7	8	8	8	2	8	7	5
Zoning Applications	12	7	15	6	5	10	2	10	6	6
Court										
Number of Violations	19,050	17,999	14,769	10,011	11,607	11,315	13,261	13,166	11,174	12,523
	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Parking										
Number of Violations	17,229	16,645	17,305	13,843	15,692	14,629	14,354	12,857	11,602	9,593
Number of Monthly Permits Issued	9,480	9,347	8,950	9,312	10,270	9,195	5,975	5,422	6,193	6,116

¹ In 2009, the Fire Department changed the classification of calls for statistics and information is not available for years prior to 2005.

² In 2018, the Fire Department changed the classification of call for statistics

² In 2018, the Sanitation adjusted Duplex & Triplex counts to Residential from Commercial as was recorded in previous years.

Source: City of Great Falls

City of Great Falls, Montana
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	19	21	21	23	23	24	24	29	29	29
Police Department										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Police Vehicles	64	68	69	71	77	83	71	70	70	70
Sanitation										
Number of Collection Trucks	21	22	22	23	23	24	24	24	23	23
Streets										
Miles of Streets/Alleys	366	377	377	383	383	383	383	383	383	383
Miles of Street Striping	71	100	100	100	78	50	50	50	50	50
Street Signs	11,985	12,237	12,764	12,913	12,995	13,690	13,073	14,072	14,270	14,270
City/State Street Signals	89	89	89	89	89	89	89	90	90	90
Housing Authority										
Affordable Housing Units	24	24	32	32	32	32	32	32	32	32
Public Housing Units	490	490	490	490	490	490	490	490	490	490
Water										
Water mains (miles)	307.88	309.51	311.40	312.82	313.64	314.51	318.11	318.94	320.25	321.16
Fire hydrants	3,110	3,125	3,139	3,154	3,169	3,185	3,233	3,246	3,266	3,274
¹ Storage capacity (million gallons)	12.25	12.25	12.25	10.75	10.75	10.75	8.75	8.75	9.75	9.75
Sanitary Sewer										
Sanitary sewers (miles)	241.81	242.78	244.07	246.59	247.34	249.02	252.54	252.97	253.82	254.05
Storm sewers (miles)	116.01	117.70	118.50	119.09	120.36	120.36	122.94	122.98	124.52	125.61
² Treatment capacity (million gallons)	21	21	21	13	13	13	13	13	13	13
Parks and recreation										
Number of parks	64	64	64	66	66	66	66	66	66	66
Acreage of parks	1,150	1,150	1,150	1,155	1,155	1,215	1,214	1,214	1,214	1,214
Trees (approximately)	45,000	45,000	42,500	42,500	42,000	41,500	41,500	41,500	41,500	41,500
Pools	4	4	4	4	4	4	4	4	3	3
Golf Courses	2	2	2	2	2	2	2	2	2	2
Skate Park	1	1	1	1	1	1	1	1	1	1
	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Parking										
Parking lots	6	6	6	6	6	6	6	5	5	5
Parking garages	2	2	2	2	2	2	2	2	2	2
Off street parking spaces	1,143	1,143	1,143	1,143	1,122	1,122	1,122	1,097	1,098	1,098
Metered parking spaces	1,100	1,100	1,100	1,100	1,092	1,092	1,092	946	946	946
Library										
Number of Books Purchased	9,425	8,924	9,367	9,793	9,703	10,491	8,134	9,774	10,131	9,428

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.

Source: City of Great Falls

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities, 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, 2020, and the related notes to the financial statements, which collectively comprise the City of Great Falls, Montana's basic financial statements, and have issued our report thereon dated December 9, 2020.

Our report includes a reference to other auditors who audited the financial statements of the Great Falls Business Improvement District, the Great Falls Tourism Business Improvement District, and the Great Falls Public Library Foundation, as described in our report on the City of Great Falls, Montana's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on 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 of the financial statements, we considered the City of Great Falls, Montana's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Great Falls, Montana's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Great Falls, Montana's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Great Falls, Montana’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Anderson Zurmuehlen & Co., P.C.
Great Falls, Montana
December 9, 2020

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the City of Great Falls, Montana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Great Falls, Montana's major federal programs for the year ended June 30, 2020. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Great Falls, Montana's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Great Falls, Montana's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Great Falls, Montana complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the City of Great Falls, Montana is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Great Falls, Montana's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of 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.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Great Falls, Montana
December 9, 2020

A handwritten signature in cursive script that reads "Anderson Zurmuehlen & Co., P.C." The signature is written in dark ink and is positioned to the right of the typed text "Great Falls, Montana" and "December 9, 2020".

City of Great Falls, Montana
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Funding Agency	Federal CFDA Number	Program Number	Program or Award Amount	Grant Revenues	Expenditures	Passed Through to Subrecipients
Department of Housing and Urban Development						
Direct Program						
Community Development Block Grant						
Entitlement Program	14.218	B18-MC-30-0002	\$ 794,666	\$ 1,155,724	\$ 1,155,724	\$ 993,082
HOME Investment Partnership Program	14.239	M18-MC-30-0218	273,088	57,269	57,269	-
Total Department of Housing & Urban Development				1,212,993	1,212,993	993,082
Department of Transportation						
Direct Programs						
Highway Planning and Construction	20.205	N/A	\$ 1,157,900	\$ 247,255	\$ 247,255	\$ -
Federal Transit Metropolitan Planning Funds	20.505	N/A	145,252	171,025	171,025	171,025
Pass Through Montana Department of Transportation						
HMEP	20.703	HM-HMP-0576-16-01-00	21,874	21,874	21,874	-
HMEP Travel	20.703	N/A	-	55,530	55,530	-
Total Department of Transportation				495,684	495,684	171,025
Department of Health and Human Services						
Direct Programs						
HIDTA 2017	95.001	G-17RM0045A	\$ 216,975	\$ 57,799	\$ 57,799	\$ -
HIDTA 2018	95.001	G-18RM0045A	232,216	111,127	111,127	-
HIDTA 2019	95.001	G-19RM0045A	223,046	110,289	110,289	-
Total Department of Health and Human Services				279,215	279,215	-
Department of Justice						
Direct Programs						
Bulletproof Vest Program	16.607	2018-BUBX14074090	\$ 4,794	\$ 4,794	\$ 4,794	\$ -

City of Great Falls, Montana
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Funding Agency	Federal CFDA Number	Program Number	Program or Award Amount	Grant Revenues	Expenditures	Passed Through to Subrecipients
Pass Through Montana Board of Crime Control Justice Assistance Grant Total Department of Justice	16.738	2019-DJ-BX-0078	26,189	26,189	26,189	-
				<u>30,983</u>	<u>30,983</u>	<u>-</u>
National Park Service						
Pass Through State of Montana Historic Preservation Office						
Historic Preservation Fund	15.904	MT-19-017	\$ 5,500	\$ 4,125	\$ 4,125	\$ -
Historic Preservation Fund	15.904	MT-20-017	5,500	1,500	1,500	-
Total National Park Service				<u>5,625</u>	<u>5,625</u>	<u>-</u>
Department of Homeland Security						
Pass Through State of Montana						
HAZMAT Trailer Equipment	97.067	2015-GE-T6-0062	\$ 44,167	\$ 501	\$ 501	\$ -
HAZMAT 2020	97.067	EMW-2019-SS00010	40,000	17,898	17,898	-
FEMA Grant	97.044	EMW-2018-FO-00718	122,638	122,674	122,674	-
Total Department of Homeland Security				<u>141,073</u>	<u>141,073</u>	<u>-</u>
Cares Act						
Pass Through State of Montana						
Coronavirus Relief Fund	21.019		\$ 3,324,330	\$ 5,055,237	\$ 5,055,237	\$ -
Total US Department of Treasury				<u>5,055,237</u>	<u>5,055,237</u>	<u>-</u>
Total Expenditures of Federal Awards				<u>\$ 7,220,810</u>	<u>\$ 7,220,810</u>	<u>\$ 1,164,107</u>

City of Great Falls, Montana
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

NOTE 1. REPORTING ENTITY

The accompanying Schedule of Expenditure of Federal Awards includes the federal award activity of the City of Great Falls, Montana (the City). The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Guidance Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The City's reporting entity is defined in Note 1 to the City's financial statements. Federal awards received directly from federal agencies and passed through other government agencies is included in the schedule.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditure of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the City's financial statements. All federal awards received, cash and noncash, is included, as well as all federal awards expended or consumed. Such expenditures are recognized following the cost principles contained in the Uniform Guidance from Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Guidance Administrative Requirements, Subpart E Cost Principles* and OMB Circular A-87.

NOTE 3. INDIRECT COSTS

The City did not elect to use the 10% de minimis indirect cost rate from Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Guidance Administrative Requirements, Subpart E Cost Principles*.

City of Great Falls, Montana
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2020

Summary of Auditor Results

Financial Statements:

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? None

Significant deficiencies identified that are not considered to be material weaknesses? None reported

Noncompliance material to financial statements? None

Federal Awards:

Internal control over major programs:

Material weakness identified? None

Significant deficiencies identified that are not considered to be material weaknesses? None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? None

The major programs for the year ended June 30, 2020, are as follows:

	<u>CFDA#</u>
COVID-19 CARES Act Coronavirus Relief Fund	21.019

Dollar threshold used to distinguish Type A programs: \$750,000

Auditee qualified as low-risk auditee? Yes

City of Great Falls, Montana
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2020

Findings Relating to Financial Statements

None

Findings Relating to Federal Awards

None

City of Great Falls, Montana
Schedule of Prior Audit Findings
Year Ended June 30, 2020

Previously noted deficiencies of the City of Great Falls, Montana, and their current status, are as follows:

Finding #2019-001

<i>Criteria:</i>	The significant bond covenants of the Sanitation Revenue Bond, Series 2016, requires net revenues for each fiscal year be at least equal to 125% of the maximum principal and interest to become due in any year.
<i>Condition:</i>	The City had 121.73% debt service coverage for fiscal year 2019.
<i>Cause:</i>	The City's sanitation rates were not sufficient to generate net revenues of at least 125% of the maximum principal and interest to become due in any year.
<i>Context:</i>	The City generated net revenues of \$325,579 in fiscal year 2019, which equated to 121.73% debt service coverage. In order to meet the 125% requirement, the City would have had to generate net revenues of \$334,336.
<i>Effect:</i>	The City was not in compliance with the required debt service coverage of the Sanitation Revenue Bond, Series 2016.
<i>Recommendation:</i>	The City should increase sanitation rates in fiscal year 2020, in order to meet the required debt service coverage of 125%.
<i>Management Response:</i>	The City of Great Falls, Montana was in compliance with the required debt service coverage of the Sanitation Revenue Bond, Series 2016, for the year ended June 30, 2020.