



City of Great Falls Montana

Comprehensive Annual Financial Report

Fiscal Year 2015

July 1, 2014—June 30, 2015

Comprehensive Annual Financial Report

City of Great Falls, Montana

Fiscal Year 2015

July 1, 2014 – June 30, 2015



**Prepared by the
City of Great Falls Fiscal Services Department**



**City of Great Falls, Montana
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015**

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Introductory Section

City of Great Falls, Montana

Fiscal Year 2015

July 1, 2014—June 30, 2015



P.O. Box 5021, 59403-5021

December 9, 2015

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, 2015. The Fiscal Services Department staff is responsible for preparing this report. Montana statutes state that local governments must file a financial report with the Montana Department of Administration within six months of the end of a fiscal year. This report is published to fulfill that requirement for the fiscal year ended June 30, 2015. Management is responsible for the content of the report, the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures. It is believed that the data presented is accurate in all material aspects, presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. This belief is based on a comprehensive system of internal controls established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. All disclosures necessary for the readers to gain maximum understanding of the City's financial affairs have been included.

Junkermier, Clark, Campanella, Stevens, P. C., have issued an unmodified (clean) opinion on the City of Great Falls financial statements for the fiscal year ended June 30, 2015. The independent auditor's report is located at the front of the financial section of this report (page 7).

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

PROFILE OF GOVERNMENT

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

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

The City has had an audit committee since fiscal year 1992. Members include the Mayor, a City Commissioner, the City Manager, the City Fiscal Services Director, and one private citizen. During the annual audit, committee members are kept

apprised of the audit schedule's progression and any special events that may come to light during the audit. Committee members may make suggestions for additional information to be included in the letter of transmittal or the statistical section.

Montana statutes require the Commission to approve and adopt by resolution the budget by the later of the 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 agricultural, medical services, and military. The job sector for Cascade County is diversified with 7.2% of the workforce in public administration, 23.8% in educational services, health care and social assistance, 13.2% in retail trade, 11.8% in arts, entertainment, recreation, accommodation and food services, 8.1% in construction, 4.9% in military and 3.4% in manufacturing. The economic downturn over the past years has created a challenging environment for cities and towns across the country. Fortunately, the City of Great Falls has not experienced the significant revenue declines requiring deep service cuts as experienced by other municipalities in the nation. The fiscal year 2015 unemployment rate of 3.9% compares favorably to the fiscal year 2014 Great Falls rate of 4.0% and to the July 2015 State of Montana rate of 4.0% and national rate of 5.3%. The Great Falls Clinic is building a state-of-the-art, 19-bed hospital in 2015. Pacific Steel and Recycling and Montana Specialty Mills are expected to break ground on new facilities in the Great Falls AgriTech Park. Talus Apartments, a 216-complex is scheduled to be completed in 2015.

BUDGET OBJECTIVES FOR FISCAL YEAR 2016

The City Commission has set priorities for the City. The goals are 1) Long term investment in infrastructure; 2) Promote a positive image in the community; 3) Total commitment to supporting Malmstrom Air Force Base and Montana Air National Guard; 4) Commitment to Public Safety; 5) Encourage and foster citizen participation; 6) Improve the City's fiscal position; 7) Attract and retain quality employees.

ACCOMPLISHMENTS IN FISCAL YEAR 2015

During the year, the City increased the fund balance of the General Fund from 12.2% to 23.4%. The City closed the Electric Fund to the General Fund. Quarterly budget reviews with the City Commission, staff and union representatives were continued. A draft facilities maintenance plan was implemented. The City successfully applied for Big Sky Economic Development Trust Fund grants.

LONG-TERM FINANCIAL PLANNING

As permitted by Section 7-6-4034, MCA, a balance Designated for Cash Flow shall be considered adequate at 17% (2 mo./12 mo.) of annual appropriations in tax levy supported funds (General and Library) and 8 to 17% for all other operating funds of the City including its seasonal operations. 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 this 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, 2014. This was the twenty-first consecutive year that the government has achieved this prestigious award (fiscal years ended 1994-2014). 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.

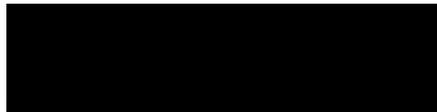
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate for the year ended June 30, 2015.

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, 2015. This was the twenty-fifth consecutive year that the government has achieved this prestigious award (fiscal years beginning 1991-2015). 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 Fiscal Services Department. Their dedication to preparing this document each year is sincerely appreciated.

Respectively submitted,



Melissa Kinzler
Fiscal Services Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

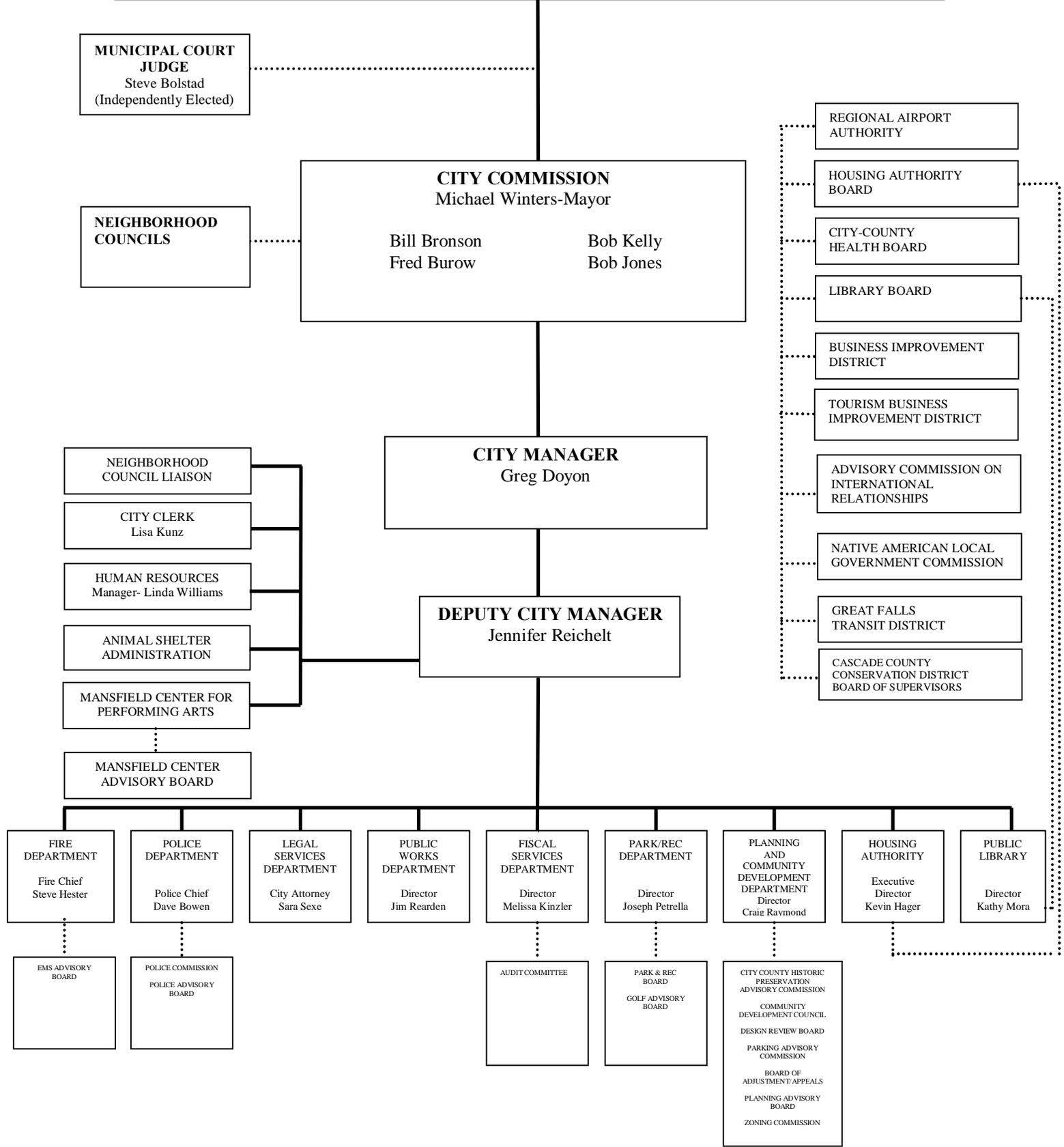
**City of Great Falls
Montana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

CITIZENS OF GREAT FALLS



City of Great Falls, Montana
 List of Elected and Appointed Officials
 June 30, 2015

Policy Making and Administrative Officials

Name	Elected Positions	Phone Number
Michael Winters	Mayor	799-0179
Bill Bronson	Commissioner	452-5921
Fred Burow	Commissioner	727-0930
Bob Kelley	Commissioner	452-2084
Bob Jones	Commissioner	453-5005
Steve Bolstad	Municipal Judge	771-1380
Appointed Positions		
Gregory Doyon	City Manager	455-8450
Department Positions		
Jennifer Reichelt	Deputy City Manager	455-8450
Lisa Kunz	City Clerk	455-8451
Melissa Kinzler	City Controller/Fiscal Services Director	455-8476
Steve Hester	Fire Chief	727-8070
Sara Sexe	City Attorney	455-8535
Kevin Hager	Executive Director Housing Authority	453-4311
Joseph Petrella	Park & Recreation Director	771-1265
Craig Raymond	Planning and Community Development Director	455-8530
Dave Bowen	Police Chief	455-8410
Kathy Mora	Public Library Director	453-9706
Jim Rearden	Public Works Director	727-8390

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

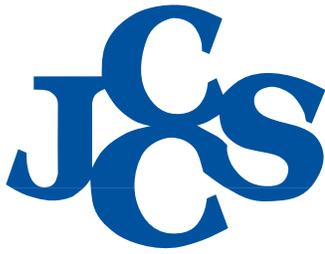


Financial Section

City of Great Falls, Montana

Fiscal Year 2015

July 1, 2014—June 30, 2015



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

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Great Falls, MT 59403
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Certified Public Accountants • Business Advisors

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

INDEPENDENT AUDITORS' REPORT

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, 2015, 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, and the Great Falls Public Library Foundation. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Great Falls Business Improvement District, the Great Falls Tourism Business Improvement District, and the Great Falls Public Library Foundation, is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to 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, 2015, 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 and actuarial valuation of postretirement benefits, schedules of the City's proportionate share of the net pension liability and retirement systems contributions, and budgetary comparison information on pages 9 through 17 and 86 through 93 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules 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 report of the other auditors, the combining and individual nonmajor fund financial statements and schedules 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, 2015, on our consideration of the City of Great Falls, Montana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Great Falls, Montana's internal control over financial reporting and compliance.

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

Great Falls, Montana
December 9, 2015

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, 2015. We encourage readers to consider the information presented here in combination with additional information that we have furnished in the accompanying letter of transmittal found on pages 1 - 3 and the City's financial statements, which begin on page 7.

FINANCIAL HIGHLIGHTS

- The assets of the City of Great Falls exceeded its liabilities at the close of the most recent fiscal year by \$190,800,341. Of this amount, \$(7,094,838) is the unrestricted net position. The unrestricted net position is negative due to the recognition of the GASB 68 requirements. The prior period adjustments that were recognized for GASB 68 totaled \$(31,395,452).
- The government's total net position decreased by \$20,110,795 in comparison with the prior year. This decrease is attributable to the recognition of the GASB 68 requirements. The net pension liability that was recognized for GASB 68 totaled \$27,364,990. The net of deferred outflows and deferred inflows that was recognized for GASB 68 totaled \$3,129,091.
- As of the close of the most recent fiscal year, the City of Great Falls' governmental funds reported combined ending fund balances of \$15,965,511, an increase of \$5,372,519 in comparison with the prior year. Approximately 55.9% of this total amount, \$8,919,379, 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 \$5,892,518, or 23.4% of total general fund expenditures and transfers.
- The City of Great Falls' bonded debt increased by \$2,432,092 (7.3%) during the most recent fiscal year. The key factor in this increase was the issuance of debt for utility revenue bonds.
- The City's legal debt margin availability is \$70,181,126. 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 ó 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, sanitation, electric, and golf courses operations.

The government-wide financial statements include not only the primary government of the City of Great Falls but also 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, 13 5th Street North, 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-five 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 ó 25. Data from the other thirty-two governmental funds are combined into a single, aggregated presentation, on pages 94 ó 126.

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

Proprietary funds. The City of Great Falls maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Great Falls uses enterprise funds to account for its water, sewer, storm drain, electric, sanitation, 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, fiscal services, 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 Golf Courses, Water, Sewer, Storm Drain, Sanitation, Electric, 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 ó 33. The other six proprietary funds are combined into a single, aggregated presentation, presented on pages 127 ó 135. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements, presented on pages 136 ó 148.

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 149 & 154.

NOTES TO THE FINANCIAL STATEMENTS. The notes, presented on pages 36 & 85, 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 and the City of Great Falls' budgetary control, on pages 86 & 93.

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 of the City of Great Falls exceeded its liabilities by \$190,800,341.

By far the largest portion of the City of Great Falls' net position, \$180,136,804, (94.4%) 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	
	2015	2014	2015	2014	2015	2014
Assets:						
Current and other						
assets	\$ 28,008,503	\$ 22,663,334	\$ 26,420,485	\$ 25,294,182	\$ 54,428,988	\$ 47,957,516
Capital assets	72,430,807	74,581,848	149,340,658	141,470,229	221,771,465	216,052,077
Total assets	100,439,310	97,245,182	175,761,143	166,764,411	276,200,453	264,009,593
Deferred outflows of						
resources	2,413,669	-	423,034	-	2,836,703	-
Total assets and deferred						
outflows of resources	102,852,979	97,245,182	176,184,177	166,764,411	279,037,156	264,009,593
Liabilities:						
Noncurrent						
liabilities	31,734,097	10,610,329	41,380,102	34,352,210	73,114,199	44,962,539
Current liabilities	3,321,430	3,156,371	5,835,392	4,979,547	9,156,822	8,135,918
Total liabilities	35,055,527	13,766,700	47,215,494	39,331,757	82,271,021	53,098,457
Deferred inflows of resources	4,596,236	-	1,369,558	-	5,965,794	-
Net position:						
Net investment in capital						
assets	69,736,173	69,788,446	110,400,631	104,871,641	180,136,804	174,660,087
Restricted	10,075,593	7,528,842	7,682,782	4,653,658	17,758,375	12,182,500
Unrestricted	(16,610,550)	6,161,194	9,515,712	17,907,355	(7,094,838)	24,068,549
Total net						
position	\$ 63,201,216	\$ 83,478,482	\$127,599,125	\$127,432,654	\$190,800,341	\$210,911,136

An additional portion of the City of Great Falls' net position, \$17,758,375, represents resources that are subject to external restrictions on how they may be used. Restricted net position reported for the business-type activities were \$7,682,782. 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, \$(7,094,838), is negative due to the recognition of the GASB 68 requirements. The prior period adjustments that were recognized for GASB 68 totaled \$(31,395,452). The governmental activities capital assets decreased by \$2,151,041 due to the retirement of capital assets. The governmental activities current liabilities increased by \$165,059, due to the increase of accounts payables and debt due within one year. The increase of accounts payables is due to an increase in payroll payables in the funds.

At the end of the most recent fiscal year, the City of Great Falls is unable to report positive balances in all three categories of net position for the government as a whole due to GASB 68. The City's unrestricted net position for the government as a whole, \$(7,094,838), and for the governmental activities \$(16,610,550) is negative due to the recognition of the GASB 68 requirements. The net position for the fund statements is positive for all three categories.

City of Great Falls' Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$16,150,912	\$14,412,892	\$ 33,251,998	\$ 32,225,214	\$ 49,402,910	\$ 46,638,106
Operating grants and contributions	2,236,251	1,171,027	11,119	870,461	2,247,370	2,041,488
Capital grants and contributions	1,211,232	616,593	-	-	1,211,232	616,593
General revenues:						
Property taxes, levied for general purposes	17,982,474	17,124,467	-	-	17,982,474	17,124,467
Grants and contributions, unrestricted	8,578,380	8,042,009	24,960	89	8,603,340	8,042,098
Other	97,419	8,681	91,417	13,487	188,836	22,168
Miscellaneous	2,831,946	463,284	114,395	787,181	2,946,341	1,250,465
Total revenues	49,088,614	41,838,953	33,493,889	33,896,432	82,582,503	75,735,385
Expenses:						
General government	9,175,818	9,116,629	-	-	9,175,818	9,116,629
Public safety	18,925,163	18,452,067	-	-	18,925,163	18,452,067
Public works	7,176,330	6,609,221	-	-	7,176,330	6,609,221
Culture and recreation	5,018,301	4,908,524	-	-	5,018,301	4,908,524
Housing and development	3,285,664	2,100,706	-	-	3,285,664	2,100,706
Interest and fees	213,945	275,752	-	-	213,945	275,752
Golf Courses	-	-	1,286,360	1,274,279	1,286,360	1,274,279
Water	-	-	8,192,979	8,260,040	8,192,979	8,260,040
Sewer	-	-	7,856,343	7,823,272	7,856,343	7,823,272
Storm Drain	-	-	1,485,612	1,322,246	1,485,612	1,322,246
Sanitation	-	-	3,249,148	3,367,323	3,249,148	3,367,323
Electric	-	-	175,481	854,118	175,481	854,118
Port Authority	-	-	312,659	325,092	312,659	325,092
State Special Projects	-	-	373,134	63,680	373,134	63,680
Other	-	-	4,570,909	4,597,136	4,570,909	4,597,136
Total expenses	43,795,221	41,462,899	27,502,625	27,887,186	71,297,846	69,350,085
Increase in net position before transfers	5,293,393	376,054	5,991,264	6,009,246	11,284,657	6,385,300

City of Great Falls' Changes in Net Position Continued

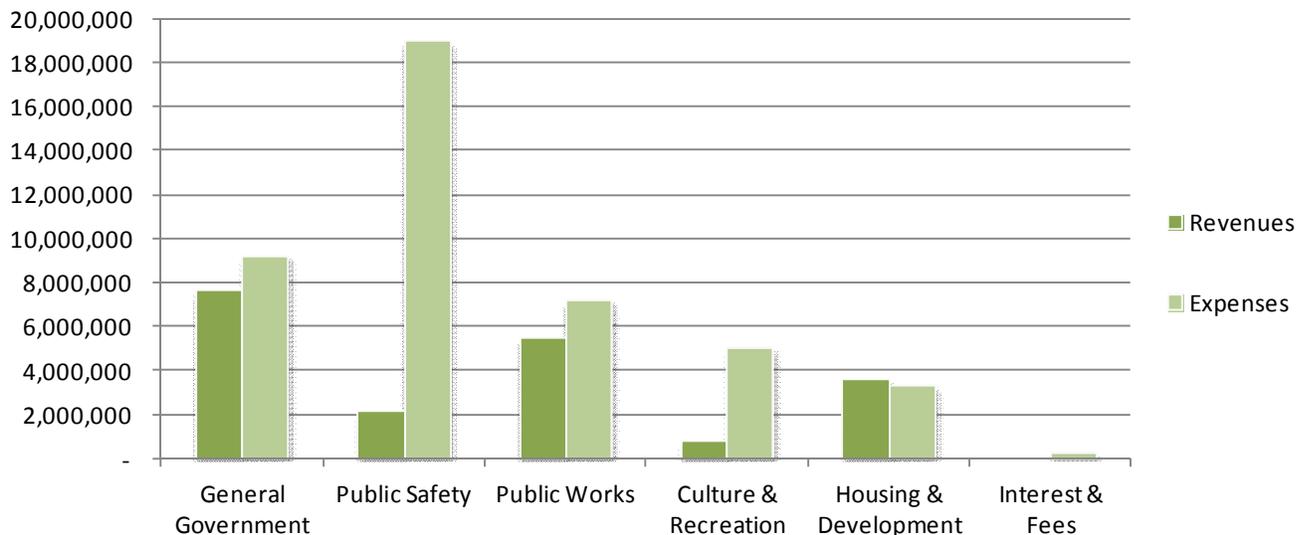
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Transfers	(569,896)	(1,875,441)	569,896	1,875,441	-	-
Increase in net position	4,723,497	(1,499,387)	6,561,160	7,884,687	11,284,657	6,385,300
Total Net Position - Beginning	83,478,482	84,977,869	127,432,654	119,547,967	210,911,136	204,525,836
Adjustment	(25,000,763)	-	(6,394,689)	-	(31,395,452)	-
Total Net Position -						
Beginning, as Restated	58,477,719	84,977,869	121,037,965	119,547,967	179,515,684	204,525,836
Net position - ending	\$63,201,216	\$83,478,482	\$ 127,599,125	\$127,432,654	\$ 190,800,341	\$ 210,911,136

The City of Great Falls' revenues totaled \$82,582,503. The total cost of all programs and services was \$71,297,846. 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 \$49,088,614 while expenses were \$43,795,221. Net position thus increased by \$5,293,393 before transfers. Operating grants and contributions increased \$1,065,224 due to increases in grants and contributions received in the Federal Block Grant, and Home grant funds. Property taxes increased by \$858,007 primarily due to a collection of delinquent taxes, newly taxable property and a 1.03% inflationary increase. Grants and contributions (such as State of Montana Entitlement House Bill 124) that are unrestricted increased by \$536,371 primarily due to the increase of intergovernmental income received for personal property reimbursement.

Public safety related expenses increased by \$473,096 primarily due to increased activity in General Fund. Housing and development expenses increased by \$1,184,958 due to increased activity in the grant programs. Interest and fees decreased by \$61,807 due to repayment of debt.

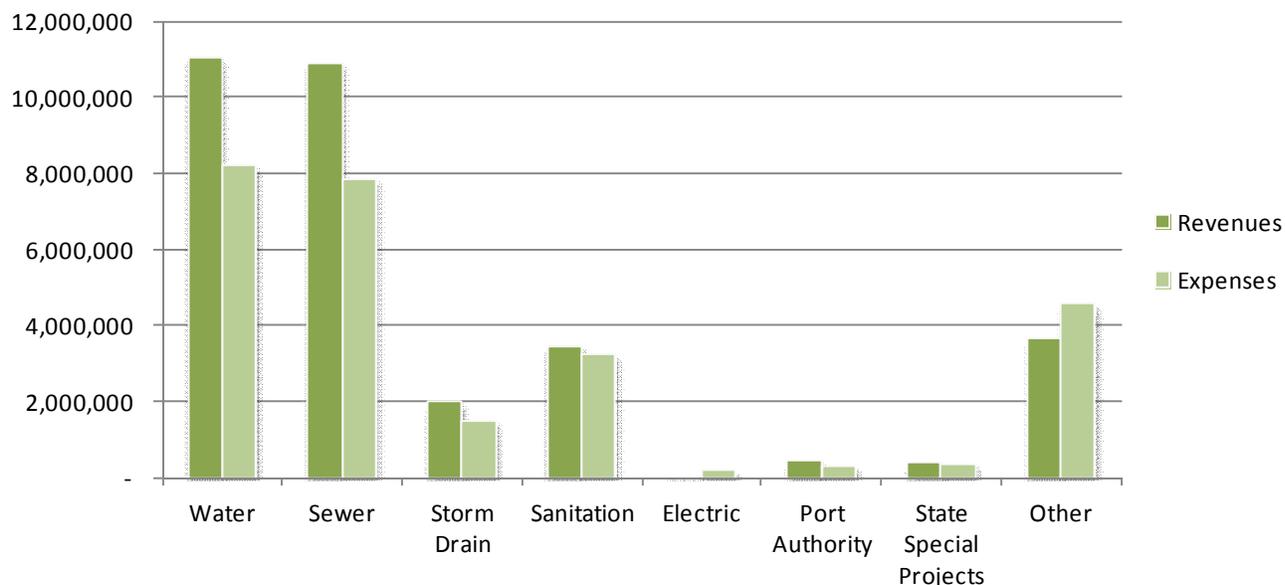
**Program Revenues and Expenses -
Governmental Activities**



Business-type activities. Revenues for the most recent year from business-type activities were \$33,493,889 while expenses were \$27,502,625. Net position thus increased by \$5,991,264 before transfers. Overall revenue derived from

charges for services increased \$1,026,784 primarily due to increased revenue in the Water fund. The business-type activities expenses decreased by \$384,561, primarily due to decreased activity in the Electric fund. Other business-type fund expenses were \$912,474 more than the revenues primarily due to the Swimming Pools fund, the 911 Dispatch Center, the Parking fund, and the Civic Center Events fund. The Swimming Pools fund and the Civic Center Events fund are subsidized by transfers in from the General fund in the amounts of \$214,389 and \$114,727 respectively.

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 \$15,965,511, an increase of \$5,372,519 in comparison with the previous year. Approximately 55.9% of this total amount, \$8,919,379, 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 some other fund. At the end of the most recent fiscal year, unassigned fund balance in the General fund was \$5,892,518. As a measure of the General fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Fund balance represents 23.4% of total General fund expenditures and transfers out. This is in compliance with internally set requirements of a minimum of 17%.

The Street District fund reports operations of the Street Division. At the end of the most recent fiscal year, nonspendable fund balance was \$9,734 and the restricted fund balance in the Street District fund was \$2,119,386. Fund balance represents 42.1% 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 increased by \$892,022. A primary element of this increase is from decreased capital outlay expenditures.

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 \$430,446. Fund balance represents 43.3% 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 \$125,228. Elements of this increase were due to the amount of payoffs of the loans receivable.

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 \$7,682,782. Restricted net position increased by \$3,029,124 from the previous year. The majority of this increase is due to the issuance of utility revenue bonds which resulted in an increase of required debt service reserves. Unrestricted net position of the enterprise funds totaled \$9,515,712. The total increase in net position for the enterprise funds is \$6,561,161 primarily due to an increase in net investment in capital assets 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 \$138,229. The major difference was due to receipt of a pass-through grant and the close of the electric 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, 2015, is \$221,771,465, 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 2.6%.

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

	Governmental Activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 9,825,168	\$ 9,825,168	\$ 3,948,391	\$ 4,115,316	\$ 13,773,559	\$ 13,940,484
Intangible	218,276	218,276	-	-	218,276	218,276
Buildings	6,903,671	7,302,176	18,267,104	19,266,267	25,170,775	26,568,443
Improvements	20,891,427	20,786,916	51,500,269	50,135,606	72,391,696	70,922,522
Machinery and equipment	5,719,773	5,785,748	3,577,934	3,277,186	9,297,707	9,062,934
Infrastructure	28,368,605	29,926,824	42,543,849	44,423,311	70,912,454	74,350,135
Construction in progress	503,887	736,740	29,503,111	20,252,543	30,006,998	20,989,283
Total capital assets	<u>\$ 72,430,807</u>	<u>\$ 74,581,848</u>	<u>\$ 149,340,658</u>	<u>\$ 141,470,229</u>	<u>\$ 221,771,465</u>	<u>\$ 216,052,077</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 506-51.

Long-term debt. At the end of the most recent fiscal year, the City of Great Falls had total bonded debt of \$35,678,336. Of this amount, \$1,835,000 is general obligation bonds, \$915,000 is general obligation taxable bonds, \$175,000 is special assessment debt for which the City is obligated to pay up to the amount available in the Special Improvement District Revolving fund; \$2,495,000 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 \$30,258,336 are bonds secured solely by specified revenue sources. Further information on long-term debt is presented in Note 8 on pages 52 ó 63.

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenue bonds	\$ -	\$ -	\$ 30,258,336	\$ 27,191,244	\$30,258,336	\$ 27,191,244
General obligation bonds	1,835,000	2,220,000	-	-	1,835,000	2,220,000
General obligation taxable bonds	915,000	1,035,000	-	-	915,000	1,035,000
Special assessment bonds	175,000	215,000	-	-	175,000	215,000
Urban renewal tax increment bonds	2,495,000	2,585,000	-	-	2,495,000	2,585,000
Total	\$5,420,000	\$6,055,000	\$ 30,258,336	\$ 27,191,244	\$35,678,336	\$ 33,246,244

During the most recent fiscal year, the City of Great Falls bonded debt increased by \$2,432,092 (7.3%). This is primarily due to the issuance of utility revenue bonds.

The City of Great Falls maintains insured ratings from Moody's Aaa for general obligation bonds and A1 for revenue debt.

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 \$73,221,018, of which \$70,181,126 is unused by the City.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The unemployment rate in July 2015 for Cascade County, Montana, of which the City of Great Falls is the county seat, was 3.9%, which decreased 0.1% from a year ago. This compares favorably with the national unemployment rate of 5.3% and the Montana unemployment rate of 4.0%.

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

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

1. The City will need to address deferred capital maintenance. A capital improvement needs plan has been implemented to help with this issue.
2. The City also needs to address meeting daily public safety needs. The City failed to pass a proposed Public Safety Levy in August 2009. The levy would have provided financial support to both Fire and Police for equipment, training, and personnel. In the absence of additional financial support via a levy, there has been a deliberate focus on reducing General Fund subsidies so that management could pivot limited resources to Fire and Police. It is evident current resources are inadequate to meet community needs and staff will address the need for a levy with Commissioners and the community.
3. The Parking Fund is another area of concern. The closing of a large downtown business resulted in a significant loss of parking space lease revenue in the parking garages. Both facilities require an extensive amount of maintenance and there is no revenue stream on the horizon to compensate for the recent business loss.

4. The Montana State legislature approved a mandatory Public Employee Retirement System contribution increase effective July 1, 2013 of 1% for both the employee and employer. This will increase the cost of personal services for the City. The City's required contributions will increase an additional .1% every subsequent year through 2024.
5. An opportunity for the City is the retirement of all Golf Course Revenue Bonds. This allows the golf courses to proceed without having to consider mandatory debt service payments.

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 2015.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Great Falls's 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, Fiscal Services Director, PO Box 5021, Great Falls, MT 59403.

Basic Financial Statements

City of Great Falls, Montana
Statement of Net Position
June 30, 2015

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Business Improve- ment District	Tourism Business Improvement District	Public Library Foundation
Assets and deferred outflows of resources						
Current assets						
Cash and investments	\$ 17,830,546	\$ 14,849,724	\$ 32,680,270	\$ 107,575	\$ 997,052	\$ 3,531,180
Receivables						
Taxes	1,569,827	-	1,569,827	-	-	-
Special assessments	717,170	-	717,170	13,927	475,258	-
Accounts	315,079	3,943,383	4,258,462	-	-	-
Accrued interest	6,930	7,972	14,902	-	-	-
Loans	2,537,782	-	2,537,782	-	-	-
Other	-	-	-	142	-	-
Advance (to) from other city funds	911,952	(911,952)	-	-	-	-
Due from other governments	690,085	320,604	1,010,689	-	-	-
Inventories	191,441	452,889	644,330	-	-	-
Prepaid items	-	-	-	2,992	-	-
Total current assets	<u>24,770,812</u>	<u>18,662,620</u>	<u>43,433,432</u>	<u>124,636</u>	<u>1,472,310</u>	<u>3,531,180</u>
Noncurrent assets						
Restricted cash and investments	3,212,342	7,757,865	10,970,207	-	-	55,733
Other assets	25,349	-	25,349	-	-	-
Capital assets						
Non-depreciable capital assets	10,547,331	33,451,502	43,998,833	-	-	-
Depreciable capital assets, net	61,883,476	115,889,156	177,772,632	388,864	-	-
Total noncurrent assets	<u>75,668,498</u>	<u>157,098,523</u>	<u>232,767,021</u>	<u>388,864</u>	<u>-</u>	<u>55,733</u>
Total assets	<u>100,439,310</u>	<u>175,761,143</u>	<u>276,200,453</u>	<u>513,500</u>	<u>1,472,310</u>	<u>3,586,913</u>
Deferred outflows of resources						
Deferred charge-pension	2,413,669	423,034	2,836,703	-	-	-
Total deferred outflows of resources	<u>2,413,669</u>	<u>423,034</u>	<u>2,836,703</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 102,852,979</u>	<u>\$ 176,184,177</u>	<u>\$ 279,037,156</u>	<u>\$ 513,500</u>	<u>\$ 1,472,310</u>	<u>\$ 3,586,913</u>
Liabilities						
Current liabilities						
Accounts payable	2,110,890	2,001,960	4,112,850	122,113	-	-
Compensated absences	203,418	60,257	263,675	-	-	-
Debt due within one year	715,774	3,314,463	4,030,237	-	-	-
Other liabilities	291,348	458,712	750,060	-	-	-
Total current liabilities	<u>3,321,430</u>	<u>5,835,392</u>	<u>9,156,822</u>	<u>122,113</u>	<u>-</u>	<u>-</u>
Noncurrent liabilities						
Compensated absences	3,201,067	473,146	3,674,213	-	-	-
Debt due in more than one year	4,994,117	35,625,567	40,619,684	-	-	-
Net pension liability	22,083,601	5,281,389	27,364,990	-	-	-
Other liabilities	1,455,312	-	1,455,312	108,500	-	-
Total noncurrent liabilities	<u>31,734,097</u>	<u>41,380,102</u>	<u>73,114,199</u>	<u>108,500</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>35,055,527</u>	<u>47,215,494</u>	<u>82,271,021</u>	<u>230,613</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources						
Unavailable revenue-pension	4,596,236	1,369,558	5,965,794	-	-	-
Total deferred outflows of resources	<u>4,596,236</u>	<u>1,369,558</u>	<u>5,965,794</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position						
Net investment in capital assets	69,736,173	110,400,631	180,136,804	388,864	-	-
Restricted for:						
Expendable:						
Debt service	1,165,649	-	1,165,649	-	-	-
Revenue bond reserves	-	5,564,330	5,564,330	-	-	-
Repair and replacement	-	2,118,452	2,118,452	-	-	-
Contributor restrictions	140,424	-	140,424	-	-	-
Grantor restrictions	535,013	-	535,013	-	-	-
Law restrictions	5,179,697	-	5,179,697	-	-	-
General government	225,335	-	225,335	-	-	-
Public safety	730,688	-	730,688	-	-	-
Park and recreation	605,178	-	605,178	-	-	-
Housing and development	706,661	-	706,661	-	-	-
Capital outlay	306,214	-	306,214	-	-	-
Library operations	455,385	-	455,385	-	-	1,504,768
Nonexpendable:						
Programs and operations	25,349	-	25,349	-	-	55,733
Unrestricted	<u>(16,610,550)</u>	<u>9,515,712</u>	<u>(7,094,838)</u>	<u>(105,977)</u>	<u>1,472,310</u>	<u>2,026,412</u>
Total net position	<u>\$ 63,201,216</u>	<u>\$ 127,599,125</u>	<u>\$ 190,800,341</u>	<u>\$ 282,887</u>	<u>\$ 1,472,310</u>	<u>\$ 3,586,913</u>

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

City of Great Falls, Montana
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 9,175,818	\$ 6,466,937	\$ 849,013	\$ 324,919
Public safety	18,925,163	1,698,851	417,530	-
Public works	7,176,330	5,440,670	31,500	-
Culture and recreation	5,018,301	730,995	36,217	-
Housing and development	3,285,664	1,813,459	901,991	886,313
Interest and fees	213,945	-	-	-
Total governmental activities	43,795,221	16,150,912	2,236,251	1,211,232
Business-type activities				
Golf courses	1,286,360	1,350,398	-	-
Water	8,192,979	11,038,165	-	-
Sewer	7,856,343	10,904,305	-	-
Storm drain	1,485,612	1,993,861	-	-
Sanitation	3,249,148	3,465,672	-	-
Electric	175,481	3,692	-	-
Port Authority	312,659	465,187	-	-
State Special Projects	373,134	383,402	-	-
Other	4,570,909	3,647,316	11,119	-
Total business-type activities	27,502,625	33,251,998	11,119	-
Total primary government	\$ 71,297,846	\$ 49,402,910	\$ 2,247,370	\$ 1,211,232
Component Units				
Great Falls Business Improvement District	\$ 264,358	\$ 226,627	\$ -	\$ -
Tourism Business Improvement District	\$ 296,734	\$ 409,710	\$ -	\$ -
Great Falls Public Library Foundation	\$ 216,134	\$ -	\$ -	\$ -
General revenues:				
Property taxes				
Grants and contributions not restricted to specific programs				
Unrestricted investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Total net position - beginning				
Prior period adjustment				
Total net position - beginning, as restated				
Total net position - ending				

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

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
\$ (1,534,949)	\$ -	\$ (1,534,949)	\$ -	\$ -	\$ -
(16,808,782)	-	(16,808,782)	-	-	-
(1,704,160)	-	(1,704,160)	-	-	-
(4,251,089)	-	(4,251,089)	-	-	-
316,099	-	316,099	-	-	-
(213,945)	-	(213,945)	-	-	-
<u>(24,196,826)</u>	<u>-</u>	<u>(24,196,826)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	64,038	64,038	-	-	-
-	2,845,186	2,845,186	-	-	-
-	3,047,962	3,047,962	-	-	-
-	508,249	508,249	-	-	-
-	216,524	216,524	-	-	-
-	(171,789)	(171,789)	-	-	-
-	152,528	152,528	-	-	-
-	10,268	10,268	-	-	-
-	(912,474)	(912,474)	-	-	-
-	<u>5,760,492</u>	<u>5,760,492</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (24,196,826)</u>	<u>\$ 5,760,492</u>	<u>\$ (18,436,334)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (37,731)</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,976</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (216,134)</u>
17,982,474	-	17,982,474	-	-	-
8,578,380	24,960	8,603,340	-	-	114,222
97,419	91,417	188,836	91	2,783	383,073
2,831,946	114,395	2,946,341	13,994	418	-
(569,896)	569,896	-	-	-	-
<u>28,920,323</u>	<u>800,668</u>	<u>29,720,991</u>	<u>14,085</u>	<u>3,201</u>	<u>497,295</u>
4,723,497	6,561,160	11,284,657	(23,646)	116,177	281,161
83,478,482	127,432,654	210,911,136	306,533	1,356,133	3,305,752
(25,000,763)	(6,394,689)	(31,395,452)	-	-	-
<u>58,477,719</u>	<u>121,037,965</u>	<u>179,515,684</u>	<u>306,533</u>	<u>1,356,133</u>	<u>3,305,752</u>
<u>\$ 63,201,216</u>	<u>\$ 127,599,125</u>	<u>\$ 190,800,341</u>	<u>\$ 282,887</u>	<u>\$ 1,472,310</u>	<u>\$ 3,586,913</u>

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

**City of Great Falls
Balance Sheet
Governmental Funds
June 30, 2015**

	General	Street District	Federal Block Grant	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 5,042,326	\$ 2,141,667	\$ 390,806	\$ 7,310,240	\$ 14,885,039
Restricted cash and investments	-	-	-	675,852	675,852
Receivables					
Taxes	1,370,484	-	-	199,343	1,569,827
Special assessments	-	218,165	-	499,005	717,170
Accounts	41,443	50,181	-	14,276	105,900
Accrued interest	2,701	974	-	1,633	5,308
Loans	-	-	2,497,782	40,000	2,537,782
Due from other city funds	-	-	-	8,971	8,971
Due from other governments	260,787	5,679	178,754	244,865	690,085
Advances to other funds	911,952	-	-	-	911,952
Other assets	-	9,734	-	15,615	25,349
Total assets	\$ 7,629,693	\$ 2,426,400	\$ 3,067,342	\$ 9,009,800	\$ 22,133,235
Liabilities					
Accounts payable	921,319	138,416	139,114	528,968	1,727,817
Due to other city funds	-	-	-	8,971	8,971
Interfund loans payable	46,720	-	-	45,405	92,125
Advances from other funds	178,261	-	-	-	178,261
Other liabilities	77,623	50,022	-	154,677	282,322
Total liabilities	1,223,923	188,438	139,114	738,021	2,289,496
Deferred inflows of resources					
Unavailable revenue-property taxes	513,252	-	-	61,204	574,456
Unavailable revenue-special assessments	-	100,842	-	395,929	496,771
Unavailable revenue-liens	-	8,000	-	47,105	55,105
Unavailable revenue-grants	-	-	2,497,782	74,427	2,572,209
Unavailable revenue-security agreement	-	-	-	179,687	179,687
Total deferred inflows of resources	513,252	108,842	2,497,782	758,352	3,878,228
Fund balances					
Nonspendable	-	9,734	-	15,615	25,349
Restricted	-	2,119,386	430,446	4,470,951	7,020,783
Assigned	-	-	-	3,029,461	3,029,461
Unassigned	5,892,518	-	-	(2,600)	5,889,918
Total fund balances	5,892,518	2,129,120	430,446	7,513,427	15,965,511
Total liabilities, deferred inflows of resources, and fund balances	\$ 7,629,693	\$ 2,426,400	\$ 3,067,342	\$ 9,009,800	\$ 22,133,235

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, 2015

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

Total fund balances - governmental funds (page 22)		\$ 15,965,510
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 148,137,289	
Less: accumulated depreciation	(81,341,895)	
Capital assets - net		66,795,394
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
		(1,568,458)
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.		
		5,315,335
Deferred inflows of resources are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
		3,878,228
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(3,038,779)	
Loans and contracts payable	(69,003)	
General obligation bonds payable	(1,835,000)	
General obligation taxable bonds payable	(915,000)	
Tax increment bonds payable	(2,495,000)	
Special assessment bonds payable	(175,000)	
Net pension liability	(18,657,011)	
Total long-term liabilities		(27,184,793)
Net position of governmental activities (page 19)		\$ 63,201,216

City of Great Falls
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	General	Street District	Federal Block Grant	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 16,081,362	\$ -	\$ -	\$ 1,901,112	\$ 17,982,474
Licenses and permits	878,718	8,766	-	1,607,564	2,495,048
Intergovernmental	7,754,207	1,415,470	886,313	3,168,465	13,224,455
Charges for services	1,072,908	177,304	232,046	1,424,658	2,906,916
Fines and forfeitures	860,714	-	-	191,864	1,052,578
Internal services	890,445	98,790	-	71,865	1,061,100
Special assessments	-	4,157,199	-	2,677,766	6,834,965
Investment income	19,733	8,066	(68)	38,052	65,783
Other	70,268	78,689	-	627,686	776,643
Total revenues	27,628,355	5,944,284	1,118,291	11,709,032	46,399,962
Expenditures					
Current					
General government	3,614,542	-	-	4,377,836	7,992,378
Public safety	18,019,140	-	-	516,827	18,535,967
Public works	-	4,635,778	-	131,454	4,767,232
Culture and recreation	2,137,681	-	-	1,880,799	4,018,480
Housing & development	-	-	557,074	1,928,869	2,485,943
Debt service					
Principal	-	-	-	642,516	642,516
Interest	3,010	-	-	208,796	211,806
Capital outlay	149,608	416,484	435,989	724,696	1,726,777
Total expenditures	23,923,981	5,052,262	993,063	10,411,793	40,381,099
Excess (deficiency) of revenues over (under) expenditures	3,704,374	892,022	125,228	1,297,239	6,018,863
Other financing sources (uses)					
Transfers in	331,826	-	-	760,589	1,092,415
Transfers out	(1,212,074)	-	-	(526,685)	(1,738,759)
Total other financing sources (uses)	(880,248)	-	-	233,904	(646,344)
Net change in fund balances	2,824,126	892,022	125,228	1,531,143	5,372,519
Fund balances - beginning	3,068,392	1,237,098	305,218	5,982,284	10,592,992
Fund balances - ending	\$ 5,892,518	\$ 2,129,120	\$ 430,446	\$ 7,513,427	\$ 15,965,511

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, 2015

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)	\$	5,372,519
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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	\$ 1,726,777	
Less: current year's depreciation	<u>(3,664,781)</u>	
Total capital asset related expenditures		(1,938,004)

The net effect of various miscellaneous transactions involving net pension liability is to increase net assets		626,389
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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.		777,328
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(812,994)
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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.

Principal repayments		
Loans and contracts	7,516	
General obligation bonds	385,000	
General obligation taxable bonds	120,000	
Tax increment bonds	90,000	
Special improvement bonds	40,000	
Compensated absences	55,743	
Total debt related transactions	<u>698,259</u>	698,259

Change in net position of governmental activities (pages 20-21)	\$	<u><u>4,723,497</u></u>
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**City of Great Falls
Statement of Net Position
Proprietary Funds
June 30, 2015**

Business Type Activities

	<u>Golf Courses</u>	<u>Water</u>	<u>Sewer</u>	<u>Storm Drain</u>	<u>Sanitation</u>	<u>Electric</u>
Assets and deferred outflows of resources						
Assets						
Current assets						
Cash and investments	\$ -	\$ 5,536,051	\$ 5,430,740	\$ 1,673,737	\$ 553,222	\$ -
Receivables						
Accounts	11,575	1,823,480	1,356,505	254,748	404,247	-
Accrued interest	-	2,989	3,974	760	249	-
Due from other city funds	-	-	-	-	-	-
Interfund loans receivable	-	-	-	-	-	-
Due from other governments	-	160,336	160,268	-	-	-
Inventories	90,985	361,904	-	-	-	-
Total current assets	<u>102,560</u>	<u>7,884,760</u>	<u>6,951,487</u>	<u>1,929,245</u>	<u>957,718</u>	<u>-</u>
Noncurrent assets						
Restricted cash and investments	90,359	2,104,805	4,890,834	596,784	-	-
Advance to other funds	-	-	-	-	-	-
Non-depreciable capital assets	1,362,597	7,279,515	20,492,518	3,072,323	181,646	-
Depreciable capital assets, net	1,486,310	43,510,176	37,933,288	17,748,759	1,164,706	-
Total noncurrent assets	<u>2,939,266</u>	<u>52,894,496</u>	<u>63,316,640</u>	<u>21,417,866</u>	<u>1,346,352</u>	<u>-</u>
Total assets	<u>3,041,826</u>	<u>60,779,256</u>	<u>70,268,127</u>	<u>23,347,111</u>	<u>2,304,070</u>	<u>-</u>
Deferred outflows of resources						
Deferred charge-pension	32,573	139,221	53,429	1,953	73,935	-
Total deferred outflows of resources	<u>32,573</u>	<u>139,221</u>	<u>53,429</u>	<u>1,953</u>	<u>73,935</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 3,074,399</u>	<u>\$ 60,918,477</u>	<u>\$ 70,321,556</u>	<u>\$ 23,349,064</u>	<u>\$ 2,378,005</u>	<u>\$ -</u>
Liabilities, deferred inflows of resources, and net position						
Liabilities						
Current liabilities						
Accounts payable	58,252	1,149,618	404,651	39,071	144,800	-
Due to other city funds	-	-	-	-	-	-
Capital lease obligation	-	-	-	-	-	-
Loans payable	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-
Revenue bonds payable	250,000	485,000	1,588,000	238,000	-	-
Other liabilities	37,034	258,863	40,135	1,345	99	-
Total current liabilities	<u>345,286</u>	<u>1,893,481</u>	<u>2,032,786</u>	<u>278,416</u>	<u>144,899</u>	<u>-</u>
Noncurrent liabilities						
Advances from other funds	911,952	-	-	-	-	-
Loans payable	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-
Compensated absences	48,308	220,833	34,603	-	87,082	-
Revenue bonds payable	-	4,488,686	21,242,650	1,966,000	-	-
Net pension liability	406,663	1,738,112	667,031	24,382	923,046	-
Other liabilities	-	-	-	-	-	-
Total noncurrent liabilities	<u>1,366,923</u>	<u>6,447,631</u>	<u>21,944,284</u>	<u>1,990,382</u>	<u>1,010,128</u>	<u>-</u>
Total liabilities	<u>1,712,209</u>	<u>8,341,112</u>	<u>23,977,070</u>	<u>2,268,798</u>	<u>1,155,027</u>	<u>-</u>
Deferred inflows of resources						
Unavailable revenue-pension	105,455	450,723	172,973	6,323	239,362	-
Total deferred inflows of resources	<u>105,455</u>	<u>450,723</u>	<u>172,973</u>	<u>6,323</u>	<u>239,362</u>	<u>-</u>
Net position						
Net investment in capital assets	2,598,907	45,816,005	35,595,156	18,617,083	1,346,352	-
Restricted						
Revenue bond reserves	90,359	1,169,291	3,857,896	446,784	-	-
Repair and replacement	-	935,514	1,032,938	150,000	-	-
Unrestricted	<u>(1,432,531)</u>	<u>4,205,832</u>	<u>5,685,523</u>	<u>1,860,076</u>	<u>(362,736)</u>	<u>-</u>
Total net position	<u>1,256,735</u>	<u>52,126,642</u>	<u>46,171,513</u>	<u>21,073,943</u>	<u>983,616</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 3,074,399</u>	<u>\$ 60,918,477</u>	<u>\$ 70,321,556</u>	<u>\$ 23,349,064</u>	<u>\$ 2,378,005</u>	<u>\$ -</u>

Continued on next page

City of Great Falls
Statement of Net Position (Concluded)
Proprietary Funds
June 30, 2015

	Business Type Activities			Total	Governmental
	Port Authority	Special State Projects	Total Nonmajor Enterprise Funds		Internal Service Funds
Assets and deferred outflows of resources					
Assets					
Current assets					
Cash and investments	\$ 123,595	\$ -	\$ 1,532,379	\$ 14,849,724	\$ 2,945,507
Receivables					
Accounts	22,095	-	70,733	3,943,383	209,179
Accrued interest	-	-	-	7,972	1,622
Due from other city funds	-	-	-	-	4,028
Interfund loans receivable	-	-	-	-	92,125
Due from other governments	-	-	-	320,604	-
Inventories	-	-	-	452,889	191,441
Total current assets	<u>145,690</u>	<u>-</u>	<u>1,603,112</u>	<u>19,574,572</u>	<u>3,443,902</u>
Noncurrent assets					
Restricted cash and investments	-	-	75,083	7,757,865	2,536,490
Advance to other funds	-	-	-	-	178,261
Non-depreciable capital assets	194,057	-	868,846	33,451,502	-
Depreciable capital assets, net	4,995,480	4,675,739	4,374,698	115,889,156	5,635,413
Total noncurrent assets	<u>5,189,537</u>	<u>4,675,739</u>	<u>5,318,627</u>	<u>157,098,523</u>	<u>8,350,164</u>
Total assets	<u>5,335,227</u>	<u>4,675,739</u>	<u>6,921,739</u>	<u>176,673,095</u>	<u>11,794,066</u>
Deferred outflows of resources					
Deferred charge-pension	-	-	121,923	423,034	274,466
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>121,923</u>	<u>423,034</u>	<u>274,466</u>
Total assets and deferred outflows of resources	<u>\$ 5,335,227</u>	<u>\$ 4,675,739</u>	<u>\$ 7,043,662</u>	<u>\$177,096,129</u>	<u>\$ 12,068,532</u>
Liabilities, deferred inflows of resources, and net position					
Liabilities					
Current liabilities					
Accounts payable	-	-	205,568	2,001,960	383,073
Due to other city funds	-	-	-	-	4,028
Capital lease obligation	-	-	157,464	157,464	-
Loans payable	-	-	-	-	38,432
Notes payable	302,453	293,546	-	595,999	-
Revenue bonds payable	-	-	-	2,561,000	-
Other liabilities	-	-	121,236	458,712	9,026
Total current liabilities	<u>302,453</u>	<u>293,546</u>	<u>484,268</u>	<u>5,775,135</u>	<u>434,559</u>
Noncurrent liabilities					
Advances from other funds	-	-	-	911,952	-
Loans payable	-	-	-	-	182,456
Notes payable	3,562,026	4,366,205	-	7,928,231	-
Compensated absences	-	-	142,577	533,403	365,706
Revenue bonds payable	-	-	-	27,697,336	-
Net pension liability	-	-	1,522,155	5,281,389	3,426,590
Other liabilities	-	-	-	-	1,455,312
Total noncurrent liabilities	<u>3,562,026</u>	<u>4,366,205</u>	<u>1,664,732</u>	<u>42,352,311</u>	<u>5,430,064</u>
Total liabilities	<u>3,864,479</u>	<u>4,659,751</u>	<u>2,149,000</u>	<u>48,127,446</u>	<u>5,864,623</u>
Deferred inflows of resources					
Unavailable revenue-pension	-	-	394,722	1,369,558	888,574
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>394,722</u>	<u>1,369,558</u>	<u>888,574</u>
Net position					
Net investment in capital assets	1,325,058	15,988	5,086,082	110,400,631	5,414,524
Restricted					
Revenue bond reserves	-	-	-	5,564,330	-
Repair and replacement	-	-	-	2,118,452	-
Unrestricted	145,690	-	(586,142)	9,515,712	(99,189)
Total net position	<u>1,470,748</u>	<u>15,988</u>	<u>4,499,940</u>	<u>127,599,125</u>	<u>5,315,335</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 5,335,227</u>	<u>\$ 4,675,739</u>	<u>\$ 7,043,662</u>	<u>\$177,096,129</u>	<u>\$ 12,068,532</u>

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

City of Great Falls
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2015

Business Type Activities

	<u>Golf Courses</u>	<u>Water</u>	<u>Sewer</u>	<u>Storm Drain</u>	<u>Sanitation</u>
Operating revenues					
Charges for services	\$ 1,350,398	\$ 11,027,200	\$ 10,903,714	\$ 1,993,699	\$ 3,463,560
Operating expenses					
Personal services	596,560	2,296,225	894,692	30,757	1,243,036
Supplies and materials	204,965	870,907	65,554	3,379	311,998
Purchased services	129,301	706,909	3,318,492	38,840	853,338
Internal services	141,851	1,385,165	1,001,671	328,981	653,630
Other	119	45,877	31,820	23,750	-
Depreciation	194,787	2,857,431	2,378,678	1,028,976	187,145
Total operating expenses	1,267,583	8,162,514	7,690,907	1,454,683	3,249,147
Operating income (loss)	82,815	2,864,686	3,212,807	539,016	214,413
Nonoperating revenues (expenses)					
Investment income (loss)	(19,181)	42,582	45,462	11,467	4,231
Interest expense	(18,778)	(30,465)	(165,437)	(30,929)	-
Proceeds (loss) on sale of capital assets	-	1,459	-	-	(182,115)
Net pension on-behalf revenue	11,499	49,146	18,861	689	26,100
Other	12,637	20,018	6,014	83,127	10,737
Total nonoperating revenues (expenses)	(13,823)	82,740	(95,100)	64,354	(141,047)
Income (loss) before contributions and transfers	68,992	2,947,426	3,117,707	603,370	73,366
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Change in net position	68,992	2,947,426	3,117,707	603,370	73,366
Total net position - beginning	1,680,129	51,283,718	43,861,445	20,500,095	2,027,871
Prior period adjustment	(492,386)	(2,104,502)	(807,639)	(29,522)	(1,117,621)
Total net position - beginning, as restated	1,187,743	49,179,216	43,053,806	20,470,573	910,250
Total net position - ending	\$ 1,256,735	\$ 52,126,642	\$ 46,171,513	\$ 21,073,943	\$ 983,616

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, 2015

	Business Type Activities				Governmental Activities	
	Total				Internal Service Funds	
	Electric	Port Authority	Special State Projects	Nonmajor Enterprise Funds		
Operating revenues						
Charges for services	\$ 3,692	\$ 465,187	\$ 383,403	\$ 3,658,435	\$ 33,249,288	\$ 16,283,056
Operating expenses						
Personal services	-	-	-	2,174,837	7,236,107	4,209,488
Supplies and materials	-	-	-	183,431	1,640,234	885,994
Purchased services	14,358	793	-	1,108,874	6,170,905	9,069,547
Internal services	-	-	-	562,836	4,074,134	811,132
Other	161,123	-	-	32,518	295,207	8,828
Depreciation	-	118,281	277,767	488,125	7,531,190	738,358
Total operating expenses	175,481	119,074	277,767	4,550,621	26,947,777	15,723,347
Operating income (loss)	(171,789)	346,113	105,636	(892,186)	6,301,511	559,709
Nonoperating revenues (expenses)						
Investment income (loss)	-	123	-	6,733	91,417	31,636
Interest expense	-	(193,585)	(95,368)	(20,290)	(554,852)	(2,491)
Proceeds (loss) on sale of capital assets	-	-	-	-	(180,656)	(13,063)
Net pension on-behalf revenue	-	-	-	43,041	149,336	96,890
Other	-	-	-	51,976	184,509	28,199
Total nonoperating revenues (expenses)	-	(193,462)	(95,368)	81,460	(310,246)	141,171
Income (loss) before contributions and transfers	(171,789)	152,651	10,268	(810,726)	5,991,265	700,880
Transfers in	-	-	-	757,978	757,978	76,448
Transfers out	(188,082)	-	-	-	(188,082)	-
Change in net position	(359,871)	152,651	10,268	(52,748)	6,561,161	777,328
Total net position - beginning	359,871	1,318,097	5,720	6,395,707	127,432,653	8,686,913
Prior period adjustment	-	-	-	(1,843,019)	(6,394,689)	(4,148,906)
Total net position - beginning, as restated	359,871	1,318,097	5,720	4,552,688	121,037,964	4,538,007
Total net position - ending	\$ -	\$ 1,470,748	\$ 15,988	\$ 4,499,940	\$127,599,125	\$ 5,315,335

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, 2015

Business-Type Activities - Enterprise Funds

	<u>Golf Courses</u>	<u>Water</u>	<u>Sewer</u>	<u>Storm Drain</u>	<u>Sanitation</u>
Cash flows from operating activities					
Receipts from customers and users	\$ 1,344,985	\$ 10,467,813	\$ 10,856,045	\$ 1,944,553	\$ 3,819,163
Receipts from interfund services provided	-	-	-	-	-
Receipts from others	12,637	20,018	6,014	83,127	10,737
Receipts from other governments	-	(160,336)	754,985	-	-
Payments to suppliers	(326,202)	(952,170)	(3,773,859)	(21,818)	(1,179,585)
Payments to employees	(609,203)	(2,347,724)	(875,424)	(30,766)	(1,252,920)
Payments for interfund services used	(141,851)	(1,385,165)	(1,001,671)	(328,981)	(653,630)
Payments to others	(119)	(29,211)	(72,859)	(23,750)	-
Net cash provided by (used for) operating activities	<u>280,247</u>	<u>5,613,225</u>	<u>5,893,231</u>	<u>1,622,365</u>	<u>743,765</u>
Cash flows from noncapital financing activities					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Interfund cash flow loans	(170,007)	-	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>(170,007)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities					
Proceeds from sale of assets	-	1,459	-	-	-
Principal payments received - advances	-	-	-	-	-
New borrowing	-	986,686	4,534,610	-	-
Principal payments - revenue bonds	(215,000)	(474,000)	(1,546,000)	(233,000)	-
Principal payments - capital leases	-	-	-	-	-
Principal payments - loans	-	-	-	-	-
Interest paid	(18,778)	(134,973)	(638,320)	(53,527)	-
Acquisition/construction of capital assets	-	(6,021,190)	(6,022,108)	(2,316,722)	(510,130)
Net cash provided by (used for) capital and related financing activities	<u>(233,778)</u>	<u>(5,642,018)</u>	<u>(3,671,818)</u>	<u>(2,603,249)</u>	<u>(510,130)</u>
Cash flows from investing activities					
Interest on investments	(19,181)	42,964	44,616	12,115	3,982
Net cash provided by (used for) investing activities	<u>(19,181)</u>	<u>42,964</u>	<u>44,616</u>	<u>12,115</u>	<u>3,982</u>
Net increase (decrease) in cash	(142,719)	14,171	2,266,029	(968,769)	237,617
Cash, beginning of year	<u>233,078</u>	<u>7,626,685</u>	<u>8,055,545</u>	<u>3,239,290</u>	<u>315,605</u>
Cash, end of year (a)	<u>\$ 90,359</u>	<u>\$ 7,640,856</u>	<u>\$ 10,321,574</u>	<u>\$ 2,270,521</u>	<u>\$ 553,222</u>
(a) Shown on the statement of net assets as:					
Cash and investments	\$ -	\$ 5,536,051	\$ 5,430,740	\$ 1,673,737	\$ 553,222
Restricted cash and investments	90,359	2,104,805	4,890,834	596,784	-
	<u>\$ 90,359</u>	<u>\$ 7,640,856</u>	<u>\$ 10,321,574</u>	<u>\$ 2,270,521</u>	<u>\$ 553,222</u>

Continued on next page

City of Great Falls, Montana
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Total					Internal Service Funds
	Electric	Port Authority	State Special Projects	Nonmajor Enterprise Funds	Totals	
Cash flows from operating activities						
Receipts from customers and users	\$ 192,616	\$ 465,187	\$ 383,403	\$ 2,812,424	\$ 32,286,189	\$ 2,796,127
Receipts from interfund services provided	-	-	-	862,645	862,645	13,475,926
Receipts from others	-	-	-	51,976	184,509	28,199
Receipts from other governments	-	-	-	-	594,649	-
Payments to suppliers	(14,358)	(793)	-	(1,295,565)	(7,564,350)	(9,988,354)
Payments to employees	-	-	-	(2,150,187)	(7,266,224)	(4,212,910)
Payments for interfund services used	-	-	-	(562,836)	(4,074,134)	(811,132)
Payments to others	(161,123)	-	-	(32,553)	(319,615)	(8,828)
Net cash provided by (used for) operating activities	17,135	464,394	383,403	(314,096)	14,703,669	1,279,028
Cash flows from noncapital financing activities						
Transfers in	-	-	-	757,978	757,978	76,448
Transfers out	(188,082)	-	-	-	(188,082)	-
Interfund cash flow loans	-	-	-	-	(170,007)	-
Net cash provided by (used for) noncapital financing activities	(188,082)	-	-	757,978	399,889	76,448
Cash flows from capital and related financing activities						
Proceeds from sale of assets	-	-	-	-	1,459	14,340
Principal payments received - advances	-	-	-	-	-	46,477
New borrowing	-	-	-	-	5,521,296	-
Principal payments - revenue bonds	-	(289,930)	-	-	(2,757,930)	-
Principal payments - capital leases	-	-	-	(147,645)	(147,645)	-
Principal payments - loans	-	-	(288,035)	-	(288,035)	(37,694)
Interest paid	-	(175,256)	(95,368)	(20,290)	(1,136,512)	(2,491)
Acquisition/construction of capital assets	-	-	-	(29,535)	(14,899,685)	(552,722)
Net cash provided by (used for) capital and related financing activities	-	(465,186)	(383,403)	(197,470)	(13,707,052)	(532,090)
Cash flows from investing activities						
Interest on investments	-	123	-	6,733	91,352	31,498
Net cash provided by (used for) investing activities	-	123	-	6,733	91,352	31,498
Net increase (decrease) in cash	(170,947)	(669)	-	253,145	1,487,858	854,884
Cash, beginning of year	170,947	124,264	-	1,354,317	21,119,731	4,627,113
Cash, end of year (a)	<u>\$ -</u>	<u>\$ 123,595</u>	<u>\$ -</u>	<u>\$ 1,607,462</u>	<u>\$ 22,607,589</u>	<u>\$ 5,481,997</u>
(a) Shown on the statement of net assets as:						
Cash and investments	\$ -	\$ 123,595	\$ -	\$ 1,532,379	\$ 14,849,724	\$ 2,945,507
Restricted cash and investments	-	-	-	75,083	7,757,865	2,536,490
	<u>\$ -</u>	<u>\$ 123,595</u>	<u>\$ -</u>	<u>\$ 1,607,462</u>	<u>\$ 22,607,589</u>	<u>\$ 5,481,997</u>

Continued on next page

City of Great Falls, Montana
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2015

Business-Type Activities - Enterprise Funds

	<u>Golf Courses</u>	<u>Water</u>	<u>Sewer</u>	<u>Storm Drain</u>	<u>Sanitation</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Operating income (loss)	\$ 82,815	\$ 2,864,686	\$ 3,212,807	\$ 539,016	\$ 214,413
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
GASB 68 pension expense	(1,343)	(5,741)	(2,203)	(81)	(3,049)
Depreciation expense	194,787	2,857,431	2,378,678	1,028,976	187,145
Cash provided (used) by changes in operating assets and liabilities					
(Increase) decrease in accounts receivable	(4,435)	(559,387)	(47,671)	(47,991)	355,604
(Increase) decrease in due from other governments	-	(160,336)	754,985	-	-
(Increase) decrease in inventories	(1,257)	(50,023)	-	-	-
(Decrease) increase in accounts payable	9,025	675,669	(366,527)	20,473	(14,487)
(Decrease) increase in other liabilities	279	16,666	(41,039)	(1,155)	(833)
(Decrease) increase in compensated absences payable	(12,261)	(45,758)	(1,813)	-	(5,765)
Other nonoperating revenue	12,637	20,018	6,014	83,127	10,737
Total adjustments	\$ 197,432	\$ 2,748,539	\$ 2,680,424	\$ 1,083,349	\$ 529,352
Net cash provided by (used for) operating activities	\$ 280,247	\$ 5,613,225	\$ 5,893,231	\$ 1,622,365	\$ 743,765

Continued on next page

City of Great Falls, Montana
Statement of Cash Flows (Concluded)
Proprietary Funds
For the Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds					Governmental
	Total					Activities
	Electric	Port Authority	State Special Projects	Nonmajor Enterprise Funds	Totals	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities						
Operating income (loss)	\$ (171,789)	\$ 346,113	\$ 105,636	\$ (892,186)	\$ 6,301,511	\$ 559,709
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities						
GASB 68 pension expense	-	-	-	(5,028)	(17,445)	(11,316)
Depreciation expense	-	118,281	277,767	488,125	7,531,190	738,358
Cash provided (used) by changes in operating assets and liabilities						
(Increase) decrease in accounts receivable	188,924	-	-	14,620	(100,336)	(11,003)
(Increase) decrease in due from other governments	-	-	-	-	594,649	-
(Increase) decrease in inventories	-	-	-	-	(51,280)	27,256
(Decrease) increase in accounts payable	-	-	-	21,193	345,346	(42,819)
(Decrease) increase in other liabilities	-	-	-	(3,370)	(29,452)	-
(Decrease) increase in compensated absences payable	-	-	-	10,574	(55,023)	(9,356)
Other nonoperating revenue	-	-	-	51,976	184,509	28,199
Total adjustments	\$ 188,924	\$ 118,281	\$ 277,767	\$ 578,090	\$ 8,402,158	\$ 719,319
Net cash provided by (used for) operating activities	\$ 17,135	\$ 464,394	\$ 383,403	\$ (314,096)	\$ 14,703,669	\$ 1,279,028

City of Great Falls
Statement of Net Position
Fiduciary Funds
June 30, 2015

	Private-Purpose Trust Funds	Agency Funds
Assets		
Cash and investments	\$ 205,424	\$ 547,416
Special assessments receivable	-	960,345
Payroll receivable	-	942,737
Due from other governments	-	556
Total assets	205,424	2,451,054
Liabilities		
Accounts payable	-	1,262,656
Assets held for others	-	1,123,382
Other liabilities	-	65,016
Total liabilities	-	\$ 2,451,054
Net position		
Held in trust	205,424	
Total net position	\$ 205,424	

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, 2015

	Private-Purpose Trust Funds
Additions	
Investment earnings	\$ 989
 Deductions	
Refunds of contributions	-
Change in net position	989
Net position - beginning	204,435
Net position - ending	\$ 205,424

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

City of Great Falls, Montana
Notes to Financial Statements
June 30, 2015

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 - Electric City Power, Inc. (ECP) (Electric Fund)

Electric City Power, Inc. was dissolved December 17, 2013. The City closed the Electric Fund to the General Fund in April 2015.

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 13 5th Street North, Great Falls, Montana, 59401.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

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, 2015, the Public Library Foundation distributed \$175,846 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, 2015

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:

Golf Courses Fund

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

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.

Electric Fund

The Electric Fund accounts for all aspects of the City electric system operations; providing electricity for City operations, other government agencies, and retail customers as a blended component unit of the City of Great Falls. The City of Great Falls dissolved Electric City Power in December of 2013 and no longer sells electricity. This fund was closed in Fiscal Year 2015 to the General Fund.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

1. Summary of Significant Accounting Policies - continued

D. Basis of Presentation - fund financial statements – continued

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).

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, Fiscal Services, 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, 2015

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 Fiscal Services Department. Investment criteria are established via Montana Code Annotated (MCA) 7-6-202 and the City's investment policy. Investments are carried at fair value. 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

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

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

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.

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.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

1. Summary of Significant Accounting Policies - continued

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

4. Inventories and Prepaid Items - continued

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. Donated capital assets are recorded at estimated fair market value as of the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets should be depreciated over their estimated useful lives unless they are inexhaustible, or are intangible assets with indefinite useful lives. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

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

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.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

1. Summary of Significant Accounting Policies - continued

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

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 inflow of resources (revenue) 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 unassigned fund balance to have been depleted before using any of the components of restricted 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. Assigned fund balance is applied last.

G. Encumbrances

The City does not utilize a formal encumbrance accounting system.

H. Pensions

The Montana Public Employee Retirement Administration (MPERA) prepares its financial statements using the accrual basis of accounting. For the purposes of measuring the Net Pension Liability, deferred inflows of resources and deferred outflows of resources related to pensions, Pension Expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same accrual basis as they are reported by MPERA. For this purpose, 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 applicable Governmental Accounting Standards Board (GASB) statements.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

2. Cash and Investments

The composition of the City's cash and investments, including restricted cash and investments on June 30, 2015 was a follows:

	Component Units			
	Primary Government	Business Improvement District	Tourism Business Improvement District	Public Library Foundation
Cash on hand	\$ 9,645	\$ 466	\$ -	\$ -
Deposits in banks	6,253,079	95,715	833,055	30,359
Time deposits	19,000,000	-	-	-
Savings deposits	-	-	-	142,315
Certificates of deposit	43,656	-	163,997	-
U.S. government securities	12,816,013	-	-	-
Short term investment pool (STIP)	6,274,726	-	-	-
Money market funds	6,197	11,394	-	-
Mutual funds	-	-	-	3,365,606
Equity securities	-	-	-	48,633
Totals	\$ 44,403,316	\$ 107,575	\$ 997,052	\$ 3,586,913

The City's cash and investments for the primary government at June 30, 2015 are reported as:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	\$ 17,830,546	\$ 14,849,724	\$ 752,839	\$ 33,433,109
Restricted cash and investments	3,212,342	7,757,865	-	10,970,207
Totals	\$ 21,042,888	\$ 22,607,589	\$ 752,839	\$ 44,403,316

At June 30, 2015, the carrying amount of the City's deposits in banks was \$6,253,079 and the bank balance was \$6,687,315. Of the bank balance \$342,758 was covered by federal depository insurance and \$6,344,557 was covered by a letter of credit from a federal home bank in the City's name. The time deposits of \$19,000,000 were covered by federal depository insurance.

At June 30, 2015, the carrying amount of deposits for the Great Falls Business Improvement District, a discretely presented component unit, was \$107,575 and the bank balance was \$107,575. Of the bank balance, \$107,575 was covered by federal depository insurance.

At June 30, 2015, the carrying amount of deposits for the Great Falls Tourism Business Improvement District, a discretely presented component unit, was \$833,055 and the bank balance was \$833,055. Of the bank balance, \$786,376 was covered by federal depository insurance. At June 30, 2015, the Great Falls Tourism Improvement District had \$46,679 of cash in excess of FDIC insured limits. This amount was uncollateralized.

At March 31, 2015, the carrying amount of deposits for the Great Falls Public Library Foundation, a discretely present component unit, was \$172,674 and the bank balance was \$190,723. Of the carrying amount of deposits, \$30,359 was covered by federal depository insurance and \$142,315 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, 2015. 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.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

2. Cash and Investments - continued

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 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, 2015, 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	\$ 6,262,724	\$ 6,262,724	\$ -
Certificates of deposit	43,656	43,656	-
Insured cash sweeps	19,000,000	19,000,000	-
U.S. treasuries	4,801,222	299,976	4,501,246
U.S. agencies	8,014,791	-	8,014,791
Short term investment pool (STIP)	6,274,726	6,274,726	-
Money market funds	6,197	6,197	-
Totals	<u>\$ 44,403,316</u>	<u>\$ 31,887,279</u>	<u>\$ 12,516,037</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>.

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 56.25% in Federal Home Loan Bank which had a credit rating of "AAA" at June 30, 2015; 18.75% in Federal Home Loan Mortgage Corporation which had a credit rating of "AAA" at June 30, 2015; 15.62% in Federal Farm Credit Bureau which had a credit rating of "AAA" at June 30, 2015 and 9.38% in Federal National Mortgage Association which had a credit rating of "AAA" at June 30, 2015.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

2. Cash and Investments - continued

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 \$10,970,207 are restricted by bond covenants, state statute, or for specific purposes as follows:

Governmental Activities

Nonmajor governmental funds

Library - improvements	\$	115,580
West Bank TID Bonds - current debt service	\$	88,762
West Bank TID Bonds - bond reserves		<u>216,165</u>
Subtotal West Bank TID Bonds		304,927
SID Bonds - security reserves		179,687
General Capital Projects - suit related retainage		75,658

Internal Service funds

Central Garage - vehicle and equipment replacement		2,157,899
Information Technology - information systems	207,629	
Information Technology - vehicle and equipment replacement	<u>6,324</u>	
Subtotal Information Technology		213,953
Engineering - vehicle and equipment replacement		62,251
Public Works Admin - vehicle and equipment replacement		5,271
Civic Center Facility Service - improvements		<u>97,116</u>

Total Governmental Activities 3,212,342

Business Activities

Golf Courses

Bond reserves	90,359
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Water

Current debt service	314,021	
Bond reserves	328,066	
Operating reserves	450,900	
Vehicle and equipment replacement	<u>1,011,818</u>	
Subtotal Water		2,104,805

Sewer

Current debt service	1,141,423	
Bond reserves	2,287,583	
Operating reserves	428,890	
Vehicle and equipment replacement	<u>1,032,938</u>	
Subtotal Sewer		4,890,834

Storm Drain

Current debt service	143,264	
Bond reserves	286,920	
Repair and replacement reserves	<u>166,600</u>	
Subtotal Storm Drain		596,784

Nonmajor enterprise funds

Parking - vehicle and equipment replacement	49,026
Recreation - vehicle and equipment replacement	11,561
Civic Center Events - improvements	<u>14,496</u>

Total Business Activities 7,757,865

Total \$ 10,970,207

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

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, 2015 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, 2015 consists of the following:

Federal Block Grant:	
Deferred payment loan program (a) (b)	\$ 2,497,782
Nonmajor governmental funds:	
Home Grant - deferred payment loan program (a)	40,000
Total	\$ 2,537,782

- (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. The interest rates on these loans range from zero percent to three percent and 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.

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 entity-wide statement of net position.

Due to/from other City funds at June 30, 2015 consists of the following:

Receivable Fund	Payable Fund	
Nonmajor governmental fund - Police Special Revenue	Nonmajor governmental fund - HIDTA Special Revenue	\$ 7,021
Nonmajor governmental fund - Master Debt SILD	Nonmajor governmental fund - Street Lighting Construction	1,950
Internal service fund - Information Technology	Internal service fund - City Telephone	4,028
Total		\$ 12,999

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

4. Interfund Receivables, Payables, and Transfers - continued

Interfund Loans

The interfund loans represent the current portion due from the advances from other funds which represent the long term portion. The advance from the general fund reported in the golf courses fund resulted represent a long-term credit cash balance. The advance from the central garage fund reported in the general and nonmajor governmental fund - park & recreation resulted from a loan made for Centene Stadium improvements. The advances paid from the general and nonmajor governmental fund - park & recreation for the Centene Stadium improvements are being repaid in annual installments including interest. Due to the netting from types the general fund loaning to the golf courses fund is the only transaction that is part of the entity-wide statement of net position.

Interfund loans receivable/payable at June 30, 2015 consists of the following:

Receivable Fund	Payable Fund	Amount
Internal service fund - Central Garage	General	\$ 46,720
	Nonmajor governmental fund Park & Recreation	45,405
Total		<u>\$ 92,125</u>

Advances to/from other funds at June 30, 2015 consists of the following:

Receivable Fund	Payable Fund	Amount
General	Golf Courses	\$ 911,952
Internal service fund - Central Garage	General	\$ 178,261
Total		<u>\$ 1,090,213</u>

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, 2015 consists of the following:

Recipient Fund	Amount	Purpose
General	\$ 331,826	Transfer from nonmajor governmental fund - police special revenue to general fund for grant reimbursement [\$69,221]. Transfer from nonmajor governmental fund - fire special revenue to general fund for grant reimbursement [\$74,523]. Transfer from electric fund to general fund for close of fund [\$188,082].
Nonmajor governmental funds		
Library	350,000	Transfers from general fund to library for operation support.
Planning & Community Development	100,000	Transfer from general fund to planning & community development for operation support.
Natural Resources	164,918	Transfer from general fund to natural resources for operation support.
General Obligation Taxable Bonds	145,671	Transfer from general fund to general obligation taxable bonds for debt service.
	<u>760,589</u>	Subtotal of nonmajor governmental funds
Nonmajor enterprise funds		
Swimming Pools	214,389	Transfer from general fund to swimming pools for operations support.
911 Dispatch Center	369,636	Transfer from nonmajor governmental fund - 911 special revenue to 911 dispatch center for dispatch services.
Recreation	59,226	Transfer from general fund to recreation for operation support.
Civic Center Events	114,727	Transfer from general fund to civic center events for operation support.
	<u>757,978</u>	Subtotal of nonmajor enterprise funds

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

4. Interfund Receivables, Payables, and Transfers - continued

Transfers - continued

Recipient Fund	Amount	Purpose
Internal service funds		
Information Technology	13,305	Transfer from nonmajor governmental fund - 911 special revenue to information technology for mapping tech position.
Engineering	63,143	Transfer from general fund to engineering for operation support.
	<u>76,448</u>	Subtotal of internal service funds
Total	<u>\$ 1,926,841</u>	

5. Due From Other Governments

Amounts due from other governments at June 30, 2015 were as follows:

Fund	Federal	State	County	Other	Total
General	\$ 31,039	\$ 425	\$ 229,323	\$ -	\$ 260,787
Street District	-	-	5,679	-	5,679
Federal Block Grant	178,754	-	-	-	178,754
Nonmajor governmental funds	-	-	-	-	-
Library	-	-	471	-	471
Planning & Community Development	49,037	-	-	-	49,037
Downtown TID	-	-	13	-	13
Natural Resources	-	-	471	-	471
Portage Meadows	-	-	9	-	9
Support & Innovation	-	-	268	-	268
HIDTA Special Revenue	37,364	-	-	-	37,364
Home Grant	5,786	-	-	-	5,786
CTEP Projects	95,057	-	-	-	95,057
Housing Authority	-	-	-	53,963	53,963
Street Lighting Districts	-	-	2,063	-	2,063
Soccer Park GO Bond	-	-	133	-	133
Swimming Pool GO Bond	-	-	209	-	209
Master Debt SILD	-	-	21	-	21
Subtotal nonmajor governmental funds	187,244	-	3,658	53,963	244,865
Water	160,336	-	-	-	160,336
Sewer	-	160,268	-	-	160,268
Totals	<u>\$ 557,373</u>	<u>\$ 160,693</u>	<u>\$ 238,660</u>	<u>\$ 53,963</u>	<u>\$ 1,010,689</u>

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

6. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated:				
Land	\$ 9,825,168	\$ -	\$ -	\$ 9,825,168
Intangible	218,276	-	-	218,276
Construction in Progress	736,740	503,887	(736,740)	503,887
	<u>10,780,184</u>	<u>503,887</u>	<u>(736,740)</u>	<u>10,547,331</u>
Capital assets, being depreciated:				
Buildings	15,218,466	-	-	15,218,466
Improvements	39,131,869	1,652,968	(78,936)	40,705,901
Machinery and equipment	20,211,018	918,846	(287,778)	20,842,086
Infrastructure	75,045,454	-	-	75,045,454
	<u>149,606,807</u>	<u>2,571,814</u>	<u>(366,714)</u>	<u>151,811,907</u>
Less accumulated depreciation for:				
Buildings	(7,916,290)	(398,505)	-	(8,314,795)
Improvements	(18,344,953)	(1,488,992)	19,471	(19,814,474)
Machinery and equipment	(14,425,270)	(957,423)	260,380	(15,122,313)
Infrastructure	(45,118,630)	(1,558,219)	-	(46,676,849)
	<u>(85,805,143)</u>	<u>(4,403,139)</u>	<u>279,851</u>	<u>(89,928,431)</u>
Total capital assets, being depreciated, net	<u>63,801,664</u>	<u>(1,831,325)</u>	<u>(86,863)</u>	<u>61,883,476</u>
Governmental activities capital assets, net	<u>\$ 74,581,848</u>	<u>\$ (1,327,438)</u>	<u>\$ (823,603)</u>	<u>\$ 72,430,807</u>
<u>Business-type activities</u>				
Capital assets, not being depreciated:				
Land	\$ 4,115,316	\$ -	\$ (166,925)	\$ 3,948,391
Construction in Progress	20,252,543	11,175,001	(1,924,433)	29,503,111
	<u>24,367,859</u>	<u>11,175,001</u>	<u>(2,091,358)</u>	<u>33,451,502</u>
Capital assets, being depreciated:				
Buildings	39,227,155	-	(266,262)	38,960,893
Improvements	89,878,250	5,640,759	(150,000)	95,369,009
Machinery and equipment	13,944,359	856,866	(548,008)	14,253,217
Infrastructure	86,888,278	-	-	86,888,278
	<u>229,938,042</u>	<u>6,497,625</u>	<u>(964,270)</u>	<u>235,471,397</u>
Less accumulated depreciation for:				
Buildings	(19,960,888)	(969,514)	236,613	(20,693,789)
Improvements	(39,742,644)	(4,126,096)	-	(43,868,740)
Machinery and equipment	(10,667,173)	(556,118)	548,008	(10,675,283)
Infrastructure	(42,464,967)	(1,879,462)	-	(44,344,429)
	<u>(112,835,672)</u>	<u>(7,531,190)</u>	<u>784,621</u>	<u>(119,582,241)</u>
Total capital assets, being depreciated, net	<u>117,102,370</u>	<u>(1,033,565)</u>	<u>(179,649)</u>	<u>115,889,156</u>
Business-type activities capital assets, net	<u>\$ 141,470,229</u>	<u>\$ 10,141,436</u>	<u>\$ (2,271,007)</u>	<u>\$ 149,340,658</u>

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

6. Capital Assets - continued

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

<u>Governmental activities</u>	
General government	\$ 496,502
Public safety	196,178
Public works	2,630,245
Culture and recreation	664,243
Housing and development	415,971
Total governmental activities	<u>\$ 4,403,139</u>
<u>Business-type activities</u>	
Golf Courses	\$ 194,787
Water	2,857,431
Sewer	2,378,678
Storm Drain	1,028,976
Sanitation	187,145
Port Authority	118,281
Special State Projects	277,767
Other	488,125
Total business-type activities	<u>\$ 7,531,190</u>

Discretely Presented Component Unit

Capital assets activity for the Business Improvement District for the year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Buildings and improvements	\$ 562,919	\$ -	\$ -	\$ 562,919
Equipment	25,163	-	-	25,163
	588,082	-	-	588,082
Less accumulated depreciation for	(183,737)	(15,481)	-	(199,218)
Total capital assets, being depreciated, net Business Improvement District	<u>404,345</u>	<u>(15,481)</u>	<u>-</u>	<u>388,864</u>
capital assets, net	<u>\$ 404,345</u>	<u>\$ (15,481)</u>	<u>\$ -</u>	<u>\$ 388,864</u>

7. Capital Lease Obligation

Nonmajor Enterprise - Swimming Pools Fund

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

The following is an analysis of the property under capital lease as of June 30, 2015:

Improvements	\$ 1,503,195
Less accumulated depreciation	<u>(933,791)</u>
Net leased property	<u>\$ 569,404</u>

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

7. Capital Lease Obligations - continued

Nonmajor Enterprise - Swimming Pools Fund - continued

The following is a schedule, by year, of future minimum lease payments under capital leases, together with the present value of net minimum lease payments at June 30, 2015:

Year Ending June 30	Nonmajor Enterprise
2016	\$ 167,935
Total lease payments	167,935
Less amount representing interest	(10,471)
Present value of future minimum lease payments	\$ 157,464

8. Long-Term Debt

Compensated Absences Payable

Compensated absences payable, representing vested vacation and sick leave benefits earned by employees and payable upon termination, as well as additional salary-related charges payable by the City as the employer, as of June 30, 2015 were as follows:

Governmental activities	\$ 3,404,485
Business-type activities	533,403
Total	\$ 3,937,888

Loans and Contracts Payable

Nonmajor Governmental - Master Debt SILD Fund

The City Commission, on September 6, 20015, authorized the borrowing of \$20,000 in Intercap funds by the General Fund for the purpose of designing and installing city street lights in Meadowlark Phase 3. The term of the loan was ten (10) years with an initial interest rate of 3.80%. On January 15, 2008, an extension of five (5) years to the term was granted.

The City Commission, on November 1, 2005, authorized the borrowing of \$56,000 in Intercap funds by the General Fund for the purpose of designing and installing city street lights in Eagles Crossing Phase 1. The term of the loan was ten (10) years with an initial interest rate of 3.80%. On January 15, 2008, an extension of five (5) years to the term was granted.

The City Commission, on August 1, 2006, authorized the borrowing of \$23,000 in Intercap funds by the General Fund for the purpose of designing and installing city street lights in Meadowlark Phase 4. The term of the loan was ten (10) years with an initial interest rate of 4.75%. On January 15, 2008, an extension of five (5) years to the term was granted.

The City Commission, on November 20, 2007, authorized the borrowing of \$46,600 in Intercap funds by the General Fund for the purpose of designing and installing city street lights in Eagle Crossing Phase 2 & 3. The term of the loan was fifteen (15) years with an initial interest rate of 4.25%.

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 City Commission, on March 17, 2009, authorized the borrowing of \$36,346 in Intercap funds by the General Fund for the purpose of designing and installing city street lights in Bootlegger Addition Phase 1. The term of the loan was fifteen (15) years with an initial interest rate of 3.25%.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

8. Long-Term Debt - continued

Loans and Contracts Payable - continued

Nonmajor Governmental - Master Debt SILD Fund - continued

The City Commission, on September 15, 2009, authorized the borrowing of \$20,516 in InterCap funds by the General Fund for the purpose of designing and installing city street lights in Water Tower Park Addition. The term of the loan was fifteen (15) years with an initial interest rate of 1.95%.

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 1.25%.

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

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2016	\$ 22,342	\$ 839	\$ 23,181
2017	8,181	558	8,739
2018	8,537	455	8,992
2019	8,908	347	9,255
2020	8,595	234	8,829
2021-2025	12,440	196	12,636
Totals	\$ 69,003	\$ 2,629	\$ 71,632

The City follows the policy of early redemption on these loans resulting in the larger debt service requirement in Fiscal Year 2016.

Internal Service Fund - Engineering

The City Commission, on June 15, 2010, authorized the borrowing of \$600,000 in InterCap funds for the purpose of financing costs associated with the Public Works Engineering and Operations building addition and remodel. The amount borrowed was only \$366,650 due to the use of Montana State House Bill 645 funds for a portion of the construction. The term of the loan was ten (10) years with an initial interest rate of 1.95%.

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 Engineering internal service fund. The interest calculations are projected based on the current interest rate charged of 1.25%.

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

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2016	\$ 38,433	\$ 2,640	\$ 41,073
2017	39,185	2,158	41,343
2018	39,953	1,666	41,619
2019	40,736	1,165	41,901
2020	41,533	653	42,186
2021	21,048	132	21,180
Totals	\$ 220,888	\$ 8,414	\$ 229,302

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

8. Long-Term Debt - continued

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 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, 2015 are as follows:

Business-Type Activities

	<u>Start Date</u>	<u>Interest Rate</u>	<u>Term (Years)</u>	<u>Maturity Date</u>	<u>Loan Issued</u>	<u>Balance June 30, 2015</u>
Port Authority Improvements	03-02-2005	4.00%	20	10-01-2025	\$ 1,075,000	\$ 660,983
Port Authority Improvements	11-30-2007	4.43%	18 ¼	09-30-2025	4,763,794	3,203,496
Special State Projects Improvements	04-18-2014	1.98%	15	04-15-2029	4,999,800	<u>4,659,751</u>
Total						<u>\$ 8,524,230</u>

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

Business-Type Activities

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 595,999	\$ 252,590	\$ 848,589
2017	615,920	232,670	848,590
2018	635,960	212,629	848,589
2019	656,746	191,844	848,590
2020	677,892	170,697	848,589
2021-2025	3,744,105	498,842	4,242,947
2026-2029	<u>1,597,608</u>	<u>59,342</u>	<u>1,656,950</u>
Totals	<u>\$ 8,524,230</u>	<u>\$ 1,618,614</u>	<u>\$ 10,142,844</u>

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

8. Long-Term Debt - continued

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%.

Nonmajor Governmental - Swimming Pool GO Bond

In November 2006, a general obligation bond of \$2.27 million was approved by the taxpayers for the improving and upgrading of certain swimming pools in the City. General obligation bonds were issued May 15, 2007. In March 2014, these bonds were refunded by 2014A Swim Pools for a term of four (4) years with an interest rate of 2.00%.

General obligation bonds outstanding at June 30, 2015, are as follows:

	Issue Date	Interest Rate	Term (Years)	Maturity Date	Bonds Issued	Balance June 30, 2015
Series 2014A Soccer	04-03-2014	2.00 - 2.55%	10	07-01-2024	\$ 1,480,000	\$ 1,325,000
Series 2014A Swimming Pools	04-03-2014	2.00%	4	07-01-2017	\$ 870,000	510,000
Total						\$ 1,835,000

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

Year Ending June 30	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 390,000	\$ 39,049	\$ 429,049
2017	395,000	31,249	426,249
2018	140,000	23,349	163,349
2019	145,000	20,549	165,549
2020	145,000	17,649	162,649
2021-2024	620,000	37,839	657,839
Totals	\$ 1,835,000	\$ 169,684	\$ 2,004,684

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, 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.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

8. Long-Term Debt - continued

General Obligation Taxable Bonds - continued

Nonmajor Governmental - General Obligation Taxable Bonds - continued

Limited tax general obligation bonds (taxable) outstanding at June 30, 2015, are as follows:

	Issue Date	Interest Rate	Term (Years)	Maturity Date	Bonds Issued	Balance June 30, 2015
Series 2014B Limited Tax General Obligation Bonds (Taxable)	04-03-2014	1.00 - 3.60%	8	07-01-2022	\$ 1,065,000	\$ 915,000

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

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2016	\$ 125,000	\$ 22,988	\$ 147,988
2017	125,000	21,550	146,550
2018	125,000	19,550	144,550
2019	130,000	16,925	146,925
2020	135,000	13,545	148,545
2021-2022	275,000	14,535	289,535
Totals	<u>\$ 915,000</u>	<u>\$ 109,093</u>	<u>\$ 1,024,093</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 the annual report regarding property values, city indebtedness and city tax rates, levies, 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 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.

Tax increment bonds outstanding at June 30, 2015 are as follows:

	Issue Date	Interest Rate	Term (Years)	Maturity Date	Bonds Issued	Balance June 30, 2015
Series 2009A	07-30-2009	3.00 - 5.80%	25	07-01-2034	\$ 2,000,000	\$ 1,745,000
Series 2012	03-01-2012	2.00 - 4.00%	20	07-01-2032	855,000	750,000
Total						<u>\$ 2,495,000</u>

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

8. Long-Term Debt - continued

Urban Renewal Tax Increment Bonds Payable - continued

Nonmajor Governmental - West Bank Tax Increment District Bonds - continued

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>
2016	\$ 90,000	\$ 120,128	\$ 210,128
2017	95,000	117,118	212,118
2018	95,000	113,718	208,718
2019	100,000	110,175	210,175
2020	110,000	106,165	216,165
2021-2025	605,000	455,153	1,060,153
2026-2030	755,000	296,926	1,051,926
2031-2034	645,000	86,460	731,460
Totals	<u>\$ 2,495,000</u>	<u>\$ 1,405,843</u>	<u>\$ 3,900,843</u>

The City issued the West Bank Urban Renewal Tax Increment bonds pursuant to Resolution No. 9815 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 1.25 times coverage on total tax increment parity debt above the amount of tax increments taxes received. At June 30, 2015, 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.

	<u>Parity</u>
<u>Bond reserves</u>	
Debt service account	\$ 88,762
Bond covenant reserve account	216,165
Total bond reserves	<u>\$ 304,927</u>
<u>Coverage covenant calculation</u>	
Increment taxes collected and available	\$ 411,464
Maximum annual debt service	\$ 216,165
Debt service coverage	1.90x
Debt Service coverage required	1.25x

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, 2015

8. Long-Term Debt - continued

Special Assessment Debt - continued

Nonmajor Governmental - Improvement District Revolving - continued

Special assessment bonds outstanding at June 30, 2015 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, 2015</u>
1301	05-15-2005	3.50 - 5.00%	15	08-01-2020	\$ 630,000	\$ 175,000

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, marker and taxable valuations, and tax collection information.

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, 2015 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, 2015</u>
Water 2000, Amended & Restated	01-16-2013	2.00%	8	01-01-2021	\$ 1,487,000	\$ 1,046,000
Water 2008, Amended & Restated	01-16-2013	3.00%	16	07-01-2028	3,225,000	2,800,000
Water 2009	07-16-2009	1.75%	20	07-01-2029	333,700	246,000
Water 2014	12-05-2014	2.50%	20	01-01-2034	2,700,893	881,686
Sewer 2002, Amended & Restated	01-16-2013	2.00%	9	01-01-2022	5,590,000	4,135,000
Sewer 2005	02-01-2005	3.00 - 4.15%	20	08-01-2024	5,005,000	3,145,000
Sewer 2009	10-01-2009	1.75%	20	07-01-2029	309,816	225,000
Sewer 2012	08-03-2012	3.00%	20	07-01-2032	3,800,000	2,805,633
Sewer 2013A	06-26-2013	3.00%	20	07-01-2033	7,084,000	6,549,000
Sewer 2013B	06-26-2013	3.00%	20	07-01-2034	7,084,000	5,971,017
Storm Drain 2004, Amended & Restated	01-16-2013	2.25%	11	01-01-2024	2,776,000	2,204,000
Golf Courses 1998	03-01-1998	4.20 - 5.38%	18	09-01-2015	1,950,000	45,000
Golf Courses 1999	04-01-1999	4.15 - 5.50%	20	09-01-2019	590,000	205,000
Total						<u>\$ 30,258,336</u>

The Water revenue bonds issued December 5, 2014, and the Sewer revenue bonds issued August 3, 2012 and June 26, 2013 are on reimbursement basis. As of June 30, 2015 the bonds had not been reimbursed in full and the balance is based on the amount that has been reimbursed.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

8. Long-Term Debt - continued

Revenue Bonds Payable - continued

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

Year Ending June 30	Business-Type Activities		
	Principal	Interest	Total
2016	\$ 2,561,000	\$ 920,465	\$ 3,481,465
2017	2,247,104	853,295	3,100,399
2018	2,303,795	790,484	3,094,279
2019	2,366,186	725,853	3,092,039
2020	2,437,160	658,544	3,095,704
2021-2025	9,354,800	2,329,865	11,684,665
2026-2030	5,793,789	1,064,775	6,858,564
2031-2034	3,194,502	222,623	3,417,125
Totals	<u>\$ 30,258,336</u>	<u>\$ 7,565,904</u>	<u>\$ 37,824,240</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, 2015 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, 2015.

Bond Reserves

Operating account	\$ 527,204
Debt service account	314,021
Bond covenant reserve account	328,066
Total revenue bond reserves	<u>\$ 1,169,291</u>
Repair and replacement account	935,514
Total reserves	<u>\$ 2,104,805</u>

Coverage Covenant Calculation

Gross revenues	\$ 11,071,241
Operating expenses	(5,305,083)
Net revenues	<u>\$ 5,766,158</u>
Maximum annual debt service requirement (50% of maximum annual debt service)	<u>\$ 328,066</u>
Percent coverage	<u>1757.62%</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 water system historical operating results.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

8. Long-Term Debt - continued

Revenue Bonds Payable - continued

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, 2015, 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, 2015.

Bond Reserves

Operating account	\$ 428,890
Debt service account	1,141,423
Bond covenant reserve account	<u>2,287,583</u>
Total revenue bond reserves	\$ 3,857,896
Repair and replacement account	<u>1,032,938</u>
Total reserves	<u><u>\$ 4,890,834</u></u>

Coverage Covenant Calculation

Gross revenues	\$ 10,949,176
Operating expenses	<u>(5,312,229)</u>
Net revenues	<u>\$ 5,636,947</u>
Maximum annual debt service requirement	<u>\$ 2,287,583</u>
Percent coverage	<u>246.41%</u>
Percent coverage required	<u><u>125.00%</u></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 125% of the maximum principal and interest to become due in any year. Net revenues are revenues for a specified period less the operating expenses for the same period. Revenues mean all revenues and receipts from rates, fees, charges and rentals, from penalties and interest, and from any sales of property and all income received from the investment of revenues and receipts, including interest earnings on all accounts excluding the Construction Account, Repair and Replacement Account and Surplus Account. Operating expenses include current expenses of operation, maintenance and minor repair of the system, excluding interest on bonds and depreciation. At June 30, 2015, the City was in compliance with all significant provisions and covenants.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

8. Long-Term Debt - continued

Revenue Bonds Payable - continued

Storm Drain Bond Covenants - continued

Shown below are the bond reserves of the Storm Drain fund and the calculation of the coverage covenant as of June 30, 2015.

Bond Reserves

Bond covenant reserve account	\$ 446,784
Total revenue bond reserves	\$ 446,784
Repair and replacement account	150,000
Total reserves	\$ 596,784

Coverage Covenant Calculation

Gross revenues	\$ 2,005,166
Operating expenses	(425,707)
Net revenues	\$ 1,579,459
Maximum annual debt service requirement	\$ 286,920
Percent coverage	550.49%
Percent coverage required	125.00%

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.

Golf Course Bond Covenants

The City issued the golf course bonds pursuant to resolutions authorizing each debt issue, which includes various restrictive provisions and covenants. At June 30, 2015, the City was in compliance with the Rates and Charges Covenant set forth in these resolutions. This covenant requires net revenues (gross revenues less operating expenses, exclusive of depreciation expense, and interest expense) to be at least equal to 140% of the principal and interest on the Series 1998 Bonds and the Series 1999 Bonds. As of September 1, 2015 all golf course bonds were paid off.

Shown below are the bond reserves of the Golf Course Fund and the calculation of the coverage covenant as of June 30, 2015.

Bond Reserves

Reserve account	\$ 90,359
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Coverage Covenant Calculation

Gross revenues	\$ 1,331,217
Operating expenses	(1,072,796)
Net revenues	\$ 258,421
Maximum annual debt service requirement	\$ 90,359
Percent coverage	285.99%
Percent coverage required	140.00%

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 golf courses pass holder rounds played, counts and fees, golf courses non-pass holder rounds played and green fees, and golf courses historical operating results.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

8. Long-Term Debt - continued

Capitalized Interest Expense

During the year ended June 30, 2015 the City incurred interest expense during the construction of assets financed by revenue bonds. This interest expense, less earnings on invested balances of the bond proceeds, was capitalized into the capital asset cost. The water fund incurred a net of \$119,667, the sewer fund incurred a net of \$534,442, and the storm drain fund incurred a net of \$44,400 in such capitalized interest expenses during the year ended June 30, 2015.

Net Pension Liability

Public Employees' Retirement System (PERS)

At June 30, 2015, the City recorded a liability \$17,266,157 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. 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, 2013 through June 30, 2014, relative to the total employer contributions received from all of PERS' participating employers. At June 30, 2014 the City's proportion was 1.39%.

Firefighters' Unified Retirement System (FURS)

At June 30, 2015, the City recorded a liability of \$3,276,335 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. 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, 2013 through June 30, 2014, relative to the total employer contributions received from all of FURS' participating employers. At June 30, 2014 the City's proportion was 3.36%.

Municipal Police Officers' Retirement System (MPORS)

At June 30, 2015, the City recorded a liability of \$6,822,498 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. 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, 2013 through June 30, 2014, relative to the total employer contributions received from all of MPORS' participating employers. At June 30, 2014 the City's proportion was 4.34%.

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, 2015 were as follows:

Governmental activities - internal service - health & benefits fund	\$1,455,312
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No governmental fund has been used to liquidate the net pension obligation or net other post employment benefit obligations.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

8. Long-Term Debt - continued

Changes in Noncurrent liabilities

During the year ended June 30, 2015 the following changes occurred in long-term liabilities:

	Beginning Balance - Restated	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Compensated absences	\$ 3,469,584	\$ 211,778	\$ (276,877)	\$ 3,404,485	\$ 203,418
Loans and contracts payable					
Master Debt SILD	76,519	-	(7,516)	69,003	22,342
Engineering	258,583	-	(37,695)	220,888	38,433
General obligation bonds payable					
Soccer Park Bond	1,460,000	-	(135,000)	1,325,000	135,000
Swim Pools Bond	760,000	-	(250,000)	510,000	255,000
General obligation taxable bonds payable	1,035,000	-	(120,000)	915,000	125,000
Urban renewal tax increment bonds payable					
West Bank TID Series 2009A	1,800,000	-	(55,000)	1,745,000	55,000
West Bank TID Series 2012	785,000	-	(35,000)	750,000	35,000
Special assessment debt					
SID No. 1301	215,000	-	(40,000)	175,000	50,000
Net pension liability	25,262,595	-	(3,178,994)	22,083,601	-
OPEB claims payable	1,589,024	-	(133,712)	1,455,312	-
Totals	<u>\$36,711,305</u>	<u>\$ 211,778</u>	<u>\$ (4,269,794)</u>	<u>\$32,653,289</u>	<u>\$ 919,193</u>
<u>Business-type activities</u>					
Compensated absences	\$ 588,426	\$ 17,415	\$ (72,438)	\$ 533,403	\$ 60,257
Capital leases - Swim Pools	305,109	-	(147,645)	157,464	157,464
Notes payable					
Port Authority Improvements 2005	711,606	-	(50,623)	660,983	52,701
Port Authority Improvements 2007	3,442,803	-	(239,307)	3,203,496	249,752
State Special Projects Improvements	4,947,786	-	(288,035)	4,659,751	293,546
Revenue bonds payable					
Water 2000, Amended & Restated	1,225,000	-	(179,000)	1,046,000	182,000
Water 2008, Amended & Restated	2,974,000	-	(174,000)	2,800,000	179,000
Water 2009	262,000	-	(16,000)	246,000	16,000
Water 2014	-	986,686	(105,000)	881,686	108,000
Sewer 2002, Amended & Restated	4,726,000	-	(591,000)	4,135,000	603,000
Sewer 2005	3,386,203	-	(241,203)	3,145,000	260,000
Sewer 2009	239,000	-	(14,000)	225,000	14,000
Sewer 2012	2,288,887	665,746	(149,000)	2,805,633	155,000
Sewer 2013A	6,820,000	-	(271,000)	6,549,000	280,000
Sewer 2013B	2,368,154	3,868,863	(266,000)	5,971,017	276,000
Storm Drain 2004, Amended & Restated	2,437,000	-	(233,000)	2,204,000	238,000
Golf Courses 1998	225,000	-	(180,000)	45,000	45,000
Golf Courses 1999	240,000	-	(35,000)	205,000	205,000
Net pension liability	6,798,253	-	(1,516,864)	5,281,389	-
Totals	<u>\$43,985,227</u>	<u>\$ 5,538,710</u>	<u>\$ (4,769,115)</u>	<u>\$44,754,822</u>	<u>\$3,374,720</u>

City of Great Falls, Montana
Notes to Financial Statements
June 30, 2015

9. Employee Benefit Plans

Public Employees' Retirement System (PERS)

Plan Description

The PERS-Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, Montana Code Annotated (MCA). This plan covers the State, local governments, certain employees of the Montana University System, and school districts.

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 members of both the defined contribution and defined benefit 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). For members that choose to join the PERS-DCRP or the MUS-RP, a percentage of the employer contributions will be used to pay down the liability of the PERS-DBRP.

The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are established by state law and can only be amended by the Legislature. Benefits are based on eligibility, years of service, and highest average compensation. Member rights are vested after five years of service.

Summary of Benefits

Members are eligible for benefits:

Service retirement	Hired prior to July 1, 2011	Age 60, 5 years of membership service; or 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; or 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
Vesting		Age 55, 5 years of membership service

A member's highest average compensation (HAC) is:

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

The monthly benefit formula is:

Members hired prior to July 1, 2011:

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

Members hired on or after July 1, 2011:

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

The guaranteed annual benefit adjustment (GABA)* is:

- 3% for members hired prior to July 1, 2007;
- 1.5% for members hired on or after July 1, 2007.

*At this time, as a result of permanent injunction issued in the AMRPE vs State litigation, the GABA rate in effect is being used in the calculation. Clarification of the GABA rate for members hired on or after July 1, 2013 is pending.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

9. Employee Benefit Plans - continued

Public Employees' Retirement System (PERS) - continued

Plan Description - continued

Summary of Benefits - continued

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.

Total number of members (employees) covered by benefit terms as of June 30, 2015:

Active plan members: 28,237

Inactive members entitled to but not yet receiving benefits or a refund:

Vested: 2,925

Non-Vested: 8,839

Inactive members and beneficiaries currently receiving benefits:

Service retirements: 20,080

Disability retirements: 176

Survivor benefits: 425

Overview of Contributions

- Rates are specified by state law for periodic employer and employee contributions. The State legislature has the authority to establish and amend contribution rates to the plan.
- Member contributions to the system:
 - Plan members are required to contribute 7.90% of member's compensation. Contributions are deducted from each member's salary and remitted by participating employers.
 - The 7.90% member contributions is 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 following the reduction of both the additional employer and additional member contribution rates.
- Employer contributions to the system:
 - State and University System employers are required to contribute 8.27% of members' compensation.
 - Local government entities are required to contribute 8.17% of members' compensation.
 - School district employers contributed 7.90% of members' compensation.
 - Following the 2013 Legislative Session, PERS-employer contributions were temporarily increased. Effective July 1, 2013, employer contributions increased 1.0%. Beginning July 1, 2014, employer contributions will increase an additional 0.1% a year over 10 years, through 2024. The employer additional contributions including the 0.27% added in 2007 and 2009, terminates on January 1 following actuary valuation results that show the amortization period of the PERS-DBRP has dropped below 25 years and would remain below 25 years following the reductions of both the additional employer and member contributions rates.
 - Effective July 1, 2013, the additional employer contributions for DCRP and MUS-RP is allocated to the defined benefit plan's Plan Choice Rate unfunded liability.
 - Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
- Non employer contributions:
 - 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.
 - Not special funding
 - The State contributes from the Coal Tax Severance fund.

Stand-Alone Statements

The PERS financial information is reported in the Public Employees' Retirement Board's Comprehensive Annual Financial Report for the fiscal year ended. It is available from the PERB at 100 North Park, PO Box 200131, Helena MT 59620-0131, 406-444-3154.

CAFR information including PERS stand alone financial statements can be found at <http://mpera.mt.gov/annualReports.shtml>. The latest actuarial valuation and experience study can be found at <http://mpera.mt.gov/actuarialvaluations.shtml>.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

9. Employee Benefit Plans - continued

Public Employees' Retirement System (PERS) - continued

Actuarial Assumptions

The Total Pension Liability as of June 30, 2014, is based on the results of an actuarial valuation date of June 30, 2014. There were several significant assumptions and other inputs used to measure the Total Pension Liability. The actuarial assumptions used in the June 30, 2014 valuation were based on the results of the last actuarial experience study, dated May 2010 for the six year period July 1, 2003 to June 30, 2009. Among those assumptions were the following:

General wage growth*	4.00%
*includes inflation at	3.00%
Merit increases	0% to 6%
Investment return	7.75%
Postretirement benefit increases	3% for members hired prior to July 1, 2007 1.5% for members hired on or after July 1, 2007

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.

*At this time, as a result of permanent injunction issued in the AMRPE vs State litigation, the GABA rate in effect is being used in the calculation. Clarification of the GABA rate for members hired on or after July 1, 2013 is pending.

Mortality assumptions among contributing members, terminated vested members, service retired members and beneficiaries based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2015 with scale AA.

Mortality assumptions among Disabled Retirees are based on RP 2000 Combined Employee and Annuitant Mortality Tables with no projections. No future mortality improvement is assumed.

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.75%. 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% for school districts. In addition, the State contributes coal severance tax and interest money from the general fund. The interest is contributed monthly and the severance tax is contributed quarterly. 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 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 Total Pension Liability. No municipal bond rate was incorporated in the discount rate.

Target Allocations

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Cash Equivalents	2.00%	-0.25%
Domestic Equity	36.00%	4.80%
Foreign Equity	18.00%	6.05%
Fixed Income	24.00%	1.68%
Private Equity	12.00%	8.50%
Real Estate	8.00%	4.50%

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

9. Employee Benefit Plans - continued

Public Employees' Retirement System (PERS) - continued
Discount Rate - continued

The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the System. The most recent analysis, performed for the period covering fiscal years 2003 through 2009, is outlined in a report dated May 2010, which is located on the MPERA website. Several factors are considered in evaluating the long-term rate of return assumption including rates of return 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 (expected returns, net of pension plan investment expense and inflation) are developed by the investment consultant 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 then adding expected inflation. The assumption is intended to be a long term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. Best estimates are presented as the arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2014, is summarized in the above table.

Sensitivity Analysis

	1.0% Decrease -6.75%	Current Discount Rate	1.0% Increase -8.75%
PERS' Net Pension Liability	\$1,982,274,732	\$1,246,010,898	\$625,044,646
City of Great Falls' proportion	27,468,673	17,266,157	8,661,336

In accordance with GASB 68 regarding the disclosure of the sensitivity of the Net Pension Liability to changes in the discount rate, the above table presents the Net Pension Liability calculated using the discount rate of 7.75%, as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1.00% lower (6.75%) or 1.00% higher (8.75%) than the current rate.

Net Pension Liability

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers are required to recognize and report certain amounts associated with their participation in the Public Employees' Retirement System (PERS). Statement 68 became effective June 30, 2015 and includes requirements to record and report their proportionate share of the collective Net Pension Liability, Pension Expense, Deferred Inflows and Deferred Outflows of resources associated with pensions.

In accordance with Statement 68, PERS has a special funding situation in which the State of Montana is legally responsible for making contributions directly to PERS on behalf of the employers. Due to the existence of this special funding situation, local governments and school districts are required to report the portion of the State of Montana's proportionate share of the collective Net Pension Liability that is associated with the employer.

The State of Montana also has a funding situation that is not Special Funding whereby the State General Fund provides contributions from the Coal Severance Tax and interest. All employers are required to report the portion of Coal Tax Severance Tax and interest attributable to the employer.

	Net Pension Liability as of 6/30/13	Net Pension Liability as of 6/30/14	Percent of Collective NPL
City Proportionate Share	\$22,218,891	\$17,266,157	1.39%
State of Montana Proportionate Share associated with City	271,326	210,846	1.76%
Total	\$22,490,217	\$17,477,003	3.15%

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

9. Employee Benefit Plans - continued

Public Employees' Retirement System (PERS) - continued
Net Pension Liability - continued

At June 30, 2015, the City recorded a liability of \$17,266,157 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The City's proportion of the net pension liability was based on the City's contributions received by PERS during the measurement period July 1, 2013 through June 30, 2014, relative to the total employer contributions received from all of PERS' participating employers. At June 30, 2014 the City's proportion was 1.39%.

Changes in actuarial assumptions and methods: There were no changes in assumptions or other inputs that affected the measurement of the Total Pension Liability.

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 Net Pension Liability and the City's reporting date that are expected to have a significant effect on the City's proportionate share of the collective NPL.

Pension Expense

	Pension Expense as of 6/30/14
City's Proportionate Share	\$837,755
State of Montana Proportionate Share associated with City	488,214
Total	\$1,325,969

At June 30, 2015, the City recognized a Pension Expense of \$1,325,969 for its proportionate share of the PERS's Pension Expense. The City also recognized grant revenue of \$488,214 for the support provided by the State of Montana for its proportionate share of the Pension Expense that is associated with the City.

Recognition of Beginning Deferred Outflow

At June 30, 2015, the City recognized a beginning deferred outflow of resources for the City's year ended June 30, 2014 contributions of \$1,319,344.

Deferred Inflows and Outflows

At June 30, 2015, the City reported its proportionate share of PERS's deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ -
Changes in assumptions	-	-
Difference between projected and actual earnings on pension plan investments	-	4,461,293
Changes in proportion differences between City contributions and proportionate share of contributions	-	16,123
Difference between actual and expected contributions	-	-
# Contributions paid to PERS subsequent to the measurement date - FY 2015 contributions	1,383,001	-
Total	\$1,383,001	\$4,477,416

Amounts 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, 2016.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

9. Employee Benefit Plans - continued

Public Employees' Retirement System (PERS) - continued
Deferred Inflows and Outflows - continued

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

Year ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Amount recognized in Pension Expense as an increase or (decrease) to Pension Expense
2016	\$ -	\$1,120,697	\$(1,120,697)
2017	-	1,120,697	(1,120,697)
2018	-	1,115,323	(1,115,323)
2019	-	-	-
2020	-	-	-
Thereafter	-	-	-

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 system 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 either final monthly compensation or final average compensation. Effective July 1, 2005, the benefits are based on highest average compensation and highest average compensation. Member rights for death and disability are vested immediately. All other member rights are vested after five years of service.

Summary of Benefits

Members are eligible for benefits:

- 20 years of membership service, regardless of age.
- Early retirement - age 50, 5 years of membership service.
- Vesting - 5 years of membership service.

A member's highest monthly compensation (HMC) is:

- Hired prior to July 1, 1981 and not electing GABA - highest monthly compensation;
- Hired after June 30, 1981 and those electing GABA - highest average compensation (HAC) during any consecutive 36 months.
- Hired on or after July 1, 2013 - 110% annual cap on compensation considered as a part of a member's highest average compensation.

The monthly benefit formula is:

- Members hired prior to July 1, 1981 and not electing GABA are entitled to the greater of: 2.5% of HMC per year of service, OR
 - if less than 20 years of service - 2% of HMC for each year of service;
 - if more than 20 years of service - 50% of the member's HMC plus 2% of the member's HMC for each year of service over 20 years.
- 2.5% of HAC per year of membership service

The guaranteed annual benefit adjustment (GABA) is - 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, inclusive of all other adjustments to the member's benefit.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

9. Employee Benefit Plans - continued

Firefighters' Unified Retirement System (FURS) - continued

Plan Description - continued

Summary of Benefits - continued

The minimum benefit adjustment (non-GABA) is - if hired before July 1, 1997, the monthly retirement, disability or survivor's benefit may not be less than ½ the compensation of a newly confirmed firefighter employed by the city that last employed the member (provided the member has at least 10 years of membership service). If a benefit falls below that minimum, the benefit is increased and paid to the benefit recipient.

Total number of members (employees) covered by benefit terms as of June 30, 2015:

Active plan members:	627
Inactive members entitled to but not yet receiving benefits or a refund:	
Vested:	21
Non-vested:	71
Inactive members and beneficiaries currently receiving benefits:	
Service retirements:	580
Disability retirements:	9
Survivor benefits:	20

Overview of Contributions

- Rates are specified by state law for periodic employer and employee contributions. The State legislature has the authority to establish and amend contribution rates to the plan.
- Member contributions to the system:
 - For members hired prior to July 1, 1997 and not electing GABA, member contributions as a percentage of salary are 9.5%, and
 - For members hired on or after July 1, 1997 and members electing GABA, member contributions as a percentage of salary are 10.7%.
- Employer contributions to the system:
 - The employers are required to contribute 14.36% of member's compensation.
 - The State contributes 32.61% of member's compensation from the general fund.
 - Effective July 1, 2013, employer and state contributions are required to be paid on working retiree compensation. Member contributions are not required for working retirees.

Stand-Alone Statements

The FURS financial information is reported in the Public Employees' Retirement Board's Comprehensive Annual Financial Report for the fiscal year ended. It is available from the PERB at 100 North Park, PO Box 200131, Helena MT 59620-0131, 406-444-3154.

CAFR information including FURS stand alone financial statements can be found at <http://mpera.mt.gov/annualReports.shtml>. The latest actuarial valuation and experience study can be found at <http://mpera.mt.gov/actuarialvaluations.shtml>.

Actuarial Assumptions

The Total Pension Liability as of June 30, 2014, is based on the results of an actuarial valuation date of June 30, 2014. There were several significant assumptions and other inputs used to measure the Total Pension Liability. The actuarial assumptions used in the June 30, 2014 valuation were based on the results of the last actuarial experience study, dated May 2010 for the six year period July 1, 2003 to June 30, 2009. Among those assumptions were the following:

General wage growth*	4.00%
*includes inflation at	3.00%
Merit increases	0% to 7.3%
Investment return	7.75%
Postretirement benefit increases	3% if electing GABA or hired on or after July 1, 1997
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 the member's benefit.	
Minimum benefit adjustment	50% of a newly confirmed officer

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

9. Employee Benefit Plans - continued

Firefighters' Unified Retirement System (FURS) - continued
Plan Description - continued

Actuarial Assumptions - continued

Mortality assumptions among contributing members, terminated vested members, service retired members and beneficiaries based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2015 with scale AA.

Mortality assumptions among Disabled Retirees are based on RP 2000 Combined Employee and Annuitant Mortality Tables with no projections. No future mortality improvement is assumed.

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.75%. 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 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 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 Total Pension Liability. No municipal bond rate was incorporated in the discount rate.

Target Allocations

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Cash Equivalents	2.00%	-0.25%
Domestic Equity	36.00%	4.80%
Foreign Equity	18.00%	6.05%
Fixed Income	24.00%	1.68%
Private Equity	12.00%	8.50%
Real Estate	8.00%	4.50%

The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the System. The most recent analysis, performed for the period covering fiscal years 2003 through 2009, is outlined in a report dated May 2010, which is located on the MPERA website. Several factors are considered in evaluating the long-term rate of return assumption including rates of return 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 (expected returns, net of pension plan investment expense and inflation) are developed by the investment consultant 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 then adding expected inflation. The assumption is intended to be a long term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. Best estimates are presented as the arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2014, is summarized in the above table.

Sensitivity Analysis

	1.0% Decrease -6.75%	Current Discount Rate	1.0% Increase -8.75%
FURS' Net Pension Liability	\$156,823,891	\$97,616,579	\$49,290,705
City of Great Falls' proportion	5,263,528	3,276,335	1,654,359

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

9. Employee Benefit Plans - continued

Firefighters' Unified Retirement System (FURS) - continued
Discount Rate - continued

Sensitivity Analysis - continued

In accordance with GASB 68 regarding the disclosure of the sensitivity of the Net Pension Liability to changes in the discount rate, the above table presents the Net Pension Liability calculated using the discount rate of 7.75%, as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1.00% lower (6.75%) or 1.00% higher (8.75%) than the current rate.

Net Pension Liability

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers are required to recognize and report certain amounts associated with their participation in the Firefighters' Unified Retirement System (FURS). Statement 68 became effective June 30, 2015 and includes requirements to record and report their proportionate share of the collective Net Pension Liability, Pension Expense, Deferred Inflows and Deferred Outflows of resources associated with pensions.

In accordance with Statement 68, FURS has a special funding situation in which the State of Montana is legally responsible for making contributions directly to FURS on behalf of the employers. Due to the existence of this special funding situation, employers are required to report the portion of the State of Montana's proportionate share of the collective Net Pension Liability that is associated with the City.

	Net Pension Liability as of 6/30/13	Net Pension Liability as of 6/30/14	Percent of Collective NPL
City Proportionate Share	\$4,193,514	\$3,276,335	3.36%
State of Montana Proportionate Share associated with City	9,460,363	7,391,251	0.69%
Total	\$13,653,878	\$10,667,586	4.05%

At June 30, 2015, the City recorded a liability of \$3,276,335 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2014, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of July 1, 2014. The City's proportion of the Net Pension Liability was based on the City's contributions received by FURS during the measurement period July 1, 2013, through June 30, 2014, relative to the total employer contributions received from all of FURS' participating employers. At June 30, 2014 the City's proportion was 3.36%.

Changes in actuarial assumptions and methods: There were no changes in assumptions or other inputs that affected the measurement of the total pension liability.

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 net pension liability and the City's reporting date that are expected to have a significant effect on the City's proportionate share of the collective NPL.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

9. Employee Benefit Plans - continued

Firefighters' Unified Retirement System (FURS) - continued
Pension Expense

	Pension Expense as of 6/30/14
City's Proportionate Share	\$363,710
State of Montana Proportionate Share associated with City	820,512
Total	\$1,184,222

At June 30, 2015, the City recognized a Pension Expense of \$1,184,222 for its proportionate share of the FURS Pension Expense. The City also recognized grant revenue of \$850,512 for the support provided by the State of Montana for its proportionate share of the Pension Expense that is associated with the City.

Recognition of Beginning Deferred Outflow

At June 30, 2015, the City recognized a beginning deferred outflow of resources for the City's year ended June 30, 2014 contributions of \$630,134.

Deferred Inflows and Outflows

At June 30, 2015, the City reported its proportionate share of FURS deferred outflows of resources and deferred inflows of resources related to FURS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ -
Changes in assumptions	-	-
Difference between projected and actual earnings on pension plan investments	-	650,756
Changes in proportion differences between City contributions and proportionate share of contributions	-	-
Difference between actual and expected contributions	-	-
# Contributions paid to FURS subsequent to the measurement date - FY 2015 contributions	615,629	-
Total	\$615,629	\$650,756

Amounts 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, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in Pension Expense as follows:

Year ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Amount recognized in Pension Expense as an increase or (decrease) to Pension Expense
2016	\$ -	\$162,689	\$(162,689)
2017	-	162,689	(162,689)
2018	-	162,689	(162,689)
2019	-	-	-
2020	-	-	-
Thereafter	-	-	-

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

9. Employee Benefit Plans - continued

Municipal Police Officers' Retirement System (MPORS)

Plan Description

The Municipal Police Officers' Retirement System (MPORS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing defined benefit plan that was established in 1974 and is governed by Title 19, chapters 2 & 9 of the MCA. This plan covers 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. The MPORS provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and final average compensation. Member rights for death and disability are vested immediately. All other rights are vested after five years of service.

Summary of Benefits

Members are eligible for benefits:

- 20 years of membership service, regardless of age.
- Early retirement - age 50, 5 years of membership service.
- Vesting - 5 years of membership service.

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

The monthly benefit formula is 2.5% of FAC per year of service credit.

The guaranteed annual benefit adjustment (GABA) is - 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, inclusive of all other adjustments to the member's benefit.

The minimum benefit adjustment (non-GABA) is - if hired before July 1, 1997, and the member did not elect GABA, the monthly retirement, disability or survivor's benefit may not be less than ½ the compensation of a newly confirmed officer employed in the city that the member was last employed.

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 only 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.

Total number of members (employees) covered by benefit terms as of June 30, 2015:

- Active plan members: 743
- Inactive members entitled to but not yet receiving benefits or a refund:
 - Vested: 60
 - Non-vested: 103
- Inactive members and beneficiaries currently receiving benefits:
 - Service retirements: 694
 - Disability retirements: 21
 - Survivor benefits: 29

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

9. Employee Benefit Plans - continued

Municipal Police Officers' Retirement System (MPORS) - continued
Plan Description - continued

Overview of Contributions

- Rates are specified by state law for periodic employer and employee contributions. The State legislature has the authority to establish and amend contribution rates to the plan.
- Member contributions to the system:
 - If employed on or before June 30, 1975, member contributions as a percentage of salary are 5.8%; and
 - If employed after June 30, 1975 and prior to July 1, 1979, member contributions as a percentage of salary are 7.0%;
 - If employed after June 30, 1979 and prior to July 1, 1997, member contributions as a percentage of salary are 8.5%; and,
 - If employed on or after July 1, 1997 and for members electing GABA, member contributions as a percentage of salary were 9.0%.
- Employer contributions to the system:
 - The employers are required to contribute 14.41% of member's compensation.
 - The State contributes 29.37% of member's compensation from the general fund.

Stand-Alone Statements

The MPORS financial information is reported in the Public Employees' Retirement Board's Comprehensive Annual Financial Report for the fiscal year ended. It is available from the PERB at 100 North Park, PO Box 200131, Helena MT 59620-0131, 406-444-3154.

CAFR information including MPORS stand alone financial statements can be found at <http://mpera.mt.gov/annualReports.shtml>. The latest actuarial valuation and experience study can be found at <http://mpera.mt.gov/actuarialvaluations.shtml>.

Actuarial Assumptions

The Total Pension Liability as of June 30, 2014, is based on the results of an actuarial valuation date of June 30, 2014. There were several significant assumptions and other inputs used to measure the Total Pension Liability. The actuarial assumptions used in the June 30, 2014 valuation were based on the results of the last actuarial experience study, dated May 2010 for the six year period July 1, 2003 to June 30, 2009. Among those assumptions were the following:

General wage growth*	4.00%
*includes inflation at	3.00%
Merit increases	0% to 7.3%
Investment return	7.75%
Postretirement benefit increases	3% if electing GABA or hired on or after July 1, 1997
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 the member's benefit.	
Minimum benefit adjustment	50% of a newly confirmed officer

Mortality assumptions among contributing members, terminated vested members, service retired members and beneficiaries based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2015 with scale AA.

Mortality assumptions among Disabled Retirees are based on RP 2000 Combined Employee and Annuitant Mortality Tables with no projections. No future mortality improvement is assumed.

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.75%. 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 pensionable payroll paid by employers. Based on those assumptions, the System's fiduciary net position was

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

9. Employee Benefit Plans - continued

Municipal Police Officers' Retirement System (MPORS) - continued
Discount Rate - continued

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 Total Pension Liability. No municipal bond rate was incorporated in the discount rate.

Target Allocations

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Cash Equivalents	2.00%	-0.25%
Domestic Equity	36.00%	4.80%
Foreign Equity	18.00%	6.05%
Fixed Income	24.00%	1.68%
Private Equity	12.00%	8.50%
Real Estate	8.00%	4.50%

The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the System. The most recent analysis, performed for the period covering fiscal years 2003 through 2009, is outlined in a report dated May 2010, which is located on the MPORA website. Several factors are considered in evaluating the long-term rate of return assumption including rates of return 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 (expected returns, net of pension plan investment expense and inflation) are developed by the investment consultant 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 then adding expected inflation. The assumption is intended to be a long term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. Best estimates are presented as the arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2014, is summarized in the above table.

Sensitivity Analysis

	1.0% Decrease -6.75%	Current Discount Rate	1.0% Increase -8.75%
MPORS' Net Pension Liability	\$226,560,623	\$157,135,903	\$102,022,702
City of Great Falls' proportion	9,836,767	6,822,498	4,429,603

In accordance with GASB 68 regarding the disclosure of the sensitivity of the Net Pension Liability to changes in the discount rate, the above table presents the Net Pension Liability calculated using the discount rate of 7.75%, as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1.00% lower (6.75%) or 1.00% higher (8.75%) than the current rate.

Net Pension Liability

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers are required to recognize and report certain amounts associated with their participation in the Municipal Police Officers' Retirement System (MPORS). Statement 68 became effective June 30, 2015 and includes requirements to record and report their proportionate share of the collective Net Pension Liability, Pension Expense, Deferred Inflows and Deferred Outflows of resources associated with pensions.

In accordance with Statement 68, MPORS has a special funding situation in which the State of Montana is legally responsible for making contributions directly to MPORS on behalf of the employers. Due to the existence of this special funding situation, employers are required to report the portion of the State of Montana's proportionate share of the collective Net Pension Liability that is associated with the employer.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

9. Employee Benefit Plans - continued

Municipal Police Officers' Retirement System (MPORS) - continued
Net Pension Liability - continued

	Net Pension Liability as of 6/30/13	Net Pension Liability as of 6/30/14	Percent of Collective NPL
City Proportionate Share	\$7,773,271	\$6,822,498	4.34%
State of Montana Proportionate Share associated with City	15,702,936	13,782,261	0.67%
Total	\$23,476,206	\$20,604,759	5.01%

At June 30, 2015, the City recorded a liability of \$6,822,498 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. 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, 2013, through June 30, 2014, relative to the total employer contributions received from all of MPORS's participating employers. At June 30, 2014, the employer's proportion was 4.34%.

Changes in actuarial assumptions and methods: There were no changes in assumptions or other inputs that affected the measurement of the total pension liability.

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 net pension liability and the City's reporting date that are expected to have a significant effect on the City's proportionate share of the collective NPL.

Pension Expense

	Pension Expense as of 6/30/14
City's Proportionate Share	\$733,862
State of Montana Proportionate Share associated with City	1,482,490
Total	\$2,216,352

At June 30, 2015, the City recognized a pension expense of \$2,216,352 for its proportionate share of the MPORS' pension expense. The City also recognized grant revenue of \$1,482,490 for the support provided by the State of Montana for its proportionate share of the pension expense that is associated with the City.

Recognition of Beginning Deferred Outflow

At June 30, 2015, the City recognized a beginning deferred outflow of resources for the City's year ended June 30, 2014 contributions of \$847,013.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

9. Employee Benefit Plans - continued

Municipal Police Officers' Retirement System (MPORS) - continued

Deferred Inflows and Outflows

At June 30, 2015, the employer reported its proportionate share of MPORS deferred outflows of resources and deferred inflows of resources related to MPORS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ -
Changes in assumptions	-	-
Difference between projected and actual earnings on pension plan investments	-	837,622
Changes in proportion differences between City contributions and proportionate share of contributions	-	-
Difference between actual and expected contributions	-	-
# Contributions paid to MPORS subsequent to the measurement date - FY 2015 contributions	838,073	-
Total	\$838,073	\$837,622

Amounts 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, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Amount recognized in Pension Expense as an increase or (decrease) to Pension Expense
2016	\$ -	\$209,406	\$(209,406)
2017	-	209,406	(209,406)
2018	-	209,406	(209,406)
2019	-	-	-
2020	-	-	-
Thereafter	-	-	-

10. 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 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, an agent multiple-employer defined benefit plan. In accordance with MCA 2-18-704 optional postemployment benefits are provided to employees who retire and their eligible dependents, under applicable retirement provisions and who elect to continue coverage and pay administratively established premiums. The City allows its retired employees to continue their health care insurance coverage through the City's group health plan until death. 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.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

10. Other Postemployment Benefits - continued

Funding Policy

The plan is unfunded by the City, and retirees receiving benefits contribute 100% of their premium on a pay-as-you-go basis. For the current fiscal year, premiums for the City's retirees varied between \$444.87 and \$1,409.11 per month depending on the medical plan selected, family coverage, and Medicare eligibility. As of June 30, 2015, 123 retirees (policyholders) were enrolled in the plan. All of the City's actuarial accrued liability is unfunded. No funding has been provided for the unfunded liability and no plans for future funding exist.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) for health insurance is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. Shown below is the City's annual OPEB cost as of June 30, 2015 and the related information:

Annual Required Contribution	\$	570,637
Interest on net OPEB obligation		68,171
Adjustment to annual required contribution		(95,157)
Annual OPEB cost		543,651
Contributions made		(677,363)
Increase (Decrease) in net OPEB obligation		(133,712)
Net OPEB obligation beginning of year		1,589,024
Net OPEB obligation end of year	\$	1,455,312

Shown below is the City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015 and the two preceding years (4.29% discount rate, and level percent of pay amortization):

Year Ending June 30	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2013	\$ 612,137	56.73%	\$ 1,010,026
2014	607,415	4.68%	1,589,024
2015	543,650	46.54%	1,455,312

Funded Status and Funding Progress

As of June 30, 2015, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$	6,644,751
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)	\$	6,644,751
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll (annual payroll of active employees covered by the plan)	\$	21,355,802
UAAL as a percentage of covered payroll		31%

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress presented following these notes as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets discloses about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

10. Other Postemployment Benefits - continued

Actuarial Methods and Assumptions - continued

actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The projections in this report are estimates and, as such, the City's actual liability will vary from these estimates being subject to continual revisions. The actual liability will not be known until such time that all eligibility is exhausted and all benefits are paid.

In the June 30, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.29% discount rate; the RP-2000 Combined Mortality Tables were used; a premium trend rate of 4.00%; a participation rate of 20% of future retirees; a marriage assumption that wives are three years younger than husbands for active employees and 50% are assumed to have an eligible spouse who will elect coverage upon retirement; and the effect of aging has been estimated using tables from a 2013 Society of Actuaries (SOA) study, *Health Care Costs from Birth to Death*. The amortization of the City's unfunded actuarial accrued liability is being amortized over thirty (30) level open years. All of the City's actuarial accrued liability is unfunded. No funding has been provided for the unfunded liability and no plans for future funding exist.

11. Construction Commitments

The City has entered into contracts for the design, construction or renovation of various facilities at June 30, 2015, some of which are as follows:

	Amount Expended to Date	Remaining Construction Commitment	Expected Date of Completion
Sewer Lift Stations Improvements	\$226,415	\$174,440	June 2016
Water Main Replacement Oddfellows to Broadwater Bay	1,073,907	376,093	June 2016
Wastewater Improvements Southeast Great Falls	291,479	1,408,521	October 2016
Public Works Admin/Environmental Building Addition	150,423	12,277	December 2015
18th Street S Storm Drain Improvements	1,083,485	21,415	October 2015
North Great Falls Sewage Lift Station and Force Main	67,630	97,761	June 2016
South Great Falls Storm Drain Improvements	29,183	515,817	October 2016
West Bank Park Restroom	12,582	106,918	June 2016
West Bank Park Landscaping and Irrigation	4,068	298,932	June 2016
Water Storage Tank Evaluation	305,037	521,963	October 2016
Water Storage Tank Improvements	1,157,661	1,228,500	December 2016
Sanitary Sewer Trenchless Rehab Phase 18	570	646,680	June 2016
Missouri River Parking Lots & Restrooms	913	154,713	June 2016
Water Treatment Plant Administration Building & Shop	2,808,139	1,732,754	October 2016
Wastewater Treatment Plant Permit Required Upgrades	18,143,843	14,013	March 2016
Hill 57 Pump Upgrades	315,575	111,610	March 2016

12. 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, 2015, 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, 2015, were not significant.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

13. Contracted Services

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

Fire Districts

The City provides fire protection for 16 rural fire districts. The term of this agreement is for the period of three (3) years from October 1, 2009 to September 30, 2012. This agreement was renewed for the period of three (3) years from October 1, 2012 to September 30, 2015.

Dispatch and Communication Services

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

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:

Housing Authority

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

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, 2016.

Solid Waste

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

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 in fiscal year 2004 and expired in March 2015. The contract was renewed through December 31, 2020.

14. Contingencies

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's legal counsel that resolution of some of these matters may have a

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

14. Contingencies - continued

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.

15. 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 three state-wide public risk pools operated by the Montana Municipal Interlocal Authority (MMIA), for workers' compensation, tort liability coverage, property coverage, and employment practices liability coverage. In 2006/2007 the MMIA added pollution coverage at no additional cost to the members.

Commercial policies, transferring all risks of loss except for relatively small deductible amounts, are purchased for property and content damage and professional liabilities. 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. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

In 1986, the City joined together with other Montana cities to form the MMIA which established a workers' compensation plan and a tort liability plan. Both public entity risk pools currently operate as common risk management and insurance programs for the member governments. The City's liability limits for damages in tort action are \$750,000 per claim and \$1.5 million per occurrence with a \$7,500 deductible per claim. The City pays 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 tort liability plan has no debt outstanding at this time. In June of 1994, the workers' compensation bonds were refunded and reissued in the amount of \$7.62 million. All members signed a contingent note for a pro rata share of this liability in case operating revenues were insufficient to cover the debt service. The City's share is \$1,010,832 for workers' compensation. Based on the current financial position of the plan, the City does not expect to make any payment on this note.

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, 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, Public Entities' Property Insurance. 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 unreported exposure, eliminating the risk of a member not having coverage because a property was not on their "property list".

16. 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.

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

16. Net Positions and Fund Balances - continued

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.

As of June 30, 2015, reservations of fund balance are described below:

Fiduciary Funds	
Designated for Castle Pines	\$ 205,424

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.

The City has a policy for minimum fund balance of 17% of annual appropriations for the tax levy supported funds (General and Library) and fund balances of 8 to 17% of annual appropriations for all other operating funds. 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:

City of Great Falls, Montana
Notes to Financial Statements (Continued)
June 30, 2015

16. Net Positions and Fund Balances - continued

	Major Special Revenue Funds				Other Governmental Funds	Total
	General	Street District	Federal Block Grant			
Fund balances:						
Nonspendable:						
Land held for resale	\$ -	\$ 9,734	\$ -	\$ 15,615	\$ 25,349	
Restricted for:						
Library projects	-	-	-	140,424	140,424	
Federal block grant	-	-	430,446	-	430,446	
Home grant	-	-	-	8,948	8,948	
CTEP projects	-	-	-	95,619	95,619	
Special assessment purposes	-	2,119,386	-	2,459,240	4,578,626	
Tax increment districts projects	-	-	-	601,071	601,071	
General obligation debt	-	-	-	99,887	99,887	
General obligation taxable debt	-	-	-	5,037	5,037	
Tax increment debt	-	-	-	977,818	977,818	
Special assessment debt	-	-	-	82,907	82,907	
Assigned for:						
General government	-	-	-	225,335	225,335	
Public safety	-	-	-	730,688	730,688	
Park and recreation	-	-	-	605,178	605,178	
Housing and development	-	-	-	706,661	706,661	
Capital outlay	-	-	-	306,214	306,214	
Library operations	-	-	-	455,385	455,385	
Unassigned:	5,892,518	-	-	(2,600)	5,889,918	
	<u>\$ 5,892,518</u>	<u>\$2,129,120</u>	<u>\$ 430,446</u>	<u>\$ 7,513,427</u>	<u>\$ 15,965,511</u>	

The unassigned in the Other Governmental Funds category is the deficit fund balances of the Street Lighting Construction capital project fund.

17. Deficit Fund Balances and Net Positions

The Street Lighting Construction capital project fund has a fund balance deficit of \$2,600. This fund is used to account for financing the installation of city owned lighting district improvements. The deficit is due to the timing of reimbursement of the cost of the improvements from Montana Board of Investments Intercap funds.

The Information Technology internal service fund has a net position deficit of \$408,649. This is due to the GASB 68 required recording of the unfunded net pension liability.

The Health and Benefit internal service fund has a net position deficit of \$653,050. This is due to the GASB 45 required recording of the unfunded liability OPEB obligation.

The Human Resources internal service fund has a net position deficit of \$199,766. This is due to the GASB 68 required recording of the unfunded net pension liability.

The Fiscal Services internal service fund has a net position deficit of \$929,482. 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 \$267,495. This is due to the GASB 68 required recording of the unfunded net pension liability.

City of Great Falls, Montana
Notes to Financial Statements (Concluded)
June 30, 2015

18. Prior Period Adjustments

The beginning net position of the funds were restated to record the implementation of GASB 68. The governmental activities and business type activities were restated to record the implementation of GASB 68 as stated below:

	Governmental Activities	Business-type Activities	Total
Beginning net position as previously reported at June 30, 2014	\$83,478,482	\$127,432,654	\$210,911,136
Prior period adjustment - implementation of GASB 68: Net pension liability	(25,262,595)	(6,798,253)	32,060,848
Deferred outflows - contributions subsequent to the measurement date	261,832	403,564	665,396
Total prior period adjustment	(25,000,763)	(6,394,689)	(31,395,452)
Net position as restated, July 1, 2014	58,477,719	121,037,965	179,515,684

19. Subsequent Events

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. The term of the loan was fifteen (15) years with an initial interest rate of 1.25%. Closing of this loan did not occur until Fiscal Year 2016.

In 2005, an action against the City was filed concerning the construction of Seibel Soccer Park. Damages of \$75,658 were paid out of the General Capital Projects fund July 15, 2015.

September 1, 2015, the City early called and redeemed \$170,000 of the Golf Course Revenue Bonds Series 1999, allowing the City to pay off all Golf Course debt.

September 15, 2015, the City paid the final lease payment for the Capital Lease - Swimming Pools Fund.

November 17, 2015, the City Commission approved a lease agreement with the Great Falls Public School District for city owned park property known as Westwood Park including CMR tennis courts. The lease is for 30 years with the School District paying \$1 a year.

The City Commission, on December 1, 2015, authorized the borrowing of \$796,859 in Intercap funds by the General Fund for the purpose of purchasing two fire trucks. The term of the loan was ten (10) years with an initial interest rate of 1.25%.

December 1, 2015, the City Commission approved the settlement of claims with a former City employee in the amount of \$90,000. Of the \$90,000 the City will pay \$40,000. The remaining balance of \$50,000 will be paid by MMIA.

Management has evaluated subsequent events through December 9, 2015, the date on which the financial statements were available to be issued.

Required Supplementary Information
City of Great Falls, Montana
Actuarial Valuation of Postretirement Benefits
For the Year Ended June 30, 2015

Actuarial Valuation Date	Actuarial Value of Asset	Actuarial Liabilities (AAL) ¹	Unfunded Actuarial Liabilities (UAAL) ²	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2012	-	\$ 7,209,742	\$ 7,209,742	0%	\$ 19,175,072	38%
July 1, 2013	-	7,209,742	7,209,742	0%	21,144,873	34%
July 1, 2014	-	6,644,751	6,644,751	0%	21,355,802	31%

¹ Actuarial liability determined under the projected unit credit cost method.

² Actuarial liability less actuarial value of assets if any.

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

	2015
City's proportionate share of the net pension liability associated with the City	1.39%
City's proportion of the net pension liability	\$ 17,266,157
State of Montana proportionate share of the net pension liability associated with the City	210,846
Total	\$ 17,477,003
City's covered-employee payroll	\$ 15,686,268
City's proportionate share of the net pension liability as of its covered-employee payroll	110.07%
Plan fiduciary net position as a percentage of the total pension liability	79.90%

Firefighters' Unified System

	2015
City's proportionate share of the net pension liability associated with the City	3.36%
City's proportion of the net pension liability	\$ 3,276,335
State of Montana proportionate share of the net pension liability associated with the City	7,391,251
Total	\$ 10,667,586
City's covered-employee payroll	\$ 4,359,771
City's proportionate share of the net pension liability as of its covered-employee payroll	75.15%
Plan fiduciary net position as a percentage of the total pension liability	76.70%

Municipal Police Officers' Retirement System

	2015
City's proportionate share of the net pension liability associated with the City	4.34%
City's proportion of the net pension liability	\$ 6,822,498
State of Montana proportionate share of the net pension liability associated with the City	13,782,261
Total	\$ 20,604,759
City's covered-employee payroll	\$ 5,825,529
City's proportionate share of the net pension liability as of its covered-employee payroll	117.11%
Plan fiduciary net position as a percentage of the total pension liability	67.00%

* GASB Statement #68 was implemented in Fiscal Year 2015.

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

Public Employees' Retirement System

	2015
Contractually required contribution	\$ 1,319,344
Contributions in relation to the contractually required contributions	(1,319,344)
Contribution deficiency (excess)	\$ -
City's covered-employee payroll	\$ 15,686,268
Contributions of covered-employee payroll	8.41%

Firefighters' Unified Retirement System

	2015
Contractually required contribution	\$ 630,134
Contributions in relation to the contractually required contributions	(630,134)
Contribution deficiency (excess)	\$ -
City's covered-employee payroll	\$ 4,359,771
Contributions of covered-employee payroll	14.45%

Municipal Police Officers' Retirement System

	2015
Contractually required contribution	\$ 847,013
Contributions in relation to the contractually required contributions	(847,013)
Contribution deficiency (excess)	\$ -
City's covered-employee payroll	\$ 5,825,529
Contributions of covered-employee payroll	14.54%

* GASB Statement #68 was implemented in Fiscal Year 2015.

Required Supplementary Information
City of Great Falls, Montana
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2015

	General			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 15,670,547	\$ 15,670,547	\$ 16,081,362	\$ 410,815
Licenses and permits	865,364	865,364	878,718	13,354
Intergovernmental	7,274,937	7,468,561	7,754,207	285,646
Charges for services	1,070,848	1,070,848	1,072,908	2,060
Fines and forfeitures	867,500	867,500	860,714	(6,786)
Internal services	855,378	855,378	890,445	35,067
Investment income	-	-	19,732	19,732
Other	10,680	10,680	70,268	59,588
	<u>26,615,254</u>	<u>26,808,878</u>	<u>27,628,354</u>	<u>819,476</u>
Total revenues				
	<u>26,615,254</u>	<u>26,808,878</u>	<u>27,628,354</u>	<u>819,476</u>
Expenditures				
Current				
General government				
Personal services	2,252,241	2,204,837	1,975,960	228,877
Operations and maintenance	1,661,684	1,694,021	1,638,582	55,439
Public safety				
Personal service	14,908,839	14,997,362	14,748,028	249,334
Operation and maintenance	3,448,983	3,510,097	3,271,112	238,985
Culture and recreation				
Personal services	1,448,709	1,448,709	1,404,743	43,966
Operations and maintenance	800,459	800,459	732,938	67,521
Debt service				
Principal	31,711	31,711	-	31,711
Interest	3,010	3,010	3,010	-
Capital outlay	-	108,907	149,608	(40,701)
	<u>24,555,636</u>	<u>24,799,113</u>	<u>23,923,981</u>	<u>875,132</u>
Total expenditures				
	<u>24,555,636</u>	<u>24,799,113</u>	<u>23,923,981</u>	<u>875,132</u>
Revenues over (under) expenditures	<u>2,059,618</u>	<u>2,009,765</u>	<u>3,704,373</u>	<u>1,694,608</u>
Other financing sources (uses)				
Transfers in	143,744	331,826	331,826	-
Transfers out	(1,212,074)	(1,212,074)	(1,212,074)	-
	<u>(1,068,330)</u>	<u>(880,248)</u>	<u>(880,248)</u>	<u>-</u>
Total other financing sources (uses)				
	<u>(1,068,330)</u>	<u>(880,248)</u>	<u>(880,248)</u>	<u>-</u>
Net changes in fund balance	<u>\$ 991,288</u>	<u>\$ 1,129,517</u>	<u>2,824,125</u>	<u>\$ 1,694,608</u>
Fund balance - beginning			<u>3,068,392</u>	
Fund balance - ending			<u>\$ 5,892,517</u>	

Required Supplementary Information
City of Great Falls, Montana
Budgetary Comparison Schedule - Special Revenue Funds
For the Year Ended June 30, 2015

Street District

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Licenses and permits	\$ 6,945	\$ 6,945	\$ 8,766	\$ 1,821
Intergovernmental	1,419,685	1,419,685	1,415,470	(4,215)
Charges for services	78,161	78,161	177,304	99,143
Internal services	117,118	117,118	98,790	(18,328)
Special assessments	4,123,265	4,123,265	4,157,199	33,934
Investment income	-	-	8,066	8,066
Other	2,400	2,400	78,689	76,289
Total revenues	5,747,574	5,747,574	5,944,284	196,710
Expenditures				
Current				
Public works				
Personal services	2,194,868	2,194,868	2,192,536	2,332
Operations and maintenance	2,891,214	3,000,786	2,443,242	557,544
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Capital outlay	567,616	1,206,426	416,484	789,942
Total expenditures	5,653,698	6,402,080	5,052,262	1,349,818
Revenues over (under) expenditures	93,876	(654,506)	892,022	1,546,528
Net changes in fund balance	\$ 93,876	\$ (654,506)	892,022	\$ 1,546,528
Fund balance - beginning			1,237,098	
Fund balance - ending			\$ 2,129,120	

Continued on next page

Required Supplementary Information
City of Great Falls, Montana
Budgetary Comparison Schedule - Special Revenue Funds (Concluded)
For the Year Ended June 30, 2015

	Federal Block Grant			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental	776,056	1,436,918	886,313	(550,605)
Charges for services	270,000	337,615	232,046	(105,569)
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	(68)	(68)
Other	-	-	-	-
Total revenues	1,046,056	1,774,533	1,118,291	(656,242)
Expenditures				
Current				
Public works				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	177,438	177,438	154,548	22,890
Operations and maintenance	594,604	1,181,156	402,526	778,630
Capital outlay	276,500	460,425	435,989	24,436
Total expenditures	1,048,542	1,819,019	993,063	825,956
Revenues over (under) expenditures	(2,486)	(44,486)	125,228	169,714
Net changes in fund balance	\$ (2,486)	\$ (44,486)	125,228	\$ 169,714
Fund balance - beginning			305,218	
Fund balance - ending			\$ 430,446	

City of Great Falls, Montana
Notes to Budgetary Comparison Schedule
June 30, 2015

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 Fund	\$188,082	Close of Enterprise Fund Electric
General Fund	\$89,017	Assist to Firefighters radio grant
General Fund	\$63,503	Blue Card HSGP Firefighters hazard grant
Park & Recreation Special Revenue Fund	\$140,621	PPL Montana and Missouri-Madison River Fund grant for West Bank Restrooms
Library Foundation Fund	\$50,000	Emma Tomen Estate donation for library books and equipment
Police Special Revenue Fund	\$31,013	Federal JAG received
HIDTA Special Revenue Fund	\$151,019	2015 HIDTA Grant
Fire Special Revenue Fund	\$44,167	Federal Hazmat grant received
General Capital Projects Fund	\$75,000	Grant received for the repair of the Historic 10th Street Bridge
Street Lighting Construction	\$47,000	Issuance of debt for Street Lighting construction Stone Meadows Ph II
<u>Expenses/ Expenditures</u>		
General Fund	\$63,503	Blue Card HSGP Firefighters Hazard Grant
General Fund	\$89,017	Assist to Firefighters Radio Grant
Park & Recreation Special Revenue Fund	\$140,621	PPL Montana and Missouri-Madison River Fund Grant for West Bank Restrooms

City of Great Falls, Montana
Notes to Budgetary Comparison Schedule (Concluded)
June 30, 2015

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>		
Library Foundation	\$50,000	Emma Tomen Estate donation for library books and equipment
Police Special Revenue Fund	\$31,013	Federal JAG received
HIDTA Special Revenue Fund	\$151,019	2015 HIDTA Grant
Fire Special Revenue Fund	\$44,167	Federal HAZMAT grant received
West Bank TID Bonds	\$329,162	West Bank Park Restroom project
General Capital Projects Fund	\$75,000	Grant received for the repair of the Historic 10th Street Bridge
Street Lighting Construction	\$47,000	Street Lighting construction Stone Meadows Ph II
Electric Fund	\$188,082	Close of Enterprise Fund Electric

b. Excess of Expenditures Over Appropriations

The special revenue and debt services funds that have excess expenditures over appropriations are: Library Foundation, East Industrial Ag Tech Park TID, Licenses, Support and Innovation, 911 Special Revenue, Police Special Revenue, HIDTA Special Revenue, Soccer Park GO Bonds, Hazard Removal. The Library Foundation special revenue fund was over budget due to needed book purchases. The East Industrial Ag Tech Park TID was over budget due to a small miscellaneous purchase of service. The Licenses special revenue fund was over budget due to additional expenses for internal service charges. The Support and Innovation special revenue fund was over budget due to additional assessment revenue being passed through to the Business Improvement District. The 911 Special Revenue special revenue fund was over budget due to the purchase of needed capital improvements and telephone system upgrades. The Police Special Revenue special revenue fund was over budget due to additional revenue grants received and spent and not budgeted for. The HIDTA Special Revenue special revenue fund was over budget due to additional revenue grants received and spent and not budgeted for. The Soccer Park GO Bonds debt service fund was over budget due to a small amount of operations and maintenance not budgeted. The Hazard Removal capital projects fund was over budget due to a small amount of additional expenses not budgeted.

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 ó This fund is used to account for donations and contributions related to Parks and Recreation, including Park Land óTrustö, and special events operated by Park and Recreation.

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

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

Planning & Community Development Fund ó 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 ó This fund is used to account for fund operations of the Central Montana Ag Tech Park TID to encourage industrial growth by providing tax increment financing.

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

Downtown TID Fund ó 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 ó This fund is used to account for economic development activities.

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

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

Natural Resources Fund ó 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 ó 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.

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

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

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

Special Revenue Funds (Continued)

Home Grant Fund ó 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.

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

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

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

West Bank TID Bonds Fund ó 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 ó This fund is used to account for bonded indebtedness on Special Improvement Districts (SIDs). This fund is administered by the Fiscal Services Department.

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

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 ó This fund is used to account for general purpose funds dedicated to capital projects.

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

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

Hazard Removal Fund ó 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, 2015

Special Revenue Funds

	Park & Recreation	Library	Library Foundation	Planning & Community Development	Central Montana Ag Tech Park TID
Assets					
Cash and investments	\$ 641,502	\$ 363,730	\$ 144,112	\$ 270,542	\$ 434,076
Restricted cash and investments	-	115,580	-	-	-
Receivables					
Taxes	-	25,108	-	-	39,740
Special assessments	-	-	-	-	-
Accounts	10,500	-	-	-	-
Accrued interest	292	-	-	-	-
Loans	-	-	-	-	-
Due from other city funds	-	-	-	-	-
Due from other governments	-	471	-	49,037	-
Other assets	-	-	-	-	-
Total assets	\$ 652,294	\$ 504,889	\$ 144,112	\$ 319,579	\$ 473,816
Liabilities					
Accounts payable	1,711	46,617	3,688	43,389	-
Due to other city funds	-	-	-	-	-
Interfund loans payable	45,405	-	-	-	-
Other liabilities	-	-	-	115,413	-
Total liabilities	47,116	46,617	3,688	158,802	-
Deferred inflows of resources					
Unavailable revenue-property taxes	-	2,887	-	-	-
Unavailable revenue-special assessments	-	-	-	-	-
Unavailable revenue-liens	-	-	-	-	-
Unavailable revenue-grants	-	-	-	-	-
Unavailable revenue-security agreement	-	-	-	-	-
Total deferred inflows of resources	-	2,887	-	-	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	-	-	140,424	-	473,816
Assigned	605,178	455,385	-	160,777	-
Unassigned	-	-	-	-	-
Total fund balances	605,178	455,385	140,424	160,777	473,816
Total liabilities, deferred inflows of resources, and fund balances	\$ 652,294	\$ 504,889	\$ 144,112	\$ 319,579	\$ 473,816

Continued on next page

City of Great Falls
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2015

Special Revenue Funds

	East				
	Industrial Ag				
	Downtown	Tech Park	Economic		
	TID	TID	Revolving	Permits	
Assets	Airport TID	Downtown TID	Tech Park TID	Economic Revolving	Permits
Cash and investments	\$ 24,895	\$ 35,831	\$ 21,614	\$ 1,683	\$ 697,168
Restricted cash and investments	-	-	-	-	-
Receivables					
Taxes	6,191	42,458	-	-	-
Special assessments	-	-	-	-	-
Accounts	-	-	-	-	-
Accrued interest	-	-	-	-	317
Loans	-	-	-	-	-
Due from other city funds	-	-	-	-	-
Due from other governments	-	13	-	-	-
Other assets	-	-	-	15,615	-
Total assets	\$ 31,086	\$ 78,302	\$ 21,614	\$ 17,298	\$ 697,485
Liabilities					
Accounts payable	-	-	-	-	25,243
Due to other city funds	-	-	-	-	-
Interfund loans payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total liabilities	-	-	-	-	25,243
Deferred inflows of resources					
Unavailable revenue-property taxes	(89)	3,836	-	-	-
Unavailable revenue-special assessments	-	-	-	-	-
Unavailable revenue-liens	-	-	-	-	-
Unavailable revenue-grants	-	-	-	-	-
Unavailable revenue-security agreement	-	-	-	-	-
Total deferred inflows of resources	(89)	3,836	-	-	-
Fund Balances					
Nonspendable	-	-	-	15,615	-
Restricted	31,175	74,466	21,614	-	-
Assigned	-	-	-	1,683	672,242
Unassigned	-	-	-	-	-
Total fund balances	31,175	74,466	21,614	17,298	672,242
Total liabilities, deferred inflows of resources, and fund balances	\$ 31,086	\$ 78,302	\$ 21,614	\$ 17,298	\$ 697,485

Continued on next page

City of Great Falls
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2015

Special Revenue Funds

	<u>Licenses</u>	<u>Natural Resources</u>	<u>Portage Meadows</u>	<u>Support & Innovation</u>	<u>911 Special Revenue</u>
Assets					
Cash and investments	\$ 37,441	\$ 149,755	\$ 9,184	\$ 57,114	\$ 426,860
Restricted cash and investments	-	-	-	-	-
Receivables					
Taxes	-	-	-	-	-
Special assessments	-	18,489	1,488	74,807	-
Accounts	-	2,875	-	-	-
Accrued interest	-	-	-	-	-
Loans	-	-	-	-	-
Due from other city funds	-	-	-	-	-
Due from other governments	-	471	9	268	-
Other assets	-	-	-	-	-
Total assets	<u>\$ 37,441</u>	<u>\$ 171,590</u>	<u>\$ 10,681</u>	<u>\$ 132,189</u>	<u>\$ 426,860</u>
Liabilities					
Accounts payable	3,022	19,779	1,395	-	-
Due to other city funds	-	-	-	-	-
Interfund loans payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total liabilities	<u>3,022</u>	<u>19,779</u>	<u>1,395</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources					
Unavailable revenue-property taxes	-	-	-	-	-
Unavailable revenue-special assessments	-	8,847	1,256	69,314	-
Unavailable revenue-liens	-	-	-	-	-
Unavailable revenue-grants	-	-	-	-	-
Unavailable revenue-security agreement	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>8,847</u>	<u>1,256</u>	<u>69,314</u>	<u>-</u>
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	-	142,964	8,030	-	-
Assigned	34,419	-	-	62,875	426,860
Unassigned	-	-	-	-	-
Total fund balances	<u>34,419</u>	<u>142,964</u>	<u>8,030</u>	<u>62,875</u>	<u>426,860</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 37,441</u>	<u>\$ 171,590</u>	<u>\$ 10,681</u>	<u>\$ 132,189</u>	<u>\$ 426,860</u>

Continued on next page

City of Great Falls
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2015

Special Revenue Funds

	Police Special Revenue	HIDTA Special Revenue	Fire Special Revenue	Home Grant	CTEP Projects
Assets					
Cash and investments	\$ 259,171	\$ -	\$ 94,625	\$ 4,257	\$ 37,003
Restricted cash and investments	-	-	-	-	-
Receivables					
Taxes	-	-	-	-	-
Special assessments	-	-	-	-	-
Accounts	-	-	-	-	-
Accrued interest	-	-	-	-	-
Loans	-	-	-	40,000	-
Due from other city funds	7,021	-	-	-	-
Due from other governments	-	37,364	-	5,786	95,057
Other assets	-	-	-	-	-
Total assets	\$ 266,192	\$ 37,364	\$ 94,625	\$ 50,043	\$ 132,060
Liabilities					
Accounts payable	12,131	788	722	1,095	36,441
Due to other city funds	-	7,021	-	-	-
Interfund loans payable	-	-	-	-	-
Other liabilities	18,365	20,899	-	-	-
Total liabilities	30,496	28,708	722	1,095	36,441
Deferred inflows of resources					
Unavailable revenue-property taxes	-	-	-	-	-
Unavailable revenue-special assessments	-	-	-	-	-
Unavailable revenue-liens	-	-	-	-	-
Unavailable revenue-grants	28,733	-	5,694	40,000	-
Unavailable revenue-security agreement	-	-	-	-	-
Total deferred inflows of resources	28,733	-	5,694	40,000	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	8,948	95,619
Assigned	206,963	8,656	88,209	-	-
Unassigned	-	-	-	-	-
Total fund balances	206,963	8,656	88,209	8,948	95,619
Total liabilities, deferred inflows of resources, and fund balances	\$ 266,192	\$ 37,364	\$ 94,625	\$ 50,043	\$ 132,060

Continued on next page

City of Great Falls
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2015

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		
	<u>Housing Authority</u>	<u>Street Lighting Districts</u>	<u>Soccer Park GO Bond</u>	<u>Swimming Pool GO Bond</u>	<u>West Bank TID Bonds</u>
Assets					
Cash and investments	\$ -	\$ 2,467,131	\$ 46,871	\$ 26,704	\$ 667,282
Restricted cash and investments	-	-	-	-	304,927
Receivables					
Taxes	-	-	16,563	27,062	42,221
Special assessments	-	75,266	-	-	-
Accounts	-	901	-	-	-
Accrued interest	-	721	-	-	303
Loans	-	-	-	-	-
Due from other city funds	-	-	-	-	-
Due from other governments	53,963	2,063	133	209	-
Other assets	-	-	-	-	-
Total assets	<u>\$ 53,963</u>	<u>\$ 2,546,082</u>	<u>\$ 63,567</u>	<u>\$ 53,975</u>	<u>\$ 1,014,733</u>
Liabilities					
Accounts payable	53,963	202,676	-	-	-
Due to other city funds	-	-	-	-	-
Interfund loans payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total liabilities	<u>53,963</u>	<u>202,676</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources					
Unavailable revenue-property taxes	-	-	6,525	11,130	36,915
Unavailable revenue-special assessments	-	35,160	-	-	-
Unavailable revenue-liens	-	-	-	-	-
Unavailable revenue-grants	-	-	-	-	-
Unavailable revenue-security agreement	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>35,160</u>	<u>6,525</u>	<u>11,130</u>	<u>36,915</u>
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	-	2,308,246	57,042	42,845	977,818
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>-</u>	<u>2,308,246</u>	<u>57,042</u>	<u>42,845</u>	<u>977,818</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 53,963</u>	<u>\$ 2,546,082</u>	<u>\$ 63,567</u>	<u>\$ 53,975</u>	<u>\$ 1,014,733</u>

Continued on next page

City of Great Falls
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2015

	<u>Debt Service Funds</u>			<u>Capital Projects Funds</u>	
	General Obligation Taxable Bonds	SID Bonds	Master Debt SILD	General Capital Projects	Improvement District Projects
Assets					
Cash and investments	\$ 5,037	\$ 55,803	\$ 24,635	\$ 300,726	\$ 5,476
Restricted cash and investments	-	179,687	-	75,658	-
Receivables					
Taxes	-	-	-	-	-
Special assessments	-	202,636	79,214	-	-
Accounts	-	-	-	-	-
Accrued interest	-	-	-	-	-
Loans	-	-	-	-	-
Due from other city funds	-	-	1,950	-	-
Due from other governments	-	-	21	-	-
Other assets	-	-	-	-	-
Total assets	<u>\$ 5,037</u>	<u>\$ 438,126</u>	<u>\$ 105,820</u>	<u>\$ 376,384</u>	<u>\$ 5,476</u>
Liabilities					
Accounts payable	-	-	-	75,658	-
Due to other city funds	-	-	-	-	-
Interfund loans payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,658</u>	<u>-</u>
Deferred inflows of resources					
Unavailable revenue-property taxes	-	-	-	-	-
Unavailable revenue-special assessments	-	202,636	78,716	-	-
Unavailable revenue-liens	-	-	-	-	-
Unavailable revenue-grants	-	-	-	-	-
Unavailable revenue-security agreement	-	179,687	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>382,323</u>	<u>78,716</u>	<u>-</u>	<u>-</u>
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	5,037	55,803	27,104	-	-
Assigned	-	-	-	300,726	5,476
Unassigned	-	-	-	-	-
Total fund balances	<u>5,037</u>	<u>55,803</u>	<u>27,104</u>	<u>300,726</u>	<u>5,476</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,037</u>	<u>\$ 438,126</u>	<u>\$ 105,820</u>	<u>\$ 376,384</u>	<u>\$ 5,476</u>

Continued on next page

City of Great Falls
Combining Balance Sheet (Concluded)
Nonmajor Governmental Funds
June 30, 2015

Capital Projects Funds

	Street Lighting Construction	Hazard Removal	Total Nonmajor Governmental Funds
Assets			
Cash and investments	\$ -	\$ 12	\$ 7,310,240
Restricted cash and investments	-	-	675,852
Receivables			
Taxes	-	-	199,343
Special assessments	-	47,105	499,005
Accounts	-	-	14,276
Accrued interest	-	-	1,633
Loans	-	-	40,000
Due from other city funds	-	-	8,971
Due from other governments	-	-	244,865
Other assets	-	-	15,615
Total assets	\$ -	\$ 47,117	\$ 9,009,800
Liabilities			
Accounts payable	650	-	528,968
Due to other city funds	1,950	-	8,971
Interfund loans payable	-	-	45,405
Other liabilities	-	-	154,677
Total liabilities	2,600	-	738,021
Deferred inflows of resources			
Unavailable revenue-property taxes	-	-	61,204
Unavailable revenue-special assessments	-	-	395,929
Unavailable revenue-liens	-	47,105	47,105
Unavailable revenue-grants	-	-	74,427
Unavailable revenue-security agreement	-	-	179,687
Total deferred inflows of resources	-	47,105	758,352
Fund Balances			
Nonspendable	-	-	15,615
Restricted	-	-	4,470,951
Assigned	-	12	3,029,461
Unassigned	(2,600)	-	(2,600)
Total fund balances	(2,600)	12	7,513,427
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 47,117	\$ 9,009,800

City of Great Falls
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

Special Revenue Funds

	Park & Recreation	Library	Library Foundation	Planning & Community Development	Central Montana Ag Tech Park TID
Revenues					
Taxes	\$ -	\$ 622,542	\$ -	\$ -	\$ 305,308
Licenses and permits	-	-	-	40,368	-
Intergovernmental	8,000	208,180	-	405,018	3,517
Charges for services	4,165	33,220	-	96,545	-
Fines and forfeitures	-	18,533	-	-	-
Internal services	-	-	-	31,000	-
Special assessments	-	-	-	-	-
Investment income	3,969	1,425	520	1,199	1,336
Other	181,433	11,447	223,438	17,707	-
Total revenues	<u>197,567</u>	<u>895,347</u>	<u>223,958</u>	<u>591,837</u>	<u>310,161</u>
Expenditures					
Current					
General government	-	-	-	691,450	32,391
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture and recreation	52,365	1,195,760	29,473	-	-
Housing & development	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	1,737	-	-	-	-
Capital outlay	88,686	61,236	113,416	-	-
Total expenditures	<u>142,788</u>	<u>1,256,996</u>	<u>142,889</u>	<u>691,450</u>	<u>32,391</u>
Excess (deficiency) of revenues over (under) expenditures	<u>54,779</u>	<u>(361,649)</u>	<u>81,069</u>	<u>(99,613)</u>	<u>277,770</u>
Other financing sources (uses)					
Transfers in	-	350,000	-	100,000	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>350,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Net change in fund balances	54,779	(11,649)	81,069	387	277,770
Fund balances - beginning	<u>550,399</u>	<u>467,034</u>	<u>59,355</u>	<u>160,390</u>	<u>196,046</u>
Fund balances - ending	<u>\$ 605,178</u>	<u>\$ 455,385</u>	<u>\$ 140,424</u>	<u>\$ 160,777</u>	<u>\$ 473,816</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, 2015

Special Revenue Funds

	Special Revenue Funds				
	Airport TID	Downtown TID	East Industrial Ag Tech Park TID	Economic Revolving	Permits
Revenues					
Taxes	\$ 14,020	\$ 60,097	\$ 22,184	\$ -	\$ -
Licenses and permits	-	-	-	-	1,307,629
Intergovernmental	23	-	-	448,999	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Internal services	-	-	-	-	14,217
Special assessments	-	-	-	-	-
Investment income	103	124	42	8	3,914
Other	-	-	-	-	750
Total revenues	14,146	60,221	22,226	449,007	1,326,510
Expenditures					
Current					
General government	-	-	612	448,979	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Housing & development	-	-	-	-	773,125
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	-	-	612	448,979	773,125
Excess (deficiency) of revenues over (under) expenditures	14,146	60,221	21,614	28	553,385
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	14,146	60,221	21,614	28	553,385
Fund balances - beginning	17,029	14,245	-	17,270	118,857
Fund balances - ending	\$ 31,175	\$ 74,466	\$ 21,614	\$ 17,298	\$ 672,242

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City of Great Falls
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

Special Revenue Funds

	Licenses	Natural Resources	Portage Meadows	Support & Innovation	911 Special Revenue
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	259,567	-	-	-	-
Intergovernmental	-	-	-	-	599,774
Charges for services	-	415	-	-	-
Fines and forfeitures	-	-	-	-	-
Internal services	-	26,648	-	-	-
Special assessments	-	328,112	57,684	621,047	-
Investment income	415	377	(45)	290	1,897
Other	75	9,357	-	5,960	-
Total revenues	260,057	364,909	57,639	627,297	601,671
Expenditures					
Current					
General government	-	-	-	622,836	-
Public safety	-	-	-	-	120,923
Public works	-	-	-	-	-
Culture and recreation	-	557,834	45,367	-	-
Housing & development	260,057	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	12,928
Total expenditures	260,057	557,834	45,367	622,836	133,851
Excess (deficiency) of revenues over (under) expenditures	-	(192,925)	12,272	4,461	467,820
Other financing sources (uses)					
Transfers in	-	164,918	-	-	-
Transfers out	-	-	-	-	(382,941)
Total other financing sources (uses)	-	164,918	-	-	(382,941)
Net change in fund balances	-	(28,007)	12,272	4,461	84,879
Fund balances - beginning	34,419	170,971	(4,242)	58,414	341,981
Fund balances - ending	\$ 34,419	\$ 142,964	\$ 8,030	\$ 62,875	\$ 426,860

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City of Great Falls
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

Special Revenue Funds

	Police Special Revenue	HIDTA Special Revenue	Fire Special Revenue	Home Grant	CTEP Projects
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	34,801	165,366	30,961	901,991	324,919
Charges for services	13,922	-	4,722	-	-
Fines and forfeitures	107,944	65,387	-	-	-
Internal services	-	-	-	-	-
Special assessments	-	-	-	-	-
Investment income	1,281	35	510	-	320
Other	15,496	4,910	170	-	80,339
Total revenues	173,444	235,698	36,363	901,991	405,578
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	130,101	234,317	31,486	-	-
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Housing & development	-	-	-	894,593	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	366,104
Total expenditures	130,101	234,317	31,486	894,593	366,104
Excess (deficiency) of revenues over (under) expenditures	43,343	1,381	4,877	7,398	39,474
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	(69,221)	-	(74,523)	-	-
Total other financing sources (uses)	(69,221)	-	(74,523)	-	-
Net change in fund balances	(25,878)	1,381	(69,646)	7,398	39,474
Fund balances - beginning	232,841	7,275	157,855	1,550	56,145
Fund balances - ending	\$ 206,963	\$ 8,656	\$ 88,209	\$ 8,948	\$ 95,619

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City of Great Falls
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		
	<u>Housing Authority</u>	<u>Street Lighting Districts</u>	<u>Soccer Park GO Bond</u>	<u>Swimming Pool GO Bond</u>	<u>West Bank TID Bonds</u>
Revenues					
Taxes	\$ -	\$ -	\$ 179,769	\$ 285,728	\$ 411,464
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	283	449	4,684
Charges for services	1,271,669	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Internal services	-	-	-	-	-
Special assessments	-	1,597,492	-	-	-
Investment income	-	11,947	438	507	4,629
Other	-	901	153	-	-
Total revenues	<u>1,271,669</u>	<u>1,610,340</u>	<u>180,643</u>	<u>286,684</u>	<u>420,777</u>
Expenditures					
Current					
General government	1,271,669	1,243,728	5,700	5,953	19,176
Public safety	-	-	-	-	-
Public works	-	23,976	-	-	-
Culture and recreation	-	-	-	-	-
Housing & development	-	-	-	-	-
Debt service					
Principal	-	-	135,000	250,000	90,000
Interest	-	-	31,724	15,375	123,728
Capital outlay	-	-	-	-	4,068
Total expenditures	<u>1,271,669</u>	<u>1,267,704</u>	<u>172,424</u>	<u>271,328</u>	<u>236,972</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>342,636</u>	<u>8,219</u>	<u>15,356</u>	<u>183,805</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	342,636	8,219	15,356	183,805
Fund balances - beginning	<u>-</u>	<u>1,965,610</u>	<u>48,823</u>	<u>27,489</u>	<u>794,013</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 2,308,246</u>	<u>\$ 57,042</u>	<u>\$ 42,845</u>	<u>\$ 977,818</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, 2015

	Debt Service Funds			Capital Projects Funds	
	General Obligation Taxable Bonds	SID Bonds	Master Debt SILD	General Capital Projects	Improvement District Projects
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	31,500	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Internal services	-	-	-	-	-
Special assessments	-	53,169	20,262	-	-
Investment income	319	529	92	1,844	26
Other	-	-	-	75,550	-
Total revenues	319	53,698	20,354	108,894	26
Expenditures					
Current					
General government	-	31,299	-	4,043	-
Public safety	-	-	-	-	-
Public works	-	-	-	107,478	-
Culture and recreation	-	-	-	-	-
Housing & development	-	-	-	-	-
Debt service					
Principal	120,000	40,000	7,516	-	-
Interest	24,538	10,948	746	-	-
Capital outlay	-	-	-	75,658	-
Total expenditures	144,538	82,247	8,262	187,179	-
Excess (deficiency) of revenues over (under) expenditures	(144,219)	(28,549)	12,092	(78,285)	26
Other financing sources (uses)					
Transfers in	145,671	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	145,671	-	-	-	-
Net change in fund balances	1,452	(28,549)	12,092	(78,285)	26
Fund balances - beginning	3,585	84,352	15,012	379,011	5,450
Fund balances - ending	\$ 5,037	\$ 55,803	\$ 27,104	\$ 300,726	\$ 5,476

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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, 2015

	Capital Projects Funds		Total Nonmajor Governmental Funds
	Street Lighting Construction	Hazard Removal	
Revenues			
Taxes	\$ -	\$ -	\$ 1,901,112
Licenses and permits	-	-	1,607,564
Intergovernmental	-	-	3,168,465
Charges for services	-	-	1,424,658
Fines and forfeitures	-	-	191,864
Internal services	-	-	71,865
Special assessments	-	-	2,677,766
Investment income	-	1	38,052
Other	-	-	627,686
Total revenues	-	1	11,709,032
Expenditures			
Current			
General government	-	-	4,377,836
Public safety	-	-	516,827
Public works	-	-	131,454
Culture and recreation	-	-	1,880,799
Housing & development	-	1,094	1,928,869
Debt service			
Principal	-	-	642,516
Interest	-	-	208,796
Capital outlay	2,600	-	724,696
Total expenditures	2,600	1,094	10,411,793
Excess (deficiency) of revenues over (under) expenditures	(2,600)	(1,093)	1,297,239
Other financing sources (uses)			
Transfers in	-	-	760,589
Transfers out	-	-	(526,685)
Total other financing sources (uses)	-	-	233,904
Net change in fund balances	(2,600)	(1,093)	1,531,143
Fund balances - beginning	-	1,105	5,982,284
Fund balances - ending	\$ (2,600)	\$ 12	\$ 7,513,427

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, 2015

Special Revenue Funds

	Park & Recreation		Library	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ -	\$ -	\$ 659,450	\$ 622,542
Licenses and permits	-	-	-	-
Intergovernmental	-	8,000	206,928	208,180
Charges for services	1,000	4,165	36,800	33,220
Fines and forfeitures	-	-	23,200	18,533
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	3,969	-	1,425
Other	168,065	181,433	-	11,447
	<u>169,065</u>	<u>197,567</u>	<u>926,378</u>	<u>895,347</u>
Total revenues	<u>169,065</u>	<u>197,567</u>	<u>926,378</u>	<u>895,347</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	-	-	948,202	951,866
Operations and maintenance	76,706	52,365	328,709	243,894
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Debt service				
Principal	14,766	-	-	-
Interest	1,737	1,737	-	-
Capital outlay	174,646	88,686	-	61,236
	<u>267,855</u>	<u>142,788</u>	<u>1,276,911</u>	<u>1,256,996</u>
Total expenditures	<u>267,855</u>	<u>142,788</u>	<u>1,276,911</u>	<u>1,256,996</u>
Revenues over (under) expenditures	<u>(98,790)</u>	<u>54,779</u>	<u>(350,533)</u>	<u>(361,649)</u>
Other financing sources (uses)				
Transfers in	-	-	350,000	350,000
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>350,000</u>	<u>350,000</u>
Net changes in fund balance	<u>\$ (98,790)</u>	<u>54,779</u>	<u>\$ (533)</u>	<u>(11,649)</u>
Fund balance - beginning		<u>550,399</u>		<u>467,034</u>
Fund balance - ending		<u>\$ 605,178</u>		<u>\$ 455,385</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, 2015

	Special Revenue Funds			
	Library Foundation		Planning & Community Development	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	41,155	40,368
Intergovernmental	1,000	-	460,129	405,018
Charges for services	-	-	83,450	96,545
Fines and forfeitures	-	-	-	-
Internal services	-	-	31,000	31,000
Special assessments	-	-	-	-
Investment income	-	520	-	1,199
Other	157,275	223,438	16,600	17,707
Total revenues	158,275	223,958	632,334	591,837
Expenditures				
Current				
General government				
Personal services	-	-	447,971	399,071
Operations and maintenance	-	-	275,989	292,379
Public safety				
Personal services	-	-	-	-
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	120,000	29,473	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	113,416	-	-
Total expenditures	120,000	142,889	723,960	691,450
Revenues over (under) expenditures	38,275	81,069	(91,626)	(99,613)
Other financing sources (uses)				
Transfers in	-	-	100,000	100,000
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	100,000	100,000
Net changes in fund balance	<u>\$ 38,275</u>	<u>81,069</u>	<u>\$ 8,374</u>	<u>387</u>
Fund balance - beginning		<u>59,355</u>		<u>160,390</u>
Fund balance - ending		<u>\$ 140,424</u>		<u>\$ 160,777</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, 2015

	Special Revenue Funds			
	Central Montana Ag Tech			
	Park TID	Airport TID		
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ 110,000	\$ 305,308	\$ -	\$ 14,020
Licenses and permits	-	-	-	-
Intergovernmental	-	3,517	-	23
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	1,336	-	103
Other	-	-	-	-
Total revenues	<u>110,000</u>	<u>310,161</u>	<u>-</u>	<u>14,146</u>
Expenditures				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	31,919	32,391	-	-
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	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	188,522	-	-	-
Total expenditures	<u>220,441</u>	<u>32,391</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(110,441)</u>	<u>277,770</u>	<u>-</u>	<u>14,146</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ (110,441)</u>	<u>277,770</u>	<u>\$ -</u>	<u>14,146</u>
Fund balance - beginning		<u>196,046</u>		<u>17,029</u>
Fund balance - ending		<u>\$ 473,816</u>		<u>\$ 31,175</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, 2015

	Special Revenue Funds			
	Downtown TID		East Industrial Ag Tech Park TID	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ -	\$ 60,097	\$ -	\$ 22,184
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	124	-	42
Other	-	-	-	-
Total revenues	<u>-</u>	<u>60,221</u>	<u>-</u>	<u>22,226</u>
Expenditures				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	612
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	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>612</u>
Revenues over (under) expenditures	<u>-</u>	<u>60,221</u>	<u>-</u>	<u>21,614</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ -</u>	<u>60,221</u>	<u>\$ -</u>	<u>21,614</u>
Fund balance - beginning		<u>14,245</u>		<u>-</u>
Fund balance - ending		<u>\$ 74,466</u>		<u>\$ 21,614</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, 2015

	Special Revenue Funds			
	Economic Revolving		Permits	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	950,850	1,307,629
Intergovernmental	991,200	448,999	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	14,217	14,217
Special assessments	-	-	-	-
Investment income	-	8	-	3,914
Other	-	-	1,000	750
Total revenues	991,200	449,007	966,067	1,326,510
Expenditures				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	991,200	448,979	-	-
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	-	-	636,431	576,245
Operations and maintenance	-	-	202,950	196,880
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	991,200	448,979	839,381	773,125
Revenues over (under) expenditures	-	28	126,686	553,385
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	\$ -	28	\$ 126,686	553,385
Fund balance - beginning		17,270		118,857
Fund balance - ending		\$ 17,298		\$ 672,242

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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, 2015

	Special Revenue Funds			
	Licenses		Natural Resources	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	225,000	259,567	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	5,000	415
Fines and forfeitures	-	-	-	-
Internal services	-	-	25,500	26,648
Special assessments	-	-	344,581	328,112
Investment income	200	415	-	377
Other	100	75	3,518	9,357
	<u>225,300</u>	<u>260,057</u>	<u>378,599</u>	<u>364,909</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	-	-	392,051	379,762
Operations and maintenance	-	-	218,692	178,072
Housing and development				
Personal services	71,171	70,067	-	-
Operations and maintenance	157,969	189,990	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
	<u>229,140</u>	<u>260,057</u>	<u>610,743</u>	<u>557,834</u>
Revenues over (under) expenditures	<u>(3,840)</u>	<u>-</u>	<u>(232,144)</u>	<u>(192,925)</u>
Other financing sources (uses)				
Transfers in	-	-	164,918	164,918
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>164,918</u>	<u>164,918</u>
Net changes in fund balance	<u>\$ (3,840)</u>	<u>-</u>	<u>\$ (67,226)</u>	<u>(28,007)</u>
Fund balance - beginning		<u>34,419</u>		<u>170,971</u>
Fund balance - ending		<u>\$ 34,419</u>		<u>\$ 142,964</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, 2015

	Special Revenue Funds			
	Portage Meadows		Support & Innovation	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	58,079	57,684	611,065	621,047
Investment income	-	(45)	-	290
Other	-	-	-	5,960
	<u>58,079</u>	<u>57,639</u>	<u>611,065</u>	<u>627,297</u>
Total revenues	58,079	57,639	611,065	627,297
Expenditures				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	-	-	611,065	622,836
Public safety				
Personal services	-	-	-	-
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	13,618	12,972	-	-
Operations and maintenance	36,571	32,395	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
	<u>50,189</u>	<u>45,367</u>	<u>611,065</u>	<u>622,836</u>
Total expenditures	50,189	45,367	611,065	622,836
Revenues over (under) expenditures	<u>7,890</u>	<u>12,272</u>	<u>-</u>	<u>4,461</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ 7,890</u>	<u>12,272</u>	<u>\$ -</u>	<u>4,461</u>
Fund balance - beginning		<u>(4,242)</u>		<u>58,414</u>
Fund balance - ending		<u>\$ 8,030</u>		<u>\$ 62,875</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, 2015

	Special Revenue Funds			
	911 Special Revenue		Police Special Revenue	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	555,940	599,774	62,026	34,801
Charges for services	-	-	3,750	13,922
Fines and forfeitures	-	-	-	107,944
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	1,897	-	1,281
Other	-	-	-	15,496
Total revenues	<u>555,940</u>	<u>601,671</u>	<u>65,776</u>	<u>173,444</u>
Expenditures				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Public safety				
Personal services	-	-	-	-
Operation and maintenance	-	120,923	31,813	130,101
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	12,928	-	-
Total expenditures	<u>-</u>	<u>133,851</u>	<u>31,813</u>	<u>130,101</u>
Revenues over (under) expenditures	<u>555,940</u>	<u>467,820</u>	<u>33,963</u>	<u>43,343</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(382,941)	(382,941)	(69,221)	(69,221)
Total other financing sources (uses)	<u>(382,941)</u>	<u>(382,941)</u>	<u>(69,221)</u>	<u>(69,221)</u>
Net changes in fund balance	<u>\$ 172,999</u>	<u>84,879</u>	<u>\$ (35,258)</u>	<u>(25,878)</u>
Fund balance - beginning		<u>341,981</u>		<u>232,841</u>
Fund balance - ending		<u>\$ 426,860</u>		<u>\$ 206,963</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, 2015

	Special Revenue Funds			
	HIDTA Special Revenue		Fire Special Revenue	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	194,584	165,366	44,167	30,961
Charges for services	-	-	-	4,722
Fines and forfeitures	-	65,387	-	-
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	35	-	510
Other	-	4,910	-	170
Total revenues	194,584	235,698	44,167	36,363
Expenditures				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Public safety				
Personal services	108,965	87,879	-	-
Operation and maintenance	91,434	146,438	44,167	31,486
Public works				
Operations and maintenance	-	-	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	200,399	234,317	44,167	31,486
Revenues over (under) expenditures	(5,815)	1,381	-	4,877
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(74,523)	(74,523)
Total other financing sources (uses)	-	-	(74,523)	(74,523)
Net changes in fund balance	\$ (5,815)	1,381	\$ (74,523)	(69,646)
Fund balance - beginning		7,275		157,855
Fund balance - ending		\$ 8,656		\$ 88,209

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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, 2015

	Special Revenue Funds			
	Home Grant		CTEP Projects	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	1,698,691	901,991	1,924,544	324,919
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	320
Other	-	-	161,039	80,339
	<u>1,698,691</u>	<u>901,991</u>	<u>2,085,583</u>	<u>405,578</u>
Total revenues	<u>1,698,691</u>	<u>901,991</u>	<u>2,085,583</u>	<u>405,578</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	-	-	-	-
Housing and development				
Personal services	16,609	16,399	-	-
Operations and maintenance	1,681,783	878,194	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	2,145,754	366,104
	<u>1,698,392</u>	<u>894,593</u>	<u>2,145,754</u>	<u>366,104</u>
Total expenditures	<u>1,698,392</u>	<u>894,593</u>	<u>2,145,754</u>	<u>366,104</u>
Revenues over (under) expenditures	<u>299</u>	<u>7,398</u>	<u>(60,171)</u>	<u>39,474</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ 299</u>	<u>7,398</u>	<u>\$ (60,171)</u>	<u>39,474</u>
Fund balance - beginning		<u>1,550</u>		<u>56,145</u>
Fund balance - ending		<u>\$ 8,948</u>		<u>\$ 95,619</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, 2015

	Special Revenue Funds			
	Housing Authority		Street Lighting Districts	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	1,304,905	1,271,669	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	1,547,374	1,597,492
Investment income	-	-	-	11,947
Other	-	-	-	901
Total revenues	1,304,905	1,271,669	1,547,374	1,610,340
Expenditures				
Current				
General government				
Personal services	1,284,510	1,251,274	-	-
Operations and maintenance	20,395	20,395	1,383,546	1,243,728
Public safety				
Personal services	-	-	-	-
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	-	-	39,913	23,976
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	1,304,905	1,271,669	1,423,459	1,267,704
Revenues over (under) expenditures	-	-	123,915	342,636
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	\$ -	-	\$ 123,915	342,636
Fund balance - beginning		-		1,965,610
Fund balance - ending		\$ -		\$ 2,308,246

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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, 2015

	Debt Service Funds			
	Soccer Park GO Bond		Swimming Pool GO Bond	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ 171,000	\$ 179,769	\$ 271,500	\$ 285,728
Licenses and permits	-	-	-	-
Intergovernmental	-	283	-	449
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	438	-	507
Other	-	153	-	-
Total revenues	<u>171,000</u>	<u>180,643</u>	<u>271,500</u>	<u>286,684</u>
Expenditures				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	3,950	5,700	5,953	5,953
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	-	-	-	-
Debt service				
Principal	135,000	135,000	250,000	250,000
Interest	31,899	31,724	15,550	15,375
Capital outlay	-	-	-	-
Total expenditures	<u>170,849</u>	<u>172,424</u>	<u>271,503</u>	<u>271,328</u>
Revenues over (under) expenditures	<u>151</u>	<u>8,219</u>	<u>(3)</u>	<u>15,356</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ 151</u>	<u>8,219</u>	<u>\$ (3)</u>	<u>15,356</u>
Fund balance - beginning		<u>48,823</u>		<u>27,489</u>
Fund balance - ending		<u>\$ 57,042</u>		<u>\$ 42,845</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, 2015

	Debt Service Funds			
	West Bank TID Bonds		General Obligation Taxable Bonds	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ 410,000	\$ 411,464	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	4,684	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	4,629	-	319
Other	-	-	-	-
Total revenues	<u>410,000</u>	<u>420,777</u>	<u>-</u>	<u>319</u>
Expenditures				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	18,789	19,176	-	-
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	-	-	-	-
Debt service				
Principal	90,000	90,000	120,000	120,000
Interest	123,628	123,728	24,538	24,538
Capital outlay	329,162	4,068	-	-
Total expenditures	<u>561,579</u>	<u>236,972</u>	<u>144,538</u>	<u>144,538</u>
Revenues over (under) expenditures	<u>(151,579)</u>	<u>183,805</u>	<u>(144,538)</u>	<u>(144,219)</u>
Other financing sources (uses)				
Transfers in	-	-	145,671	145,671
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>145,671</u>	<u>145,671</u>
Net changes in fund balance	<u>\$ (151,579)</u>	<u>183,805</u>	<u>\$ 1,133</u>	<u>1,452</u>
Fund balance - beginning		<u>794,013</u>		<u>3,585</u>
Fund balance - ending		<u>\$ 977,818</u>		<u>\$ 5,037</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, 2015

	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	53,169	53,169	16,022	20,262
Investment income	-	529	-	92
Other	-	-	-	-
Total revenues	<u>53,169</u>	<u>53,698</u>	<u>16,022</u>	<u>20,354</u>
Expenditures				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	29,549	31,299	-	-
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	-	-	-	-
Debt service				
Principal	40,000	40,000	7,517	7,516
Interest	15,610	10,948	748	746
Capital outlay	-	-	-	-
Total expenditures	<u>85,159</u>	<u>82,247</u>	<u>8,265</u>	<u>8,262</u>
Revenues over (under) expenditures	<u>(31,990)</u>	<u>(28,549)</u>	<u>7,757</u>	<u>12,092</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ (31,990)</u>	<u>(28,549)</u>	<u>\$ 7,757</u>	<u>12,092</u>
Fund balance - beginning		<u>84,352</u>		<u>15,012</u>
Fund balance - ending		<u>\$ 55,803</u>		<u>\$ 27,104</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, 2015

	Capital Projects Funds			
	General Capital Projects		Improvement District Projects	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	31,500	31,500	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	1,844	-	26
Other	75,500	75,550	-	-
Total revenues	<u>107,000</u>	<u>108,894</u>	<u>-</u>	<u>26</u>
Expenditures				
Current				
General government				
Personal services	-	-	-	-
Operations and maintenance	6,406	4,043	-	-
Public safety				
Personal services	-	-	-	-
Operation and maintenance	-	-	-	-
Public works				
Operations and maintenance	107,000	107,478	-	-
Culture and recreation				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	374,122	75,658	-	-
Total expenditures	<u>487,528</u>	<u>187,179</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(380,528)</u>	<u>(78,285)</u>	<u>-</u>	<u>26</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ (380,528)</u>	<u>(78,285)</u>	<u>\$ -</u>	<u>26</u>
Fund balance - beginning		<u>379,011</u>		<u>5,450</u>
Fund balance - ending		<u>\$ 300,726</u>		<u>\$ 5,476</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, 2015

Capital Projects Funds

	Street Lighting Construction		Hazard Removal	
	Final Budget	Actual	Final Budget	Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	1
Other	47,000	-	-	-
Total revenues	<u>47,000</u>	<u>-</u>	<u>-</u>	<u>1</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	-	-	-	-
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	1,094
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	47,000	2,600	-	-
Total expenditures	<u>47,000</u>	<u>2,600</u>	<u>-</u>	<u>1,094</u>
Revenues over (under) expenditures	<u>-</u>	<u>(2,600)</u>	<u>-</u>	<u>(1,093)</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ -</u>	<u>(2,600)</u>	<u>\$ -</u>	<u>(1,093)</u>
Fund balance - beginning		<u>-</u>		<u>1,105</u>
Fund balance - ending		<u>\$ (2,600)</u>		<u>\$ 12</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, 2015

	Total	
	Final Budget	Actual
Revenues		
Taxes	\$ 1,621,950	\$ 1,901,112
Licenses and permits	1,217,005	1,607,564
Intergovernmental	6,170,709	3,168,465
Charges for services	1,434,905	1,424,658
Fines and forfeitures	23,200	191,864
Internal services	70,717	71,865
Special assessments	2,630,290	2,677,766
Investment income	200	38,052
Other	630,097	627,686
Total revenues	13,799,073	11,709,032
Expenditures		
Current		
General government		
Personal services	1,732,481	1,650,345
Operations and maintenance	3,378,761	2,727,491
Public safety		
Personal services	108,965	87,879
Operation and maintenance	167,414	428,948
Public works		
Operations and maintenance	146,913	131,454
Culture and recreation		
Personal services	1,353,871	1,344,600
Operations and maintenance	780,678	536,199
Housing and development		
Personal services	724,211	662,711
Operations and maintenance	2,042,702	1,266,158
Debt service		
Principal	657,283	642,516
Interest	213,710	208,796
Capital outlay	3,259,206	724,696
Total expenditures	14,566,195	10,411,793
Revenues over (under) expenditures	(767,122)	1,297,239
Other financing sources (uses)		
Transfers in	760,589	760,589
Transfers out	(526,685)	(526,685)
Total other financing sources (uses)	233,904	233,904
Net changes in fund balance	\$ (533,218)	1,531,143
Fund balance - beginning		5,982,284
Fund balance - ending		\$ 7,513,427

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.

Swimming Pools Fund ó 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 ó 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 ó 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 ó 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.

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

Civic Center Events Fund ó 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, 2015

	<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	\$ 203,746	\$ 415,787	\$ 332,542	\$ 234,716
Receivables				
Accounts	7,494	-	10,617	45,843
Total current assets	<u>211,240</u>	<u>415,787</u>	<u>343,159</u>	<u>280,559</u>
Noncurrent assets				
Restricted cash and investments	-	-	49,026	11,561
Non-depreciable capital assets	-	-	863,397	5,449
Depreciable capital assets, net	569,445	1,044,138	2,256,647	315,076
Total noncurrent assets	<u>569,445</u>	<u>1,044,138</u>	<u>3,169,070</u>	<u>332,086</u>
Total assets	<u>780,685</u>	<u>1,459,925</u>	<u>3,512,229</u>	<u>612,645</u>
Deferred outflows of resources				
Deferred charge-pension	11,718	78,818	4,673	8,579
Total deferred outflows of resources	<u>11,718</u>	<u>78,818</u>	<u>4,673</u>	<u>8,579</u>
Total assets and deferred outflows of resources	<u>\$ 792,403</u>	<u>\$ 1,538,743</u>	<u>\$ 3,516,902</u>	<u>\$ 621,224</u>
Liabilities, deferred inflows of resources, and net position				
Liabilities				
Current liabilities				
Accounts payable	50,652	78,085	32,042	23,094
Capital lease obligation	157,464	-	-	-
Other liabilities	850	-	-	-
Total current liabilities	<u>208,966</u>	<u>78,085</u>	<u>32,042</u>	<u>23,094</u>
Noncurrent liabilities				
Compensated absences	26,578	60,889	-	14,324
Net pension liability	146,294	984,002	58,343	107,108
Total noncurrent liabilities	<u>172,872</u>	<u>1,044,891</u>	<u>58,343</u>	<u>121,432</u>
Total liabilities	<u>381,838</u>	<u>1,122,976</u>	<u>90,385</u>	<u>144,526</u>
Deferred inflows of resources				
Unavailable revenue-pension	37,937	255,169	15,129	27,775
Total deferred inflows of resources	<u>37,937</u>	<u>255,169</u>	<u>15,129</u>	<u>27,775</u>
Net position				
Net investment in capital assets	411,982	1,044,138	3,120,044	320,526
Unrestricted	(39,354)	(883,540)	291,344	128,397
Total net position	<u>372,628</u>	<u>160,598</u>	<u>3,411,388</u>	<u>448,923</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 792,403</u>	<u>\$ 1,538,743</u>	<u>\$ 3,516,902</u>	<u>\$ 621,224</u>

Continued on next page

City of Great Falls
Combining Statement of Net Position (Concluded)
Nonmajor Enterprise Funds
June 30, 2015

	<u>Multi-Sports</u>	<u>Civic Center Events</u>	<u>Total Nonmajor Enterprise Funds</u>
Assets and deferred outflows of resources			
Assets			
Current assets			
Cash and investments	\$ 95,618	\$ 249,970	\$ 1,532,379
Receivables			
Accounts	6,650	129	70,733
Total current assets	<u>102,268</u>	<u>250,099</u>	<u>1,603,112</u>
Noncurrent assets			
Restricted cash and investments	-	14,496	75,083
Non-depreciable capital assets	-	-	868,846
Depreciable capital assets, net	-	189,392	4,374,698
Total noncurrent assets	<u>-</u>	<u>203,888</u>	<u>5,318,627</u>
Total assets	<u>102,268</u>	<u>453,987</u>	<u>6,921,739</u>
Deferred outflows of resources			
Deferred charge-pension	2,790	15,345	121,923
Total deferred outflows of resources	<u>2,790</u>	<u>15,345</u>	<u>121,923</u>
Total assets and deferred outflows of resources	<u>\$ 105,058</u>	<u>\$ 469,332</u>	<u>\$ 7,043,662</u>
Liabilities, deferred inflows of resources, and net position			
Liabilities			
Current liabilities			
Accounts payable	12,640	9,055	205,568
Capital lease obligation	-	-	157,464
Other liabilities	-	120,386	121,236
Total current liabilities	<u>12,640</u>	<u>129,441</u>	<u>484,268</u>
Noncurrent liabilities			
Compensated absences	1,900	38,886	142,577
Net pension liability	34,832	191,576	1,522,155
Total noncurrent liabilities	<u>36,732</u>	<u>230,462</u>	<u>1,664,732</u>
Total liabilities	<u>49,372</u>	<u>359,903</u>	<u>2,149,000</u>
Deferred inflows of resources			
Unavailable revenue-pension	9,033	49,679	394,722
Total deferred inflows of resources	<u>9,033</u>	<u>49,679</u>	<u>394,722</u>
Net position			
Net investment in capital assets	-	189,392	5,086,082
Unrestricted	46,653	(129,642)	(586,142)
Total net position	<u>46,653</u>	<u>59,750</u>	<u>4,499,940</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 105,058</u>	<u>\$ 469,332</u>	<u>\$ 7,043,662</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, 2015

	Swimming Pools	911 Dispatch Center	Parking	Recreation
Operating revenues				
Charges for services	\$ 552,514	\$ 1,520,059	\$ 673,674	\$ 384,308
Operating expenses				
Personal services	368,593	1,206,503	68,713	222,991
Supplies and materials	92,793	9,648	1,484	26,442
Purchased services	128,717	179,625	595,231	138,000
Internal services	56,249	219,380	52,873	35,144
Other	52	-	5	27,206
Depreciation	69,254	114,749	249,965	18,591
Total operating expenses	715,658	1,729,905	968,271	468,374
Operating income (loss)	(163,144)	(209,846)	(294,597)	(84,066)
Nonoperating revenues (expenses)				
Investment income (loss)	751	1,315	1,885	981
Interest expense	(20,290)	-	-	-
Net pension on-behalf revenue	4,137	27,823	1,650	3,029
Other	-	1,336	675	446
Total nonoperating revenues (expenses)	(15,402)	30,474	4,210	4,456
Income (loss) before contributions and transfers	(178,546)	(179,372)	(290,387)	(79,610)
Transfers in	214,389	369,636	-	59,226
Change in net position	35,843	190,264	(290,387)	(20,384)
Total net position - beginning	513,917	1,161,760	3,772,417	598,993
Prior period adjustment	(177,132)	(1,191,426)	(70,642)	(129,686)
Total net position - beginning, as restated	336,785	(29,666)	3,701,775	469,307
Total net position - ending	\$ 372,628	\$ 160,598	\$ 3,411,388	\$ 448,923

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, 2015

	<u>Multi-Sports</u>	<u>Civic Center Events</u>	<u>Total Nonmajor Enterprise Funds</u>
Operating revenues			
Charges for services	\$ 145,759	\$ 382,121	\$ 3,658,435
Operating expenses			
Personal services	55,239	252,798	2,174,837
Supplies and materials	43,715	9,349	183,431
Purchased services	23,380	43,921	1,108,874
Internal services	7,872	191,318	562,836
Other	-	5,255	32,518
Depreciation	-	35,566	488,125
Total operating expenses	<u>130,206</u>	<u>538,207</u>	<u>4,550,621</u>
Operating income (loss)	<u>15,553</u>	<u>(156,086)</u>	<u>(892,186)</u>
Nonoperating revenues (expenses)			
Investment income (loss)	350	1,451	6,733
Interest expense	-	-	(20,290)
Net pension on-behalf revenue	985	5,417	43,041
Other	-	49,519	51,976
Total nonoperating revenues (expenses)	<u>1,335</u>	<u>56,387</u>	<u>81,460</u>
Income (loss) before contributions and transfers	<u>16,888</u>	<u>(99,699)</u>	<u>(810,726)</u>
Transfers in	<u>-</u>	<u>114,727</u>	<u>757,978</u>
Change in net position	16,888	15,028	(52,748)
Total net position - beginning	71,939	276,681	6,395,707
Prior period adjustment	(42,174)	(231,959)	(1,843,019)
Total net position - beginning, as restated	<u>29,765</u>	<u>44,722</u>	<u>4,552,688</u>
Total net position - ending	<u>\$ 46,653</u>	<u>\$ 59,750</u>	<u>\$ 4,499,940</u>

City of Great Falls, Montana
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2015

	<u>Swimming Pools</u>	<u>911 Dispatch Center</u>	<u>Parking</u>	<u>Recreation</u>
Cash flows from operating activities				
Receipts from customers and users	\$ 548,028	\$ 657,414	\$ 677,243	\$ 391,674
Receipts from interfund services provided	-	862,645	-	-
Receipts from others	-	1,336	675	446
Payments to suppliers	(219,179)	(169,437)	(624,951)	(159,563)
Payments to employees	(364,861)	(1,190,154)	(68,829)	(219,520)
Payments for interfund services used	(56,249)	(219,380)	(52,873)	(35,144)
Payments to others	(52)	-	(40)	(27,206)
Net cash provided by (used for) operating activities	<u>(92,313)</u>	<u>(57,576)</u>	<u>(68,775)</u>	<u>(49,313)</u>
Cash flows from noncapital financing activities				
Transfers in	214,389	369,636	-	59,226
Net cash provided by (used for) noncapital financing activities	<u>214,389</u>	<u>369,636</u>	<u>-</u>	<u>59,226</u>
Cash flows from capital and related financing activities				
Principal payments - capital leases	(147,645)	-	-	-
Interest paid	(20,290)	-	-	-
Acquisition/construction of capital assets	-	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(167,935)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities				
Interest and dividends on investments	751	1,315	1,885	981
Net cash provided by (used for) investing activities	<u>751</u>	<u>1,315</u>	<u>1,885</u>	<u>981</u>
Net increase (decrease) in cash	(45,108)	313,375	(66,890)	10,894
Cash, beginning of year	<u>248,854</u>	<u>102,412</u>	<u>448,458</u>	<u>235,383</u>
Cash, end of year (a)	<u><u>\$ 203,746</u></u>	<u><u>\$ 415,787</u></u>	<u><u>\$ 381,568</u></u>	<u><u>\$ 246,277</u></u>
(a) Shown on the statement of net assets as:				
Cash and investments	\$ 203,746	\$ 415,787	\$ 332,542	\$ 234,716
Restricted cash and investments	-	-	49,026	11,561
	<u><u>\$ 203,746</u></u>	<u><u>\$ 415,787</u></u>	<u><u>\$ 381,568</u></u>	<u><u>\$ 246,277</u></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, 2015

	<u>Multi-Sports</u>	<u>Civic Center Events</u>	<u>Total Nonmajor Enterprise Funds</u>
Cash flows from operating activities			
Receipts from customers and users	\$ 154,059	\$ 384,006	\$ 2,812,424
Receipts from interfund services provided	-	-	862,645
Receipts from others	-	49,519	51,976
Payments to suppliers	(68,649)	(53,786)	(1,295,565)
Payments to employees	(52,752)	(254,071)	(2,150,187)
Payments for interfund services used	(7,872)	(191,318)	(562,836)
Payments to others	-	(5,255)	(32,553)
Net cash provided by (used for) operating activities	<u>24,786</u>	<u>(70,905)</u>	<u>(314,096)</u>
Cash flows from noncapital financing activities			
Transfers in	-	114,727	757,978
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>114,727</u>	<u>757,978</u>
Cash flows from capital and related financing activities			
Principal payments - capital leases	-	-	(147,645)
Interest paid	-	-	(20,290)
Acquisition/construction of capital assets	-	(29,535)	(29,535)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(29,535)</u>	<u>(197,470)</u>
Cash flows from investing activities			
Interest and dividends on investments	350	1,451	6,733
Net cash provided by (used for) investing activities	<u>350</u>	<u>1,451</u>	<u>6,733</u>
Net increase (decrease) in cash	25,136	15,738	253,145
Cash, beginning of year	<u>70,482</u>	<u>248,728</u>	<u>1,354,317</u>
Cash, end of year (a)	<u><u>\$ 95,618</u></u>	<u><u>\$ 264,466</u></u>	<u><u>\$ 1,607,462</u></u>
(a) Shown on the statement of net assets as:			
Cash and investments	\$ 95,618	\$ 249,970	\$ 1,532,379
Restricted cash and investments	-	14,496	75,083
	<u><u>\$ 95,618</u></u>	<u><u>\$ 264,466</u></u>	<u><u>\$ 1,607,462</u></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, 2015

	<u>Swimming Pools</u>	<u>911 Dispatch Center</u>	<u>Parking</u>	<u>Recreation</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ (163,144)	\$ (209,846)	\$ (294,597)	\$ (84,066)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
GASB 68 pension expense	(483)	(3,250)	(193)	(354)
Depreciation expense	69,254	114,749	249,965	18,591
Cash provided (used) by changes in operating assets and liabilities				
(Increase) decrease in accounts receivable	(4,486)	-	3,569	7,366
(Decrease) increase in accounts payable	13,353	30,236	(28,159)	5,258
(Decrease) increase in other liabilities	(5,350)	-	(35)	-
(Decrease) increase in compensated absences payable	(1,457)	9,199	-	3,446
Other nonoperating revenue	-	1,336	675	446
Total adjustments	<u>\$ 70,831</u>	<u>\$ 152,270</u>	<u>\$ 225,822</u>	<u>\$ 34,753</u>
Net cash provided by (used for) operating activities	<u>\$ (92,313)</u>	<u>\$ (57,576)</u>	<u>\$ (68,775)</u>	<u>\$ (49,313)</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, 2015

	<u>Multi-Sports</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)	\$ 15,553	\$ (156,086)	\$ (892,186)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
GASB 68 pension expense	(115)	(633)	(5,028)
Depreciation expense	-	35,566	488,125
Cash provided (used) by changes in operating assets and liabilities			
(Increase) decrease in accounts receivable	8,300	(129)	14,620
(Decrease) increase in accounts payable	1,096	(591)	21,193
(Decrease) increase in other liabilities	-	2,015	(3,370)
(Decrease) increase in compensated absences payable	(48)	(566)	10,574
Other nonoperating revenue	-	49,519	51,976
Total adjustments	<u>\$ 9,233</u>	<u>\$ 85,181</u>	<u>\$ 578,090</u>
Net cash provided by (used for) operating activities	<u>\$ 24,786</u>	<u>\$ (70,905)</u>	<u>\$ (314,096)</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 ó This fund is used to account for fleet operations for the City. Functions include maintenance, fuel dispensing, and replacement services for all major vehicles and motor equipment owned by the City and the Great Falls Housing Authority.

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

Insurance & Safety Fund ó 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 ó This fund is used to account for payroll deductions made to the group health insurance plan and processes payments of health insurance premiums. In Fiscal Year 2014 the City changed from a self funded plan to a member of Montana Municipal Interlocal Authority's (MMIA) Health Benefit Program.

Human Resources Fund ó 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 ó This fund is used to account for overseeing operations related to all City telephones, telephone leases, and long-distance carriers for the Civic Center and Police Department buildings.

Fiscal Services Fund ó 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.

Engineering Fund ó 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 ó 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 ó 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
Combining Statement of Net Position
Internal Service Funds
June 30, 2015

	<u>Central Garage</u>	<u>Information Technology</u>	<u>Insurance & Safety</u>	<u>Health & Benefits</u>
Assets and deferred outflows of resources				
Assets				
Current assets				
Cash and investments	\$ 446,203	\$ 59,195	\$ 599,958	\$ 801,897
Receivables				
Accounts	213	-	-	-
Accrued interest	984	-	273	365
Due from other city funds	-	4,028	-	-
Interfund loans receivable	92,125	-	-	-
Inventories	191,441	-	-	-
Total current assets	<u>730,966</u>	<u>63,223</u>	<u>600,231</u>	<u>802,262</u>
Noncurrent assets				
Restricted cash and investments	2,157,899	213,953	-	-
Advance to other funds	178,261	-	-	-
Depreciable capital assets, net	4,315,473	52,600	-	-
Total noncurrent assets	<u>6,651,633</u>	<u>266,553</u>	<u>-</u>	<u>-</u>
Total assets	<u>7,382,599</u>	<u>329,776</u>	<u>600,231</u>	<u>802,262</u>
Deferred outflows of resources				
Deferred charge-pension	42,896	40,734	4,185	-
Total deferred outflows of resources	<u>42,896</u>	<u>40,734</u>	<u>4,185</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 7,425,495</u>	<u>\$ 370,510</u>	<u>\$ 604,416</u>	<u>\$ 802,262</u>
Liabilities, deferred inflows of resources, and net position				
Liabilities				
Current liabilities				
Accounts payable	81,660	88,761	2,658	-
Due to other city funds	-	-	-	-
Loans payable	-	-	-	-
Other liabilities	-	-	-	-
Total current liabilities	<u>81,660</u>	<u>88,761</u>	<u>2,658</u>	<u>-</u>
Noncurrent liabilities				
Loans payable	-	-	-	-
Compensated absences	38,133	49,977	-	-
Net pension liability	535,541	508,546	52,248	-
Other liabilities	-	-	-	1,455,312
Total noncurrent liabilities	<u>573,674</u>	<u>558,523</u>	<u>52,248</u>	<u>1,455,312</u>
Total liabilities	<u>655,334</u>	<u>647,284</u>	<u>54,906</u>	<u>1,455,312</u>
Deferred inflows of resources				
Unavailable revenue-pension	138,875	131,875	13,549	-
Total deferred inflows of resources	<u>138,875</u>	<u>131,875</u>	<u>13,549</u>	<u>-</u>
Net position				
Net investment in capital assets	4,315,473	52,600	-	-
Unrestricted	<u>2,315,813</u>	<u>(461,249)</u>	<u>535,961</u>	<u>(653,050)</u>
Total net position	<u>6,631,286</u>	<u>(408,649)</u>	<u>535,961</u>	<u>(653,050)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 7,425,495</u>	<u>\$ 370,510</u>	<u>\$ 604,416</u>	<u>\$ 802,262</u>

Continued on next page

City of Great Falls
Combining Statement of Net Position (Continued)
Internal Service Funds
June 30, 2015

	<u>Human Resources</u>	<u>City Telephone</u>	<u>Fiscal Services</u>	<u>Engineering</u>
Assets and deferred outflows of resources				
Assets				
Current assets				
Cash and investments	\$ 139,151	\$ -	\$ 136,119	\$ 200,800
Receivables				
Accounts	-	-	-	208,966
Accrued interest	-	-	-	-
Due from other city funds	-	-	-	-
Interfund loans receivable	-	-	-	-
Inventories	-	-	-	-
Total current assets	<u>139,151</u>	<u>-</u>	<u>136,119</u>	<u>409,766</u>
Noncurrent assets				
Restricted cash and investments	-	-	-	62,251
Advance to other funds	-	-	-	-
Depreciable capital assets, net	1,388	56,306	-	735,862
Total noncurrent assets	<u>1,388</u>	<u>56,306</u>	<u>-</u>	<u>798,113</u>
Total assets	<u>140,539</u>	<u>56,306</u>	<u>136,119</u>	<u>1,207,879</u>
Deferred outflows of resources				
Deferred charge-pension	19,530	1,116	65,495	67,518
Total deferred outflows of resources	<u>19,530</u>	<u>1,116</u>	<u>65,495</u>	<u>67,518</u>
Total assets and deferred outflows of resources	<u>\$ 160,069</u>	<u>\$ 57,422</u>	<u>\$ 201,614</u>	<u>\$ 1,275,397</u>
Liabilities, deferred inflows of resources, and net position				
Liabilities				
Current liabilities				
Accounts payable	13,340	658	45,828	120,626
Due to other city funds	-	4,028	-	-
Loans payable	-	-	-	38,432
Other liabilities	-	-	-	9,026
Total current liabilities	<u>13,340</u>	<u>4,686</u>	<u>45,828</u>	<u>168,084</u>
Noncurrent liabilities				
Loans payable	-	-	-	182,456
Compensated absences	39,444	-	55,551	130,833
Net pension liability	243,823	13,933	817,679	842,932
Other liabilities	-	-	-	-
Total noncurrent liabilities	<u>283,267</u>	<u>13,933</u>	<u>873,230</u>	<u>1,156,221</u>
Total liabilities	<u>296,607</u>	<u>18,619</u>	<u>919,058</u>	<u>1,324,305</u>
Deferred inflows of resources				
Unavailable revenue-pension	63,228	3,613	212,038	218,587
Total deferred inflows of resources	<u>63,228</u>	<u>3,613</u>	<u>212,038</u>	<u>218,587</u>
Net position				
Net investment in capital assets	1,388	56,306	-	514,973
Unrestricted	<u>(201,154)</u>	<u>(21,116)</u>	<u>(929,482)</u>	<u>(782,468)</u>
Total net position	<u>(199,766)</u>	<u>35,190</u>	<u>(929,482)</u>	<u>(267,495)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 160,069</u>	<u>\$ 57,422</u>	<u>\$ 201,614</u>	<u>\$ 1,275,397</u>

Continued on next page

City of Great Falls
Combining Statement of Net Position (Concluded)
Internal Service Funds
June 30, 2015

	Public Works Admin	Civic Center Facility Service	Total Internal Service Funds
Assets and deferred outflows of resources			
Assets			
Current assets			
Cash and investments	\$ 347,063	\$ 215,121	\$ 2,945,507
Receivables			
Accounts	-	-	209,179
Accrued interest	-	-	1,622
Due from other city funds	-	-	4,028
Interfund loans receivable	-	-	92,125
Inventories	-	-	191,441
Total current assets	<u>347,063</u>	<u>215,121</u>	<u>3,443,902</u>
Noncurrent assets			
Restricted cash and investments	5,271	97,116	2,536,490
Advance to other funds	-	-	178,261
Depreciable capital assets, net	42,644	431,140	5,635,413
Total noncurrent assets	<u>47,915</u>	<u>528,256</u>	<u>8,350,164</u>
Total assets	<u>394,978</u>	<u>743,377</u>	<u>11,794,066</u>
Deferred outflows of resources			
Deferred charge-pension	16,670	16,322	274,466
Total deferred outflows of resources	<u>16,670</u>	<u>16,322</u>	<u>274,466</u>
Total assets and deferred outflows of resources	<u>\$ 411,648</u>	<u>\$ 759,699</u>	<u>\$ 12,068,532</u>
Liabilities, deferred inflows of resources, and net position			
Liabilities			
Current liabilities			
Accounts payable	12,519	17,023	383,073
Due to other city funds	-	-	4,028
Loans payable	-	-	38,432
Other liabilities	-	-	9,026
Total current liabilities	<u>12,519</u>	<u>17,023</u>	<u>434,559</u>
Noncurrent liabilities			
Loans payable	-	-	182,456
Compensated absences	34,941	16,827	365,706
Net pension liability	208,121	203,767	3,426,590
Other liabilities	-	-	1,455,312
Total noncurrent liabilities	<u>243,062</u>	<u>220,594</u>	<u>5,430,064</u>
Total liabilities	<u>255,581</u>	<u>237,617</u>	<u>5,864,623</u>
Deferred inflows of resources			
Unavailable revenue-pension	53,969	52,840	888,574
Total deferred inflows of resources	<u>53,969</u>	<u>52,840</u>	<u>888,574</u>
Net position			
Net investment in capital assets	42,644	431,140	5,414,524
Unrestricted	59,454	38,102	(99,189)
Total net position	<u>102,098</u>	<u>469,242</u>	<u>5,315,335</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 411,648</u>	<u>\$ 759,699</u>	<u>\$ 12,068,532</u>

City of Great Falls
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2015

	<u>Central Garage</u>	<u>Information Technology</u>	<u>Insurance & Safety</u>	<u>Health & Benefits</u>
Operating revenues				
Charges for services	\$ 2,094,917	\$ 1,276,899	\$ 1,402,936	\$ 7,093,459
Operating expenses				
Personal services	683,685	599,008	61,634	-
Supplies and materials	640,014	141,713	5,595	-
Purchased services	98,599	482,363	924,170	6,920,817
Internal services	125,199	61,785	3,146	-
Other	8,092	-	-	-
Depreciation	607,889	19,184	-	-
Total operating expenses	<u>2,163,478</u>	<u>1,304,053</u>	<u>994,545</u>	<u>6,920,817</u>
Operating income (loss)	<u>(68,561)</u>	<u>(27,154)</u>	<u>408,391</u>	<u>172,642</u>
Nonoperating revenues (expenses)				
Investment income (loss)	16,482	950	4,570	4,990
Interest expense	-	-	-	-
Proceeds (loss) on sale of capital assets	(10,555)	(1,207)	-	-
Net pension on-behalf revenue	15,143	14,380	1,477	-
Other	17,249	5,962	-	1,742
Total nonoperating revenues (expenses)	<u>38,319</u>	<u>20,085</u>	<u>6,047</u>	<u>6,732</u>
Income (loss) before contributions and transfers	<u>(30,242)</u>	<u>(7,069)</u>	<u>414,438</u>	<u>179,374</u>
Transfers in	<u>-</u>	<u>13,305</u>	<u>-</u>	<u>-</u>
Change in net position	(30,242)	6,236	414,438	179,374
Total net position - beginning	7,309,959	200,861	184,785	(832,424)
Prior period adjustment	(648,431)	(615,746)	(63,262)	-
Total net position - beginning, as restated	<u>6,661,528</u>	<u>(414,885)</u>	<u>121,523</u>	<u>(832,424)</u>
Total net position - ending	<u>\$ 6,631,286</u>	<u>\$ (408,649)</u>	<u>\$ 535,961</u>	<u>\$ (653,050)</u>

Continued on next page

City of Great Falls
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position (Continued)
Internal Service Funds
For the Year Ended June 30, 2015

	<u>Human Resources</u>	<u>City Telephone</u>	<u>Fiscal Services</u>	<u>Engineering</u>
Operating revenues				
Charges for services	\$ 345,709	\$ 39,130	\$ 1,727,994	\$ 1,312,616
Operating expenses				
Personal services	289,684	16,313	961,880	1,065,837
Supplies and materials	1,796	-	29,943	26,253
Purchased services	2,544	44,041	317,076	29,374
Internal services	33,484	3,393	380,226	159,526
Other	736	-	-	-
Depreciation	214	5,866	-	42,756
Total operating expenses	<u>328,458</u>	<u>69,613</u>	<u>1,689,125</u>	<u>1,323,746</u>
Operating income (loss)	<u>17,251</u>	<u>(30,483)</u>	<u>38,869</u>	<u>(11,130)</u>
Nonoperating revenues (expenses)				
Investment income (loss)	566	46	132	972
Interest expense	-	-	-	(2,491)
Proceeds (loss) on sale of capital assets	-	(1,301)	-	-
Net pension on-behalf revenue	6,894	394	23,120	23,835
Other	-	-	2,320	-
Total nonoperating revenues (expenses)	<u>7,460</u>	<u>(861)</u>	<u>25,572</u>	<u>22,316</u>
Income (loss) before contributions and transfers	<u>24,711</u>	<u>(31,344)</u>	<u>64,441</u>	<u>11,186</u>
Transfers in	-	-	-	63,143
Change in net position	24,711	(31,344)	64,441	74,329
Total net position - beginning	70,744	83,404	(3,879)	678,796
Prior period adjustment	(295,221)	(16,870)	(990,044)	(1,020,620)
Total net position - beginning, as restated	<u>(224,477)</u>	<u>66,534</u>	<u>(993,923)</u>	<u>(341,824)</u>
Total net position - ending	<u>\$ (199,766)</u>	<u>\$ 35,190</u>	<u>\$ (929,482)</u>	<u>\$ (267,495)</u>

Continued on next page

City of Great Falls
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position (Concluded)
Internal Service Funds
For the Year Ended June 30, 2015

	Public Works Admin	Civic Center Facility Service	Total Internal Service Funds
Operating revenues			
Charges for services	\$ 488,475	\$ 500,921	\$ 16,283,056
Operating expenses			
Personal services	256,088	275,359	4,209,488
Supplies and materials	19,740	20,940	885,994
Purchased services	118,783	131,780	9,069,547
Internal services	27,187	17,186	811,132
Other	-	-	8,828
Depreciation	10,210	52,239	738,358
Total operating expenses	432,008	497,504	15,723,347
Operating income (loss)	56,467	3,417	559,709
Nonoperating revenues (expenses)			
Investment income (loss)	1,534	1,394	31,636
Interest expense	-	-	(2,491)
Proceeds (loss) on sale of capital assets	-	-	(13,063)
Net pension on-behalf revenue	5,885	5,762	96,890
Other	825	101	28,199
Total nonoperating revenues (expenses)	8,244	7,257	141,171
Income (loss) before contributions and transfers	64,711	10,674	700,880
Transfers in	-	-	76,448
Change in net position	64,711	10,674	777,328
Total net position - beginning	289,379	705,288	8,686,913
Prior period adjustment	(251,992)	(246,720)	(4,148,906)
Total net position - beginning, as restated	37,387	458,568	4,538,007
Total net position - ending	\$ 102,098	\$ 469,242	\$ 5,315,335

City of Great Falls, Montana
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2015

	<u>Central Garage</u>	<u>Information Technology</u>	<u>Insurance & Safety</u>	<u>Health & Benefits</u>
Cash flows from operating activities				
Receipts from customers and users	\$ 5,857	\$ 98,013	\$ 70,046	\$ 255,770
Receipts from interfund services provided	2,091,210	1,178,886	1,332,890	6,839,126
Receipts from others	17,249	5,962	-	1,742
Payments to suppliers	(738,685)	(578,419)	(939,550)	(7,054,530)
Payments to employees	(698,178)	(594,729)	(61,850)	-
Payments for interfund services used	(125,199)	(61,785)	(3,146)	-
Payments to others	(8,092)	-	-	-
Net cash provided by (used for) operating activities	<u>544,162</u>	<u>47,928</u>	<u>398,390</u>	<u>42,108</u>
Cash flows from noncapital financing activities				
Transfers in	-	13,305	-	-
Interfund cash flow loans	-	(4,028)	-	-
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>9,277</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities				
Proceeds from sale of assets	14,340	-	-	-
Principal payments received - advances	46,477	-	-	-
Principal payments - loans	-	-	-	-
Interest paid	-	-	-	-
Acquisition/construction of capital assets	(421,258)	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(360,441)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities				
Interest and dividends on investments	16,596	950	4,297	5,010
Net cash provided by (used for) investing activities	<u>16,596</u>	<u>950</u>	<u>4,297</u>	<u>5,010</u>
Net increase (decrease) in cash	200,317	58,155	402,687	47,118
Cash, beginning of year	<u>2,403,785</u>	<u>214,993</u>	<u>197,271</u>	<u>754,779</u>
Cash, end of year (a)	<u>\$ 2,604,102</u>	<u>\$ 273,148</u>	<u>\$ 599,958</u>	<u>\$ 801,897</u>
(a) Shown on the statement of net assets as:				
Cash and investments	\$ 446,203	\$ 59,195	\$ 599,958	\$ 801,897
Restricted cash and investments	<u>2,157,899</u>	<u>213,953</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,604,102</u>	<u>\$ 273,148</u>	<u>\$ 599,958</u>	<u>\$ 801,897</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, 2015

	<u>Human Resources</u>	<u>City Telephone</u>	<u>Fiscal Services</u>	<u>Engineering</u>
Cash flows from operating activities				
Receipts from customers and users	\$ -	\$ -	\$ 1,727,791	\$ 149,846
Receipts from interfund services provided	345,709	39,130	203	1,148,180
Receipts from others	-	-	2,320	-
Payments to suppliers	(4,335)	(44,041)	(349,924)	14,989
Payments to employees	(290,714)	(16,764)	(968,490)	(1,046,999)
Payments for interfund services used	(33,484)	(3,393)	(380,226)	(159,526)
Payments to others	(736)	-	-	-
Net cash provided by (used for) operating activities	<u>16,440</u>	<u>(25,068)</u>	<u>31,674</u>	<u>106,490</u>
Cash flows from noncapital financing activities				
Transfers in	-	-	-	63,143
Interfund cash flow loans	-	4,028	-	-
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>4,028</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	-	-	-	(37,694)
Interest paid	-	-	-	(2,491)
Acquisition/construction of capital assets	-	(60,872)	-	(70,592)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(60,872)</u>	<u>-</u>	<u>(110,777)</u>
Cash flows from investing activities				
Interest and dividends on investments	566	47	132	972
Net cash provided by (used for) investing activities	<u>566</u>	<u>47</u>	<u>132</u>	<u>972</u>
Net increase (decrease) in cash	17,006	(81,865)	31,806	59,828
Cash, beginning of year	<u>122,145</u>	<u>81,865</u>	<u>104,313</u>	<u>203,223</u>
Cash, end of year (a)	<u>\$ 139,151</u>	<u>\$ -</u>	<u>\$ 136,119</u>	<u>\$ 263,051</u>
(a) Shown on the statement of net assets as:				
Cash and investments	\$ 139,151	\$ -	\$ 136,119	\$ 200,800
Restricted cash and investments	-	-	-	62,251
	<u>\$ 139,151</u>	<u>\$ -</u>	<u>\$ 136,119</u>	<u>\$ 263,051</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, 2015

	Public Works Admin	Civic Center Facility Service	Total Internal Service Funds
Cash flows from operating activities			
Receipts from customers and users	\$ 488,475	\$ 329	\$ 2,796,127
Receipts from interfund services provided	-	500,592	13,475,926
Receipts from others	825	101	28,199
Payments to suppliers	(138,025)	(155,834)	(9,988,354)
Payments to employees	(259,780)	(275,406)	(4,212,910)
Payments for interfund services used	(27,187)	(17,186)	(811,132)
Payments to others	-	-	(8,828)
Net cash provided by (used for) operating activities	<u>64,308</u>	<u>52,596</u>	<u>1,279,028</u>
Cash flows from noncapital financing activities			
Transfers in	-	-	76,448
Interfund cash flow loans	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>76,448</u>
Cash flows from capital and related financing activities			
Proceeds from sale of assets	-	-	14,340
Principal payments received - advances	-	-	46,477
Principal payments - loans	-	-	(37,694)
Interest paid	-	-	(2,491)
Acquisition/construction of capital assets	-	-	(552,722)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(532,090)</u>
Cash flows from investing activities			
Interest and dividends on investments	<u>1,534</u>	<u>1,394</u>	<u>31,498</u>
Net cash provided by (used for) investing activities	<u>1,534</u>	<u>1,394</u>	<u>31,498</u>
Net increase (decrease) in cash	65,842	53,990	854,884
Cash, beginning of year	<u>286,492</u>	<u>258,247</u>	<u>4,627,113</u>
Cash, end of year (a)	<u><u>\$ 352,334</u></u>	<u><u>\$ 312,237</u></u>	<u><u>\$ 5,481,997</u></u>
(a) Shown on the statement of net assets as:			
Cash and investments	\$ 347,063	\$ 215,121	\$ 2,945,507
Restricted cash and investments	<u>5,271</u>	<u>97,116</u>	<u>2,536,490</u>
	<u><u>\$ 352,334</u></u>	<u><u>\$ 312,237</u></u>	<u><u>\$ 5,481,997</u></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, 2015

	<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)	\$ (68,561)	\$ (27,154)	\$ 408,391	\$ 172,642
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
GASB 68 pension expense	(1,769)	(1,680)	(173)	-
Depreciation expense	607,889	19,184	-	-
Cash provided (used) by changes in operating assets and liabilities				
(Increase) decrease in accounts receivable	2,150	-	-	1,437
(Increase) decrease in inventories	27,256	-	-	-
(Decrease) increase in accounts payable	(21,776)	48,493	(9,828)	(133,713)
(Decrease) increase in compensated absences payable	(18,276)	3,123	-	-
Other nonoperating revenue	17,249	5,962	-	1,742
Total adjustments	<u>\$ 612,723</u>	<u>\$ 75,082</u>	<u>\$ (10,001)</u>	<u>\$ (130,534)</u>
Net cash provided by (used for) operating activities	<u>\$ 544,162</u>	<u>\$ 47,928</u>	<u>\$ 398,390</u>	<u>\$ 42,108</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, 2015

	<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)	\$ 17,251	\$ (30,483)	\$ 38,869	\$ (11,130)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
GASB 68 pension expense	(805)	(46)	(2,701)	(2,782)
Depreciation expense	214	5,866	-	42,756
Cash provided (used) by changes in operating assets and liabilities				
(Increase) decrease in accounts receivable	-	-	-	(14,590)
(Increase) decrease in inventories	-	-	-	-
(Decrease) increase in accounts payable	687	(405)	(824)	76,664
(Decrease) increase in compensated absences payable	(907)	-	(5,990)	15,572
Other nonoperating revenue	-	-	2,320	-
Total adjustments	<u>\$ (811)</u>	<u>\$ 5,415</u>	<u>\$ (7,195)</u>	<u>\$ 117,620</u>
Net cash provided by (used for) operating activities	<u>\$ 16,440</u>	<u>\$ (25,068)</u>	<u>\$ 31,674</u>	<u>\$ 106,490</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, 2015

	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)	\$ 56,467	\$ 3,417	\$ 559,709
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
GASB 68 pension expense	(687)	(673)	(11,316)
Depreciation expense	10,210	52,239	738,358
Cash provided (used) by changes in operating assets and liabilities			
(Increase) decrease in accounts receivable	-	-	(11,003)
(Increase) decrease in inventories	-	-	27,256
(Decrease) increase in accounts payable	60	(2,177)	(42,819)
(Decrease) increase in compensated absences payable	(2,567)	(311)	(9,356)
Other nonoperating revenue	825	101	28,199
Total adjustments	\$ 7,841	\$ 49,179	\$ 719,319
Net cash provided by (used for) operating activities	<u>\$ 64,308</u>	<u>\$ 52,596</u>	<u>\$ 1,279,028</u>

Private Purpose Trust Funds

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

Castle Pines Trust Fund ó 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, 2015

	<u>Castle Pines Trust</u>
Assets	
Cash and investments	<u>\$ 205,424</u>
Liabilities	
	<u>-</u>
Net Position	
Held in trust	<u><u>\$ 205,424</u></u>

City of Great Falls
Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
For the Year Ended June 30, 2015

	Castle Pines Trust
Additions	
Investment income	\$ 989
Total additions	989
Deductions	
Refunds of contributions	-
Change in net position	989
Net position - beginning	204,435
Net position - ending	\$ 205,424

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 ó 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 ó This fund is used to account for appearance bond and restitution money.

Flex 1 Plans Fund ó This fund is used to account for employee Flex 1 unreimbursed medical and daycare plan deductions.

Payroll Fund ó 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, 2015

	ULRRWSD				Total Agency
	Agency	Court Agency	Flex 1 Plans	Payroll	Funds
Assets					
Cash and investments	\$ 162,481	\$ 25,939	\$ 39,077	\$ 319,919	\$ 547,416
Special assessments receivable	960,345	-	-	-	960,345
Payroll receivable	-	-	-	942,737	942,737
Due from other governments	556	-	-	-	556
Total Assets	1,123,382	25,939	39,077	1,262,656	2,451,054
Liabilities					
Accounts payable	-	-	-	1,262,656	1,262,656
Assets held for others	1,123,382	-	-	-	1,123,382
Other liabilities	-	25,939	39,077	-	65,016
Total Liabilities	\$ 1,123,382	\$ 25,939	\$ 39,077	\$ 1,262,656	\$ 2,451,054

City of Great Falls, Montana
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2015

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
ULRRWSD Agency				
ASSETS				
Cash and investments	\$ 153,202	\$ 93,112	\$ (83,833)	\$ 162,481
Special assessments receivable	1,011,855	74,604	(126,114)	960,345
Due from other governments	51	555	(50)	556
Total assets	<u>1,165,108</u>	<u>168,271</u>	<u>(209,997)</u>	<u>1,123,382</u>
LIABILITIES				
Assets held for others	1,165,108	(214,958)	173,232	1,123,382
Total liabilities	<u>\$ 1,165,108</u>	<u>\$ (214,958)</u>	<u>\$ 173,232</u>	<u>\$ 1,123,382</u>
Court Agency				
ASSETS				
Cash and investments	\$ 77,613	\$ 241	\$ (51,915)	\$ 25,939
Total assets	<u>77,613</u>	<u>241</u>	<u>(51,915)</u>	<u>25,939</u>
LIABILITIES				
Other liabilities	77,613	(51,915)	241	25,939
Total liabilities	<u>\$ 77,613</u>	<u>\$ (51,915)</u>	<u>\$ 241</u>	<u>\$ 25,939</u>
Flex 1 Plans				
ASSETS				
Cash and investments	\$ 40,332	\$ 15,658	\$ (16,913)	\$ 39,077
Total assets	<u>40,332</u>	<u>15,658</u>	<u>(16,913)</u>	<u>39,077</u>
LIABILITIES				
Other liabilities	40,332	(99,131)	97,876	39,077
Total liabilities	<u>\$ 40,332</u>	<u>\$ (99,131)</u>	<u>\$ 97,876</u>	<u>\$ 39,077</u>
Payroll				
ASSETS				
Cash and investments	\$ 316,940	\$ 34,961,878	\$ (34,958,899)	\$ 319,919
Accounts receivable	-	942,737	-	942,737
Total assets	<u>316,940</u>	<u>35,904,615</u>	<u>(34,958,899)</u>	<u>1,262,656</u>
LIABILITIES				
Accounts payable	316,940	(39,745,280)	40,690,996	1,262,656
Total liabilities	<u>\$ 316,940</u>	<u>\$ (39,745,280)</u>	<u>\$ 40,690,996</u>	<u>\$ 1,262,656</u>
Total - All Agency Funds				
ASSETS				
Cash and investments	\$ 588,087	\$ 35,070,889	\$ (35,111,560)	\$ 547,416
Special assessments receivable	1,011,855	74,604	(126,114)	960,345
Accounts receivable	-	942,737	-	942,737
Due from other governments	51	555	(50)	556
Total assets	<u>1,599,993</u>	<u>36,088,785</u>	<u>(35,237,724)</u>	<u>2,451,054</u>
LIABILITIES				
Accounts payable	316,940	(39,745,280)	40,690,996	1,262,656
Assets held for others	1,165,108	(214,958)	173,232	1,123,382
Other liabilities	117,945	(151,046)	98,117	65,016
Total liabilities	<u>\$ 1,599,993</u>	<u>\$ (40,111,284)</u>	<u>\$ 40,962,345</u>	<u>\$ 2,451,054</u>



Statistical Section

City of Great Falls, Montana

Fiscal Year 2015

July 1, 2014—June 30, 2015

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.	156
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	161
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.	166
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.	190
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.	192

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 Assets
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities:										
General government	\$ 7,219,070	\$ 7,551,204	\$ 6,113,949	\$ 6,280,562	\$ 6,896,504	\$ 8,333,483	\$ 9,528,095	\$ 8,696,774	\$ 9,116,629	\$ 9,175,818
Public safety	13,011,552	13,707,939	15,703,112	16,053,948	16,826,227	17,238,592	17,821,137	18,473,368	18,452,067	18,925,163
Public works	3,928,438	4,032,194	4,395,673	4,794,550	4,966,357	3,986,960	5,643,757	6,823,866	6,609,221	7,176,330
Culture and recreation	4,021,127	4,190,877	4,568,967	5,607,567	4,866,669	4,695,547	5,211,517	5,280,872	4,908,524	5,018,301
Housing and development	3,059,338	2,788,802	3,141,049	2,958,565	4,725,478	3,088,617	2,599,225	2,986,916	2,100,706	3,285,664
Interest and Fees	408,151	311,447	405,626	332,216	329,874	360,667	312,101	286,266	275,752	213,945
Total governmental activities expenses	<u>31,647,676</u>	<u>32,582,463</u>	<u>34,328,376</u>	<u>36,027,408</u>	<u>38,611,109</u>	<u>37,703,866</u>	<u>41,115,832</u>	<u>42,548,062</u>	<u>41,462,899</u>	<u>43,795,221</u>
Business-type activities										
Golf courses	1,467,156	1,421,903	1,384,226	1,460,828	1,414,297	1,393,793	1,371,666	1,393,735	1,274,279	1,286,360
Water	6,469,092	6,791,109	7,223,313	7,313,512	7,336,143	7,279,507	8,066,706	8,360,315	8,260,040	8,192,979
Sewer	6,120,164	6,620,414	7,215,076	7,281,065	7,340,178	7,395,670	7,265,547	7,676,489	7,823,272	7,856,343
Storm drain	1,164,236	1,215,422	1,227,116	1,245,318	1,252,472	1,262,923	1,243,172	1,358,316	1,322,246	1,485,612
Sanitation	2,992,216	3,072,465	3,330,166	3,231,635	3,165,548	3,222,473	3,464,588	3,406,713	3,367,323	3,249,148
Electric	4,471,710	6,711,809	9,441,675	10,724,225	11,050,768	11,777,771	3,648,328	2,606,675	854,118	175,481
Port authority	-	-	87,046	340,881	332,034	321,387	310,766	298,960	325,092	312,659
State Special Projects	-	-	-	-	-	-	-	-	63,680	373,134
Other	3,677,162	4,045,283	4,273,470	4,271,610	4,253,145	4,381,134	4,523,324	4,598,631	4,597,136	4,570,909
Total business-type activities expenses	<u>26,361,736</u>	<u>29,878,405</u>	<u>34,182,088</u>	<u>35,869,074</u>	<u>36,144,585</u>	<u>37,034,658</u>	<u>29,894,097</u>	<u>29,699,834</u>	<u>27,887,186</u>	<u>27,502,625</u>
Total primary government expenses	<u>\$ 58,009,412</u>	<u>\$ 62,460,868</u>	<u>\$ 68,510,464</u>	<u>\$ 71,896,482</u>	<u>\$ 74,755,694</u>	<u>\$ 74,738,524</u>	<u>\$ 71,009,929</u>	<u>\$ 72,247,896</u>	<u>\$ 69,350,085</u>	<u>\$ 71,297,846</u>
Program Revenues										
Governmental Activities:										
Charges for services										
General government	\$ 2,770,849	\$ 2,584,146	\$ 2,773,279	\$ 2,895,553	\$ 3,024,023	\$ 5,648,041	\$ 5,856,691	\$ 7,176,911	\$ 5,864,755	\$ 6,466,937
Public safety	2,082,032	2,096,607	2,280,255	2,486,246	2,458,773	2,556,209	1,594,501	1,488,048	1,638,667	1,698,851
Public works	2,481,096	2,801,439	3,075,156	3,451,404	3,686,549	3,769,809	5,503,781	4,884,645	4,770,651	5,440,670
Culture and recreation	558,479	496,740	517,337	510,812	504,279	1,103,631	1,267,802	745,946	750,894	730,995
Housing and development	2,916,787	3,235,059	3,594,034	3,105,833	3,082,734	1,084,434	1,347,775	1,311,128	1,387,925	1,813,459
Operating grants and contributions	813,017	867,359	922,426	825,758	609,709	1,469,801	1,081,039	2,277,090	1,171,027	2,236,251
Capital grants and contributions	2,457,109	1,945,499	2,190,536	2,174,440	5,098,770	674,013	458,821	499,861	616,593	1,211,232
Total governmental activities program revenues	<u>14,079,369</u>	<u>14,026,849</u>	<u>15,353,023</u>	<u>15,450,046</u>	<u>18,464,837</u>	<u>16,305,938</u>	<u>17,110,410</u>	<u>18,383,629</u>	<u>16,200,512</u>	<u>19,598,395</u>

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities										
Charges for services										
Golf Courses	\$ 1,090,309	\$ 1,168,802	\$ 1,254,453	\$ 1,309,590	\$ 1,421,216	\$ 1,347,695	\$ 1,404,894	\$ 1,379,693	\$ 1,314,324	\$ 1,350,398
Water	7,427,648	7,578,259	8,301,295	8,116,362	8,020,720	7,697,120	9,586,179	10,585,717	9,872,232	11,038,165
Sewer	6,516,115	7,089,612	7,656,887	7,788,927	7,762,817	8,110,507	8,972,566	10,230,776	10,446,285	10,904,305
Storm Drain	2,086,414	1,929,820	1,824,052	1,863,553	1,980,588	1,851,161	1,864,490	1,930,203	1,867,201	1,993,861
Sanitation	2,762,201	2,881,638	3,224,927	3,173,768	3,193,631	3,196,563	3,263,001	3,149,008	3,257,465	3,465,672
Electric	4,051,244	6,440,336	8,867,623	9,500,725	9,778,199	10,095,151	3,292,906	2,472,625	1,849,794	3,692
Port Authority	-	-	440,364	465,187	465,187	465,187	465,188	465,187	465,187	465,187
State Special Projects	-	-	-	-	-	-	-	-	-	383,402
Other	2,587,631	2,800,943	2,841,539	3,027,285	2,962,335	2,898,573	3,288,579	3,421,754	3,152,726	3,647,316
Operating grants and contributions	3,500	-	3,570	3,082	500	-	-	-	870,461	11,119
Capital grants and contributions	137,992	1,258,171	28,409	433,792	1,040,067	5,612	-	42,130	-	-
Total business-type activities program revenues	26,663,054	31,147,581	34,443,119	35,682,271	36,625,260	35,667,569	32,137,803	33,677,093	33,095,675	33,263,117
Total primary government program revenues	\$ 40,742,423	\$ 45,174,430	\$ 49,796,142	\$ 51,132,317	\$ 55,090,097	\$ 51,973,507	\$ 49,248,213	\$ 52,060,722	\$ 49,296,187	\$ 52,861,512
Net (Expense)/Revenue										
Governmental activities	\$ (17,568,307)	\$ (18,555,614)	\$ (18,975,353)	\$ (20,577,362)	\$ (20,146,272)	\$ (21,397,928)	\$ (24,005,422)	\$ (24,164,433)	\$ (25,262,387)	\$ (24,196,826)
Business-type activities	301,318	1,269,176	261,031	(186,803)	480,675	(1,367,089)	2,243,706	3,977,259	5,208,489	5,760,492
Total primary government net expense	\$ (17,266,989)	\$ (17,286,438)	\$ (18,714,322)	\$ (20,764,165)	\$ (19,665,597)	\$ (22,765,017)	\$ (21,761,716)	\$ (20,187,174)	\$ (20,053,898)	\$ (18,436,334)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property taxes	\$ 12,041,935	\$ 12,601,752	\$ 14,634,494	\$ 16,004,331	\$ 14,313,622	\$ 15,196,868	\$ 15,520,772	\$ 16,238,131	\$ 17,124,467	\$ 17,982,474
Grants and contributions not restricted to specific programs	7,755,847	7,809,913	8,190,388	8,532,724	8,559,609	10,223,824	6,727,541	7,612,104	8,042,009	8,578,380
Unrestricted investment earnings	383,907	697,066	666,468	294,352	250,613	131,130	96,731	48,395	8,681	97,419
Miscellaneous	311,702	683,004	887,591	728,078	1,066,106	344,436	1,132,493	475,503	463,284	2,831,946
Transfers	(1,065,222)	(1,327,408)	(2,520,767)	(2,292,865)	(1,527,849)	(1,280,271)	(1,209,727)	(10,017,773)	(1,875,441)	(569,896)
Total governmental activities general revenues	19,428,169	20,464,327	21,858,174	23,266,620	22,662,101	24,615,987	22,267,810	14,356,360	23,763,000	28,920,323
Business Type Activities:										
Grants and contributions not restricted to specific programs	-	-	-	-	-	-	-	50,488	89	24,960
Unrestricted investment earnings	660,977	997,854	664,264	308,639	255,765	165,930	64,538	26,276	13,487	91,417
Miscellaneous	106,501	224,678	571,884	19,240	172	273,282	537,209	120,976	787,181	114,395
Transfers	1,065,222	1,327,408	2,520,767	2,292,865	1,527,849	1,280,271	1,209,727	10,017,773	1,875,441	569,896
Extraordinary item	-	-	-	-	-	-	(1,400,000)	(4,117,122)	-	-
Total business-type activities general revenues	1,832,700	2,549,940	3,756,915	2,620,744	1,783,786	1,719,483	411,474	6,098,391	2,676,198	800,668
Total primary government general revenues	\$ 21,260,869	\$ 23,014,267	\$ 25,615,089	\$ 25,887,364	\$ 24,445,887	\$ 26,335,470	\$ 22,679,284	\$ 20,454,751	\$ 26,439,198	\$ 29,720,991
Change in Net Assets										
Governmental activities	\$ 1,859,862	\$ 1,908,713	\$ 2,882,821	\$ 2,689,258	\$ 2,515,829	\$ 3,218,059	\$ (1,737,612)	\$ (9,808,073)	\$ (1,499,387)	\$ 4,723,497
Business-type activities	2,134,018	3,819,116	4,017,946	2,433,941	2,264,461	352,394	2,655,180	10,075,650	7,884,687	6,561,160
Total primary government	\$ 3,993,880	\$ 5,727,829	\$ 6,900,767	\$ 5,123,199	\$ 4,780,290	\$ 3,570,453	\$ 917,568	\$ 267,577	\$ 6,385,300	\$ 11,284,657

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

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

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 42,200,941	\$ 63,427,216	\$ 67,957,014	\$ 69,299,156	\$ 72,695,192	\$ 74,391,543	\$ 72,430,194	\$ 71,608,711	\$ 69,788,446	\$ 69,736,173
Restricted	7,568,295	8,111,215	5,329,260	2,217,136	825,860	7,671,970	10,536,256	8,702,271	7,528,842	10,075,593
Unrestricted	11,074,181	13,732,946	14,867,924	19,327,164	19,838,233	14,512,551	11,872,002	4,666,887	6,161,194	(16,610,550)
Total governmental activities net assets	\$ 60,843,417	\$ 85,271,377	\$ 88,154,198	\$ 90,843,456	\$ 93,359,285	\$ 96,576,064	\$ 94,838,452	\$ 84,977,869	\$ 83,478,482	\$ 63,201,216
Business-Type activities										
Net investment in capital assets	\$ 73,539,134	\$ 79,077,768	\$ 84,029,556	\$ 86,137,271	\$ 87,603,446	\$ 89,541,681	\$ 93,789,614	\$ 100,276,282	\$ 104,871,641	\$ 110,400,631
Restricted	12,556,046	9,100,250	9,668,238	10,182,501	10,717,102	12,402,105	10,824,265	5,803,799	4,653,658	7,682,782
Unrestricted	8,199,511	9,935,789	8,433,959	8,245,922	8,509,607	5,238,763	5,223,850	13,467,886	17,907,355	9,515,712
Total business-type activities net assets	\$ 94,294,691	\$ 98,113,807	\$ 102,131,753	\$ 104,565,694	\$ 106,830,155	\$ 107,182,549	\$ 109,837,729	\$ 119,547,967	\$ 127,432,654	\$ 127,599,125
Primary government										
Net investment in capital assets	\$ 115,740,075	\$ 142,504,984	\$ 151,986,570	\$ 155,436,427	\$ 160,298,638	\$ 163,933,224	\$ 166,219,808	\$ 171,884,993	\$ 174,660,087	\$ 180,136,804
Restricted	20,124,341	17,211,465	14,997,498	12,399,637	11,542,962	20,074,075	21,360,521	14,506,070	12,182,500	17,758,375
Unrestricted	19,273,692	23,668,735	23,301,883	27,573,086	28,347,840	19,751,314	17,095,852	18,134,773	24,068,549	(7,094,838)
Total primary government net assets	\$ 155,138,108	\$ 183,385,184	\$ 190,285,951	\$ 195,409,150	\$ 200,189,440	\$ 203,758,613	\$ 204,676,181	\$ 204,525,836	\$ 210,911,136	\$ 190,800,341

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Nonspendable	\$ 100,000	\$ 159,696	\$ 159,696	\$ 159,696	\$ 159,696	\$ 159,696	\$ 59,696	\$ -	\$ -	\$ -
Unassigned	2,822,542	2,948,716	2,500,265	3,352,228	4,564,282	5,755,325	6,636,339	1,520,000	3,068,392	5,892,518
Total general fund	<u>\$ 2,922,542</u>	<u>\$ 3,108,412</u>	<u>\$ 2,659,961</u>	<u>\$ 3,511,924</u>	<u>\$ 4,723,978</u>	<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>
All Other Governmental Funds										
Nonspendable	\$ 90,615	\$ 687,666	\$ 687,666	\$ 687,666	\$ 687,666	\$ 713,907	\$ 713,907	\$ 25,349	\$ 25,349	\$ 25,349
Restricted	5,091,753	7,244,867	4,237,775	2,160,462	2,494,129	6,798,367	6,829,759	6,079,675	4,986,807	7,020,783
Assigned	2,107,640	1,989,475	2,548,444	2,503,994	2,488,739	2,877,564	2,932,894	2,597,247	2,516,686	3,029,461
Unassigned	(28,937)	(125,651)	(114,411)	(5,892)	(2,388)	(18,680)	(38,601)	(13,163)	(4,242)	(2,600)
Total all other governmental funds	<u>\$ 7,261,071</u>	<u>\$ 9,796,357</u>	<u>\$ 7,359,474</u>	<u>\$ 5,346,230</u>	<u>\$ 5,668,146</u>	<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>

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

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 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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 11,949,430	\$ 12,932,609	\$ 14,197,988	\$ 15,280,089	\$ 14,665,459 ¹	\$ 15,196,868	\$ 15,575,895	\$ 16,238,131	\$ 17,124,467	\$ 17,982,474
Licenses & permits	1,556,336	1,797,639	2,060,296	1,815,363	1,680,221	1,761,023	2,122,096	2,045,169	2,055,879	2,495,048
Intergovernmental	10,677,996	10,250,929	10,946,651	11,179,465	13,931,704 ³	12,535,101	11,195,580	11,864,173	11,387,609	13,224,455
Charges for services	2,377,124	2,699,858	2,674,751	3,081,602	2,889,083	2,893,084	2,934,191	2,904,088	2,910,944	2,906,916
Fines & forfeitures	1,531,578	1,465,106	1,477,982	1,502,122	1,452,672	1,440,067	1,264,402	1,147,959	939,146	1,052,578
Internal service	928,582	1,133,596	1,180,411	1,166,834	1,266,559	1,106,690	1,014,815	1,058,730	1,068,809	1,061,100
Special assessments	4,205,112	4,456,879	4,762,317	5,079,030	5,616,689 ²	6,138,832 ²	6,358,146	6,665,671	6,654,478	6,834,965
Other	540,017	492,258	441,304	381,030	756,110	1,133,152	1,714,371	716,288	917,119	776,643
Investment income	242,674	560,508	448,583	156,404	129,967	74,683	55,573	25,862	321 ⁷	65,782
Total revenues	34,008,849	35,789,382	38,190,283	39,641,939	42,388,464	42,279,500	42,235,069	42,666,071	43,058,772	46,399,961
Expenditures										
General government	6,920,346	6,813,067	6,884,548	7,254,140	6,995,847	6,752,078	7,518,860	7,779,966	8,116,341	7,992,378
Public safety	12,713,281	13,391,537	15,336,682	15,792,570	16,565,115	17,208,800	17,360,185	18,271,958	18,263,076	18,535,967
Public works	3,190,200	3,192,983	3,516,983	3,843,043	4,000,607	4,106,622	4,475,802	4,731,856	4,773,496	4,767,232
Culture & recreation	3,329,144	3,562,237	3,820,102	3,816,577	4,196,819	4,190,657	4,521,930	4,397,868	4,233,348	4,018,480
Housing & development	2,688,276	2,395,756	2,714,537	2,548,111	4,361,695 ³	2,584,976	2,181,794	2,605,288	1,797,475	2,485,943
Debt service										
Principal	1,336,433	1,302,531	1,434,620	1,603,535	1,625,954	463,998	1,269,759	444,479	558,887	642,516
Interest & fees	383,585	327,021	388,524	320,830	356,530	360,294	312,101	282,232	272,889	211,806
Capital outlay	2,619,789	2,175,938	4,696,802	2,666,399	3,941,814 ⁴	3,413,384	2,417,859	2,899,085	2,637,817	1,726,777
Total expenditures	33,181,054	33,161,070	38,792,798	37,845,205	42,044,381	39,080,809	40,058,290	41,412,732	40,653,329	40,381,099
Excess of revenues over (under) expenditures	827,795	2,628,312	(602,515)	1,796,734	344,083	3,198,691	2,176,779	1,253,339	2,405,443	6,018,862
Other financing sources (uses)										
Transfers in	2,983,184	2,362,396	2,858,289	2,199,261	2,442,925	1,559,931	990,377	924,746	844,012	1,092,415
Transfers out	(4,478,400)	(4,089,753)	(5,864,248)	(4,680,775)	(4,157,016)	(2,912,592)	(2,319,341)	(9,072,667) ⁶	(2,695,291)	(1,738,759)
Issuance of debt	73,093	2,311,675	41,562	47,560	2,802,021 ⁵	-	-	-	-	-
Issuance of refunding bonds	-	-	-	-	-	-	-	-	2,349,720	-
Payment to refunding bonds escrow agent	-	-	-	-	-	-	-	-	(2,520,000)	-
Sale of capital assets	52,038	195,886	560,650	635,451	678,690	2,184	-	-	-	-
Total other financing sources (uses)	(1,370,085)	780,204	(2,403,747)	(1,798,503)	1,766,620	(1,350,477)	(1,328,964)	(8,147,921)	(2,021,559)	(646,344)
Net change in fund balance	\$ (542,290)	\$ 3,408,516	\$ (3,006,262)	\$ (1,769)	\$ 2,110,703	\$ 1,848,214	\$ 847,815	\$ (6,894,582)	\$ 383,884	\$ 5,372,518
Debt service as a percentage of noncapital expenditures	5.63%	5.26%	5.35%	5.47%	5.20%	2.31%	4.20%	1.89%	2.19%	2.21%

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

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								
2006	\$ 1,957,030,185	\$ 55,391,383	\$ 138,013,207	\$ 4,028,424	\$ 2,095,043,392	\$ 68,026,995	3.25%	138.27
2007	2,022,021,187	66,155,226	148,813,371	4,394,817	2,170,834,558	70,550,043	3.25%	140.94
2008	2,136,035,079	68,941,143	162,329,143	4,835,189	2,298,364,222	73,776,332	3.21%	158.21
2009	2,235,699,855	70,959,944	183,294,177	5,445,746	2,418,994,032	76,405,690	3.16%	162.76
2010	2,300,579,974	71,021,098	197,087,531	5,841,602	2,497,667,505	76,862,700	3.08%	169.04
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	2,695,548,826	69,510,436	233,291,897	6,587,918	2,928,840,723	76,098,354	2.60%	204.54
TAXABLE ASSESSED AND MARKET VALUE OF TAXABLE PROPERTY - NET OF TAX INCREMENT DISTRICTS (TID)								
2006	\$ 1,733,415,472	\$ 55,186,069	\$ 131,270,000	\$ 3,827,618	\$ 1,864,685,472	\$ 59,013,687	3.16%	138.27
2007	1,758,314,047	56,758,308	141,894,158	4,189,503	1,900,208,205	60,947,811	3.21%	140.94
2008	1,878,082,643	59,238,458	155,612,446	4,636,065	2,033,695,089	63,874,523	3.14%	158.21
2009	1,942,828,004	60,841,989	174,548,420	5,185,463	2,117,376,424	66,027,452	3.12%	162.76
2010	2,257,663,616	69,759,972	187,864,866	5,567,746	2,445,528,482	75,327,718	3.08%	169.04
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	2,490,914,189	63,996,012	219,292,261	5,750,115	2,710,206,450	69,746,127	2.57%	204.54
TAXABLE ASSESSED AND MARKET VALUE OF TAXABLE PROPERTY - TOTAL TAX INCREMENT DISTRICTS (TID)¹								
2006	\$ 223,614,713	\$ 8,446,109	\$ 6,743,207	\$ 200,806	\$ 230,357,920	\$ 8,646,915	3.75%	132.27
2007	247,948,856	9,396,918	6,919,213	205,314	254,868,069	9,602,232	3.77%	134.94
2008	276,137,655	9,702,685	6,716,697	199,124	282,854,352	9,901,809	3.50%	152.21
2009	292,871,851	10,117,955	8,745,757	260,283	301,617,608	10,378,238	3.44%	156.76
2010	42,916,358	1,261,126	9,222,665	273,856	52,139,023	1,534,982	2.94%	163.04
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

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
2006	\$ 223,614,713	8,446,109	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2007	247,948,856	8,902,107	N/A	494,811	N/A	N/A	N/A	N/A	N/A	N/A
2008	257,952,436	9,144,399	\$ 18,185,219	558,286	N/A	N/A	N/A	N/A	N/A	N/A
2009	261,528,098	9,167,952	20,839,374	627,020	\$ 10,504,379	322,983	N/A	N/A	N/A	N/A
2010	-	-	22,359,576	656,851	16,933,172	498,107	\$ 3,623,610	106,168	N/A	N/A
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
Personal 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
2006	\$ 6,743,207	\$ 200,806	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2007	6,919,213	205,314	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2008	6,716,697	199,124	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2009	6,288,391	186,562	\$ 2,457,366	\$ 73,721	N/A	N/A	N/A	N/A	N/A	N/A
2010	6,593,520	194,982	2,450,667	73,520	\$ 178,478	\$ 5,354	N/A	N/A	N/A	N/A
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

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.

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

Fiscal Year	Overlapping Governments						Direct					
	State University	State School Equalization	Cascade County	County-Wide School	Great Falls School Districts	Transit District	City of Great Falls	Permissive Medical Levy	Soccer Park Debt Service	Swimming Pool Debt Service	Total Direct	Total
2006	6.00	40.00	107.96	102.09	199.47	15.06	125.77	8.63	3.87	-	138.27	608.85
2007	6.00	40.00	121.55	102.18	188.23	15.80	128.86	8.34	3.74	-	140.94	614.70
2008	6.00	40.00	122.02	103.87	184.34	16.40	138.87	12.61	2.70	4.03	158.21	630.84
2009	6.00	40.00	122.54	94.32	178.89	16.35	140.85	15.07	2.25	4.59	162.76	620.86
2010	6.00	40.00	120.99	100.82	174.68	17.22	147.70	14.21	2.12	5.01	169.04	628.75
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

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	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation
Northwestern Energy, LLC	\$ 4,495,066	1	5.91%	\$ 3,470,413	1	5.10%
Calumet Montana Refining, LLC ⁴	2,654,303	2	3.49%	617,127	7	0.91%
Great Falls Gas Co. (Energy West)	1,184,501	3	1.56%	1,113,258	3	1.64%
Bresnan Communications (Charter)	959,718	4	1.26%			
GK Development Inc ²	701,586	5	0.92%			
Burlington Northern Santa Fe Railroad	631,665	6	0.83%	345,501	9	0.51%
Centurylink, Inc ³	584,265	7	0.77%	1,103,694	4	1.62%
Benefis Health System, Inc	552,536	8	0.73%			
Pasta Montana	544,168	9	0.72%	695,000	5	1.02%
Orix Great Falls, LLC	489,409	10	0.64%			
Macerich Partnership, LP				1,127,132	2 ¹	1.66%
General Mills, Inc				626,955	6	0.92%
Federal Express Corp				533,966	8	0.78%
Sky West Airlines				331,235	10	0.49%
	<u>\$12,797,217</u>		<u>16.82%</u>	<u>\$ 9,964,281</u>		<u>14.65%</u>
Total Assessed Value	<u><u>\$76,098,354</u></u>			<u><u>\$68,026,995</u></u>		

Source: Treasurer's Office, Cascade County, Montana

¹ In Fiscal Year 2007, Holiday Village Partners LLC and Orix Great Falls LLC Etal were disbanded from Macerich Partnership, LP

² In Fiscal Year 2014, Holiday Village Partners LLC changed to GK Development Inc

³ In Fiscal Year 2015, Qwest Corporation changed to Centurylink, Inc.

⁴ In Fiscal Year 2015, Montana Refining Corp. changed to Calument Montana Refining, LLC

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						
2006	\$ 11,168,847	\$ 10,171,657	91.07%	\$ 996,903	\$ 11,168,560	100.00%
2007	11,951,767	10,940,702	91.54%	1,003,958	11,944,660	99.94%
2008	13,431,139	12,002,811	89.37%	1,419,720	13,422,531	99.94%
2009	14,199,478	13,089,535	92.18%	1,101,360	14,190,895	99.94%
2010	12,939,188	12,232,966	94.54%	699,414	12,932,380	99.95%
2011	13,996,931	12,809,614	91.52%	1,174,012	13,983,626	99.90%
2012	14,722,663	13,104,833	89.01%	1,602,814	14,707,647	99.90%
2013	15,921,285	13,820,468	86.80%	2,085,898	15,906,366	99.91%
2014	15,877,678	14,442,695	90.96%	1,414,716	15,857,411	99.87%
2015	16,499,453	14,897,755	90.29%	-	14,897,755	90.29%
PROPERTY TAX LEVIES AND COLLECTIONS - NET OF TAX INCREMENT DISTRICTS ¹						
2006	\$ 9,119,393	\$ 8,327,389	91.32%	\$ 791,717	\$ 9,119,106	100.00%
2007	9,624,311	8,862,777	92.09%	754,427	9,617,204	99.93%
2008	10,891,406	9,799,479	89.97%	1,084,547	10,884,026	99.93%
2009	11,481,132	10,749,613	93.63%	723,411	11,473,024	99.93%
2010	12,623,877	11,924,011	94.46%	693,058	12,617,069	99.95%
2011	13,510,828	12,423,862	91.95%	1,073,661	13,497,523	99.90%
2012	14,257,354	12,659,663	88.79%	1,582,675	14,242,338	99.89%
2013	15,450,077	13,351,783	86.42%	2,083,375	15,435,158	99.90%
2014	15,324,979	13,928,320	90.89%	1,376,392	15,304,712	99.87%
2015	15,671,690	14,087,159	89.89%	-	14,087,159	89.89%
PROPERTY TAX LEVIES AND COLLECTIONS - TAX INCREMENT DISTRICTS ¹						
2006	\$ 2,049,454	\$ 1,844,268	89.99%	\$ 205,186	\$ 2,049,454	100.00%
2007	2,327,456	2,077,925	89.28%	249,531	2,327,456	100.00%
2008	2,539,733	2,203,332	86.75%	335,173	2,538,505	99.95%
2009	2,718,346	2,339,922	86.08%	377,949	2,717,871	99.98%
2010	315,311	308,955	97.98%	6,356	315,311	100.00%
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%	-	810,596	97.93%

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

City of Great Falls, Montana
Special Improvement Districts Outstanding
June 30, 2015

	<u>SID Number</u>	<u>Issue Date</u>	<u>Original Issue</u>	<u>Accumulated Cash Balance</u>	<u>Maturity Date</u>	<u>Outstanding Balance</u>	<u>C/Y Principal and Interest Assessments Outstanding</u>	<u>Delinquent Principal and Interest Assessments</u>
Special Improvement District (SID)								
Medical Tech Park	1301	05/15/2005	\$ 630,000	\$ 33,373	06/30/2021	\$ 175,000	\$ 202,636	\$ -
Total Bonds Outstanding			<u>\$ 630,000</u>	<u>\$ 33,373</u>		<u>\$ 175,000</u>	<u>\$ 202,636</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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Beginning fund balance, July 1	\$ 289,528	\$ 315,688	\$ 178,756	\$ 143,817	\$ 98,851	\$ 176,388	\$ 152,712	\$ 125,176	\$ 95,923	\$ 50,980
Receipts over (under) disbursements	26,160	(136,932)	(34,939)	(44,966)	77,537	(23,676)	(27,536)	(29,253)	(44,943)	(29,389)
Ending fund balance, June 30	<u>\$ 315,688</u>	<u>\$ 178,756</u>	<u>\$ 143,817</u>	<u>\$ 98,851</u>	<u>\$ 176,388</u>	<u>\$ 152,712</u>	<u>\$ 125,176</u>	<u>\$ 95,923</u>	<u>\$ 50,980</u>	<u>\$ 21,591</u>
Assets										
Cash	\$ 291,718	\$ 177,516	\$ 142,540	\$ 98,419	\$ 175,881	\$ 152,468	\$ 124,950	\$ 95,731	\$ 50,980	\$ 21,591
Assessments receivable	18,519	10,385	5,805	1,333	1,770	-	-	-	-	-
Accrued interest	1,709	1,240	1,277	432	507	244	226	192	-	-
Due from Other City Funds	21,006	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 332,952</u>	<u>\$ 189,141</u>	<u>\$ 149,622</u>	<u>\$ 100,184</u>	<u>\$ 178,158</u>	<u>\$ 152,712</u>	<u>\$ 125,176</u>	<u>\$ 95,923</u>	<u>\$ 50,980</u>	<u>\$ 21,591</u>
Liabilities										
Deferred revenue	17,264	10,385	5,805	1,333	1,770	-	-	-	-	-
Total Fund Balance	315,688	178,756	143,817	98,851	176,388	152,712	125,176	95,923	50,980	21,591
Total Liabilities/Fund Balances	<u>\$ 332,952</u>	<u>\$ 189,141</u>	<u>\$ 149,622</u>	<u>\$ 100,184</u>	<u>\$ 178,158</u>	<u>\$ 152,712</u>	<u>\$ 125,176</u>	<u>\$ 95,923</u>	<u>\$ 50,980</u>	<u>\$ 21,591</u>

Source: City of Great Falls, Montana

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

<u>Fiscal Year</u>	<u>Revolving Fund Cash Balance</u>	<u>Principal Amount of Bonds</u>	<u>Percentage</u>
2006	\$ 291,718	\$ 1,055,000	27.65%
2007	177,516	875,000	20.29%
2008	142,540	765,000	18.63%
2009	98,419	555,000	17.73%
2010	175,881	490,000	35.89%
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%

Individual Special Improvement Districts - Continuing Disclosure

	<u>SID 1301</u>
Properties with assessments outstanding	
Number	1
Amount	\$ 202,636
Market Value	301,902

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
2006 ²	\$ 242,501	\$ 306,408	126.4%	\$ 357,355	147.4%
2007 ²	202,864	213,286	105.1%	226,922	111.9%
2008	188,397	187,304	99.4%	194,251	103.1%
2009	180,620	160,166	88.7%	168,616	93.4%
2010 ²	109,811	137,848	125.5%	139,665	127.2%
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%

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**

<u>Fiscal Year</u>	<u>Assessment Billing</u>	<u>Collections in Year Assessed</u>		<u>Total Outstanding Assessment</u>
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
2006	\$ 4,155,885	\$ 3,859,436	92.9%	\$ 1,417,515 ¹
2007	4,372,241	4,071,459	93.1%	1,848,516
2008	4,654,945	4,342,412	93.3%	1,615,882
2009	5,134,365	4,756,416	92.6%	1,628,591
2010	5,628,452	5,145,297	91.4%	1,890,561
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

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

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

Source: City of Great Falls

City of Great Falls, Montana
West Bank Urban Renewal District Principal Taxpayers
Fiscal Year 2015

Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation
Mitchell Development & Investments LLC	Courthouse	\$ 291,390	1	33.59%
West Bank Properties LLC	Hotel	220,868	2	25.46%
Talcott Properties LLC	Retail	61,284	3	7.06%
Stockman Bank of Montana	Bank	52,947	4	6.10%
Daza Properties LLC	Retail	42,678	5	4.92%
Henderson, Michael S & William L	Retail	30,189	6	3.48%
BN Leasing Corporation	Railroad	19,413	7	2.24%
Burlington Northern Santa Fe	Railroad	19,140	8	2.21%
Montana Electric Cooperatives	Montana Electric Coop	18,904	9	2.18%
Baumbarger, Fred & Patricia S	Retail	18,275	10	2.11%
		<u>\$ 775,088</u>		<u>89.34%</u>
Total Assessed Value		<u>\$ 867,572</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

	Fiscal Year					
	2010	2011	2012	2013	2014	2015
Revenues						
Taxes	\$ 108,124	\$ 350,619	\$ 364,984	\$ 371,310	\$ 394,485	\$ 411,464
Investment Income	1,911	1,534	1,117	1,093	1,173	4,629
Other	-	-	812,776	-	13	4,684
Total revenues	110,035	352,153	1,178,877	372,403	395,671	420,777
Expenditures						
General Government	42,500	440	1,795	18,536	18,759	19,176
Debt Service						
Principal	-	50,000	855,659	85,000	85,000	90,000
Interest & fees	130,778	174,951	140,368	128,528	126,228	123,728
Capital Outlay	-	-	-	2,440	-	4,068
Total Expenditures	173,278	225,391	997,822	234,504	229,987	236,972
Revenues over (under) expenditures	(63,243)	126,762	181,055	137,899	165,684	183,805
Other Financing Sources (Uses)	234,030	-	-	-	-	-
Revenues and other financing uses over (under) expenditures	170,787	126,762	181,055	137,899	165,684	183,805
Fund balances, beginning of year	-	170,787	297,549	490,338	628,329	794,013
Transfers in (out)	-	-	11,734	92	-	-
Fund balances, end of year	\$ 170,787	\$ 297,549	\$ 490,338	\$ 628,329	\$ 794,013	\$ 977,818
	<u>Parity</u>	<u>Parity</u>	<u>Parity</u>	<u>Parity</u>	<u>Parity</u>	<u>Parity</u>
<u>Bond reserves</u>						
Debt service account	\$ 13,729	\$ 21,785	\$ 115,065	\$ 17,548	\$ 17,752	\$ 88,762
<u>Coverage covenant calculation</u>						
Increment taxes collected and available	\$ 108,124	\$ 350,285	\$ 364,984	\$ 371,310	\$ 394,485	\$ 411,464
Maximum annual debt service	156,530	156,530	216,165	216,165	216,165	216,165
Debt service coverage	.69x	2.24x	1.69x	1.72x	1.82x	1.90x
Debt service coverage required	1.25x	1.25x	1.25x	1.25x	1.25x	1.25x

West Bank Urban Renewal Tax Increment District taxes were first billed Fiscal Year 2010

Source: City of Great Falls, Montana

City of Great Falls, Montana
Major Water, Sanitary Sewerage, and Storm Drain System Users
June 30, 2015

Customer	Water Charges	Rank	Percent of Total Water Revenues	Sewer Charges	Rank	Percent of Total Sewer Revenues	Storm Drain Charges	Rank	Percent of Total Storm Drain Revenues
Malmstrom Air Force Base	\$ 500,103	1	4.52%	\$ 446,911	2	4.08%			
Calumet Montana Refining, LLC	233,974	2	2.11%	134,110	5	1.22%	\$ 10,976	7	0.55%
City of Great Falls	206,464	3	1.86%				16,204	4	0.81%
Benefis Healthcare	159,605	4	1.44%	217,826	3	1.99%	35,136	2	1.75%
Great Falls Public Schools	159,341	5	1.44%	82,328	8	0.75%	90,310	1	4.50%
Cascade County	141,263	6	1.28%	135,837	4	1.24%			
Black Eagle Cascade County Water District	116,952	7	1.06%	84,339	7	0.77%			
Great Falls Housing Authority	77,281	8	0.70%	119,756	6	1.09%	10,546	8	0.53%
University of Great Falls	68,551	9	0.62%	39,551	10	0.36%			
Malt Europ North America, Inc	46,713	10	0.42%	1,121,616	1	10.24%			
Missouri River Manor				39,637	9	0.36%			
BN Santa Fe Railway Co.							23,398	3	1.17%
Orix Real Estate Capital							15,400	5	0.77%
Holiday Village Partners							15,246	6	0.76%
Highwood Trailer Park							10,364	9	0.52%
Wal-Mart							9,194	10	0.46%
	<u>\$ 1,710,247</u>		<u>15.45%</u>	<u>\$ 2,421,912</u>		<u>22.12%</u>	<u>\$ 236,774</u>		<u>11.81%</u>

In 2013, customers individual accounts were combined to calculated charges and rankings.

In 2014, City Park bills were added to City of Great Falls water charges.

Source: Utility Division, City of Great Falls, Montana.

City of Great Falls, Montana
Current Water Rate Structure
June 30, 2015

	<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	\$ 6.25	\$ 5.63	\$ 6.25	\$ -	\$ -
1	6.66	5.99	6.66	-	-
1 1/4	12.08	10.86	12.08	-	-
1 1/2	12.08	10.86	12.08	-	-
2	15.30	13.76	15.30	-	-
3	40.80	36.71	40.80	-	-
4	59.04	53.15	59.04	-	59.04
6	118.99	107.10	118.99	-	-
8	179.12	161.21	179.12	179.12	-
10	253.28	227.96	253.28	-	253.28
12	373.76	336.39	373.76	-	-
Monthly consumption charge					
First 300 cf	\$ 1.21	\$ 1.10	\$ 1.51	\$ 1.56	\$ 1.73
Over 300 cf	2.03	1.83	1.51	1.56	1.73
Monthly fire hydrant charge					
Meter size (in inches)					
3/4	\$ 2.23	\$ 2.23	\$ 2.23		
1	2.55	2.55	2.55		
1 1/4	7.07	7.07	7.07		
1 1/2	7.07	7.07	7.07		
2	9.78	9.78	9.78		
3	31.00	31.00	31.00		
4	46.30	46.30	46.30		
6	96.30	96.30	96.30		
Annual fire line charge					
Line size (in inches)					
2			\$ 28.58		
3			43.41		
4			67.14		
6			119.41		
8			161.78		
12			416.40		

Source: Utility Division, City of Great Falls, Montana.

**City of Great Falls, Montana
Historical Water System Connections
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Residential Customers</u>	<u>Commercial /Industrial Customers</u>	<u>Total Customers</u>	<u>% of Residential Customers</u>	<u>Debt per connection</u>
2006	18,560	2,274	20,834	89.1%	\$ 368
2007	18,706	2,235	20,941	89.3%	333
2008	18,767	2,187	20,954	89.6%	299
2009	18,798	2,387	21,185	88.7%	316
2010	18,882	2,142	21,024	89.8%	406
2011	18,123	2,371	20,494	88.4%	379
2012	18,325	2,362	20,687	88.6%	325
2013	18,604	2,832	21,436	86.8%	225
2014	18,307	2,406	20,713	88.4%	215
2015	18,357	2,602	20,959	87.6%	214

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operating Revenues:										
Water charges for services ¹	\$7,428,136	\$7,748,991	\$8,649,041	\$8,116,362	\$8,020,720	\$7,697,120	\$9,586,179	\$ 10,551,476	\$ 9,857,288	\$ 11,027,200
Investment income	242,145	343,622	222,131	92,126	76,365	39,264	27,400	15,089	21,555	42,582
Gain on disposal of assets	-	-	3,874	4,635	-	-	1,681	8,124	12,298	1,459
Total operating revenues	7,670,281	8,092,613	8,875,046	8,213,123	8,097,085	7,736,384	9,615,260	10,574,689	9,891,141	11,071,241
Operating Expenses:²										
Personal services	1,673,142	1,783,197	1,910,008	1,951,263	2,091,070	2,041,140	2,196,201	2,264,051	2,321,012	2,296,225
Supplies and materials	481,424	492,161	567,907	660,000	541,209	545,963	985,185	824,822	872,711	870,907
Purchased services	622,985	822,079	725,945	814,849	764,256	658,518	848,400	943,415	799,501	706,909
Internal services	930,470	1,164,990	1,229,012	1,243,040	1,292,350	1,270,871	1,239,423	1,332,709	1,394,791	1,385,165
Other	-	-	-	-	-	47,423	45,594	45,806	50,551	45,877
Total operating expenses	3,708,021	4,262,427	4,432,872	4,669,152	4,688,885	4,563,915	5,314,803	5,410,803	5,438,566	5,305,083
Net revenue available for debt service	\$3,962,260	\$3,830,186	\$4,442,174	\$3,543,971	\$3,408,200	\$3,172,469	\$4,300,457	\$ 5,163,886	\$ 4,452,575	\$ 5,766,158
Net revenue	\$3,962,260	\$3,830,186	\$4,442,174	\$3,543,971	\$3,408,200	\$3,172,469	\$4,300,457	\$ 5,163,886	\$ 4,452,575	\$ 5,766,158
Depreciation expense	(2,379,231)	(2,338,936)	(2,559,465)	(2,387,934)	(2,426,177)	(2,470,702)	(2,532,581)	(2,755,971)	(2,759,952)	(2,857,431)
Total non-operating income	36,406	512,291	27,284	419,702	353,690	67,815	286,084	50,307	49,847	69,164
Total non-operating expenses	(347,364)	(188,386)	(230,974)	(256,426)	(221,081)	(244,890)	(219,322)	(193,541)	(61,522)	(30,465)
Transfers in (out)	(90,320)	(20,939)	350,870	109,265	-	-	-	(300,477)	-	-
Net income (loss)	\$1,181,751	\$1,794,216	\$2,029,889	\$1,428,578	\$1,114,632	\$ 524,692	\$1,834,638	\$ 1,964,204	\$ 1,680,948	\$ 2,947,426
Reserve cash account balances:										
Reserve account	\$1,748,457	\$1,005,668	\$1,005,668	\$1,319,066	\$1,340,595	\$1,337,490	\$1,337,490	\$ 485,055	\$ 485,055	\$ 328,066
Current debt service reserve account	751,431	760,805	779,335	934,078	956,220	981,922	1,001,297	40,413	40,421	314,021
Operating reserve account	437,403	437,403	437,403	584,856	584,856	592,922	773,434	521,109	527,204	527,204
Repair/replacement reserve account	695,477	673,260	722,801	972,857	916,484	1,092,514	975,582	975,582	935,514	935,514
Total reserves	\$3,632,768	\$2,877,136	\$2,945,207	\$3,810,857	\$3,798,155	\$4,004,848	\$4,087,803	\$ 2,022,159	\$ 1,988,194	\$ 2,104,805
* Maximum future principal and interest	\$1,005,668	\$1,005,668	\$1,319,066	\$1,319,066	\$1,340,595	\$1,340,595	\$1,329,511	\$ 485,055	\$ 485,055	\$ 328,066
Debt service coverage	393.99%	380.86%	336.77%	268.67%	254.23%	236.65%	323.46%	1064.60%	917.95%	1757.62%

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 50% of the maximum future principal and interest payment.

City of Great Falls, Montana
Current Sanitary Sewerage Rate Structure
June 30, 2015

	<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	\$ 8.17	\$ 7.34	\$ 8.17	\$ 8.17	\$ 8.17	\$ 7.42
First 300 cf	1.75	1.59	2.49	2.49	2.16	1.73
Over 300 cf	2.90	2.62	2.49	2.49	2.16	1.73

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	0.510 /lb
TSS>250mg/L	0.350 /lb

Pre-Treatment:

Monthly service charge	\$ 8.17
Volume charge/ccf	1.21
BOD>200 mg/L	0.510 /lb
TSS>250mg/L	0.350 /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>
2006	18,413	2,201	20,614	89.3%	\$ 912
2007	18,549	2,177	20,726	89.5%	851
2008	17,945	2,325	20,270	88.5%	809
2009	18,646	2,088	20,734	89.9%	730
2010	18,744	2,094	20,838	90.0%	669
2011	17,945	2,325	20,270	88.5%	627
2012	18,083	2,316	20,399	88.6%	552
2013	18,634	2,774	21,408	87.0%	486
2014	18,165	2,343	20,508	88.6%	967
2015	18,199	2,359	20,558	88.5%	1,033

Connection count was restated for year 2008 to better reflect number of connections.

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operating Revenues:¹										
Sanitary sewer charges for services	\$6,516,115	\$7,089,612	\$7,656,887	\$7,788,927	\$7,762,817	\$8,110,507	\$8,972,566	\$10,264,207	\$10,445,901	\$10,903,714
Investment income	281,611	317,819	263,675	116,421	99,044	47,896	31,724	13,662	8,712	45,462
Gain on disposal of assets	-	15,300	3,500	-	-	-	2,505	147	-	-
Total operating revenues	6,797,726	7,422,731	7,924,062	7,905,348	7,861,861	8,158,403	9,006,795	10,278,016	10,454,613	10,949,176
Operating Expenses:²										
Personal services	634,562	684,626	720,032	739,643	767,490	798,163	832,920	838,822	827,825	894,692
Supplies and materials	62,143	71,241	76,143	67,212	51,251	70,782	83,847	77,330	70,796	65,554
Purchased services	2,278,659	2,682,808	3,072,287	3,090,253	3,122,179	3,137,508	2,979,993	3,352,392	3,543,057	3,318,492
Internal services	693,128	756,072	811,469	825,744	875,184	872,795	844,275	843,699	842,952	1,001,671
Other	-	-	-	-	-	29,373	42,214	34,432	154,369	31,820
Total operating expenses	3,668,492	4,194,747	4,679,931	4,722,853	4,816,104	4,908,621	4,783,249	5,146,675	5,438,999	5,312,229
Net revenue available for debt service	\$3,129,234	\$3,227,984	\$3,244,131	\$3,182,496	\$3,045,757	\$3,249,782	\$4,223,546	\$ 5,131,341	\$ 5,015,614	\$ 5,636,947
Net revenue	\$3,129,234	\$3,227,984	\$3,244,131	\$3,182,496	\$3,045,757	\$3,249,782	\$4,223,546	\$ 5,131,341	\$ 5,015,614	\$ 5,636,947
Depreciation expense	(1,727,250)	(1,764,017)	(1,830,452)	(1,877,884)	(1,912,143)	(1,964,477)	(2,043,243)	(2,209,363)	(2,332,859)	(2,378,678)
Total non-operating income	102	805,134	18,917	3,992	702,395	9,766	2,091	14,266	22,501	24,875
Total non-operating expenses	(724,442)	(661,746)	(703,538)	(680,329)	(611,931)	(522,572)	(439,055)	(320,451)	(51,414)	(165,437)
Transfers in (out)	(16,789)	2,819	59,319	72,849	-	-	-	(278,802)	110,973	-
Net income (loss)	\$ 660,855	\$1,610,174	\$ 788,377	\$ 701,124	\$1,224,078	\$ 772,499	\$1,743,339	\$ 2,336,991	\$ 2,764,815	\$ 3,117,707
Reserve cash account balances:										
Reserve account	\$1,929,835	\$1,925,965	\$1,925,965	\$1,925,965	\$1,925,965	\$1,948,051	\$1,956,105	\$ 1,766,857	\$ 2,281,282	\$ 2,287,583
Current debt service reserve account	1,253,454	1,266,142	1,282,053	1,296,623	1,326,604	1,339,518	1,365,971	147,238	189,650	1,141,423
Operating reserve account	406,426	406,426	406,426	542,532	542,532	560,687	572,758	398,604	428,890	428,890
Repair/replacement reserve account	534,077	648,286	781,670	750,369	900,052	1,005,695	765,777	765,777	1,032,938	1,032,938
Total reserves	\$4,123,792	\$4,246,819	\$4,396,114	\$4,515,489	\$4,695,153	\$4,853,951	\$4,660,611	\$ 3,078,476	\$ 3,932,760	\$ 4,890,834
Maximum future principal and interest	\$1,925,965	\$1,925,965	\$1,925,965	\$1,925,965	\$1,925,965	\$1,948,051	\$1,943,004	\$ 1,766,857	\$ 2,050,230	\$ 2,287,583
Debt service coverage	162.48%	167.60%	168.44%	165.24%	158.14%	166.82%	217.37%	290.42%	244.64%	246.41%

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 2013.

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, 2015

<u>Classification</u>	<u>Rate</u>
<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>\$0.4355564 (per 1,000 sq. ft.) + \$1.4518548</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>\$0.5444456 (per 1,000 sq. ft.) + \$1.4518548</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>\$0.7077793 (per 1,000 sq. ft.) + \$1.4518548</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>\$0.9800020 (per 1,000 sq. ft.) + \$1.4518548</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>\$0.1088891 (per 1,000 sq. ft.) + \$1.4518548</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	
2006	16,505	\$ 844,909	1,729	\$ 109,664	804	\$ 349,839	1,092	\$ 390,739	975	\$ 63,672	21,105	\$1,758,822	\$ 261
2007	16,750	857,775	1,675	110,014	804	361,996	1,089	392,990	972	63,818	21,290	1,786,593	243
2008	16,195	868,741	1,604	108,042	904	371,851	1,121	390,343	941	66,943	20,765	1,805,921	233
2009	16,936	881,156	1,547	105,756	785	368,042	1,070	401,543	1,064	69,451	21,402	1,825,948	209
2010	17,088	891,025	1,466	107,442	778	369,093	1,066	413,898	993	69,429	21,391	1,850,887	192
2011	16,195	895,632	1,604	104,641	904	370,134	1,121	412,229	941	69,689	20,765	1,852,325	179
2012	16,283	897,674	1,603	104,687	907	369,932	1,134	421,749	969	71,705	20,896	1,865,747	159
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	128
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	116
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	93

Connection count was restated for year 2008 to better reflect number of connections.

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operating Revenues ¹	\$2,086,414	\$1,942,207	\$1,834,834	\$1,863,553	\$2,048,274	\$1,891,363	\$1,893,445	\$1,938,535	\$1,857,326	\$2,005,166
Operating Expenses:										
Personal services	10,264	14,045	10,960	41,947	42,478	43,990	44,393	46,357	45,917	30,757
Supplies	3,668	3,533	855	5,732	3,926	5,183	7,037	3,609	3,609	3,379
Other services	38,638	27,674	32,421	18,416	32,806	31,222	42,016	100,305	47,293	62,590
Internal support	234,873	248,268	262,009	267,405	270,524	272,348	270,109	281,801	293,276	328,981
Total operating expenses	<u>287,443</u>	<u>293,520</u>	<u>306,245</u>	<u>333,500</u>	<u>349,734</u>	<u>352,743</u>	<u>363,555</u>	<u>432,072</u>	<u>390,095</u>	<u>425,707</u>
Net operating income	<u>\$1,798,971</u>	<u>\$1,648,687</u>	<u>\$1,528,589</u>	<u>\$1,530,053</u>	<u>\$1,698,540</u>	<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>
Bonded Debt Service Requirements (per Operating Year):										
Principal	\$ 329,491	\$ 335,000	\$ 352,000	\$ 358,000	\$ 370,000	\$ 382,000	\$ 410,472	\$ 279,000	\$ 279,000	\$ 279,000
Interest	199,127	183,381	187,908	179,534	172,444	157,818	117,735	7,920	7,920	7,920
Total	<u>\$ 528,618</u>	<u>\$ 518,381</u>	<u>\$ 539,908</u>	<u>\$ 537,534</u>	<u>\$ 542,444</u>	<u>\$ 539,818</u>	<u>\$ 528,207</u>	<u>\$ 286,920</u>	<u>\$ 286,920</u>	<u>\$ 286,920</u>
Operating year coverage	340.32%	318.05%	283.12%	284.64%	313.13%	285.03%	289.64%	525.05%	511.37%	550.49%
Maximum future principal and interest	\$ 476,910	\$ 476,910	\$ 475,710	\$ 475,710	\$ 475,710	\$ 531,824	\$ 528,207	\$ 286,920	\$ 286,920	\$ 286,920
Bond covenant coverage	377.21%	345.70%	321.33%	321.64%	357.05%	289.31%	289.64%	525.05%	511.37%	550.49%

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
Golf Courses Pass Holder Rounds Played, Counts and Fees
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Rounds Played									
Pass holders	47,157	39,733	38,411	37,912	36,967	33,208	36,056	31,809	26,790	31,237
	Number of Pass Holders									
Adult full	583	612	562	560	585	491	457	436	401	388
Adult restricted	265	232	208	207	204	189	176	174	167	163
Junior full	51	51	41	45	49	45	42	36	44	33
Junior restricted	8	14	4	5	9	11	10	7	7	4
Total passes	<u>907</u>	<u>909</u>	<u>815</u>	<u>817</u>	<u>847</u>	<u>736</u>	<u>685</u>	<u>653</u>	<u>619</u>	<u>588</u>
	Pass Fees									
Joint Both Courses Adult full	\$ 525	\$ 525	\$ 575	\$ 575	\$ 575	\$ 610	\$ 610	\$ 610	\$ 650	\$ 650
Joint Both Courses Adult restricted	400	400	450	450	450	480	480	480	510	510
Joint Both Courses Junior full	225	225	225	225	225	240	240	240	255	255
Joint Both Courses Junior restricted	170	170	170	170	170	180	180	180	190	190
Joint Both Courses Couple full	950	950	1,050	1,050	1,050	1,115	1,115	1,115	1,185	1,185
Joint Both Courses Couple restricted	700	700	800	800	800	850	850	850	900	900
Anaconda Hills Golf Course Adult full	400	400	450	450	450	480	480	480	510	510
Anaconda Hills Golf Course Adult restricted	300	300	350	350	350	370	370	370	395	395
Anaconda Hills Golf Course Junior full	190	190	190	190	190	200	200	200	210	210
Anaconda Hills Golf Course Junior restricted	150	150	150	150	150	160	160	160	170	170
Anaconda Hills Golf Course Couple full	750	750	850	850	850	900	900	900	955	955
Anaconda Hills Golf Course Couple restricted	550	550	650	650	650	690	690	690	730	730
Eagle Falls Golf Club Adult full	450	450	500	500	500	530	530	530	565	565
Eagle Falls Golf Club Adult restricted	350	350	400	400	400	425	425	425	450	450
Eagle Falls Golf Club Junior full	200	200	200	200	200	215	215	215	230	230
Eagle Falls Golf Club Junior restricted	160	160	160	160	160	170	170	170	180	180
Eagle Falls Golf Club Couple full	825	825	925	925	925	980	980	980	1,040	1,040
Eagle Falls Golf Club Couple restricted	625	625	725	725	725	770	770	770	815	815

Source: City of Great Falls, Montana

General Note: Restricted passes are for play on weekdays only. The Rounds Played and Number of Pass Holders are from July 1 to June 30 of each fiscal year. The Couple Full and Couple Restricted pass count is included in the Adult Full and Adult Restricted Number of Pass Holders. The schedule of rounds played and greens fees is on the next page.

City of Great Falls, Montana
Golf Courses Non- Pass Holder Rounds Played and Greens Fees
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Rounds Played									
Green fees - non-pass holders										
9-hole	9,872	12,103	11,483	12,157	15,052	14,269	15,104	12,852	5,786	6,176
18-hole	8,574	12,194	11,256	12,350	13,951	13,280	13,282	13,639	16,240	11,846
Junior	1,083	547	607	1,111	885	925	1,002	775	719	550
Total Green fees - non-pass holders	19,529	24,844	23,346	25,618	29,888	28,474	29,388	27,266	22,745	18,572
	Greens Fees									
Anaconda Hills Golf Course 9-hole Weekday	\$ 13	\$ 13	\$ 14	\$ 14	\$ 14	\$ 15	\$ 15	\$ 15	\$ 16	\$ 16
Anaconda Hills Golf Course 18-hole Weekday	21	21	23	23	23	24	24	24	26	26
Anaconda Hills Golf Course Junior Weekday	13	13	13	13	13	14	14	14	15	15
Anaconda Hills Golf Course Swingtime Weekday	16	16	16	16	16	17	17	17	18	18
Anaconda Hills Golf Course 9-hole Weekend	15	15	16	16	16	17	17	17	18	18
Anaconda Hills Golf Course 18-hole Weekend	24	24	26	26	26	28	28	28	30	30
Anaconda Hills Golf Course Junior Weekend	15	15	15	15	15	16	16	16	17	17
Anaconda Hills Golf Course Swingtime Weekend	19	19	19	19	19	20	20	20	21	21
Eagle Falls Golf Club 9-hole Weekday	15	15	16	16	16	17	17	17	18	18
Eagle Falls Golf Club 18-hole Weekday	24	24	26	26	26	28	28	28	30	30
Eagle Falls Golf Club Junior Weekday	15	15	15	15	15	16	16	16	17	17
Eagle Falls Golf Club Swingtime Weekday	18	18	18	18	18	19	19	19	20	20
Eagle Falls Golf Club 9-hole Weekend	16	16	17	17	17	18	18	18	19	19
Eagle Falls Golf Club 18-hole Weekend	27	27	29	29	29	31	31	31	33	33
Eagle Falls Golf Club Junior Weekend	16	16	16	16	16	17	17	17	18	18
Eagle Falls Golf Club Swingtime Weekend	22	22	22	22	22	23	23	23	24	24

Source: City of Great Falls, Montana

City of Great Falls, Montana
Golf Courses Historical Operating Results and Revenue Bond Coverage
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operating Revenues ¹	\$ 1,090,309	\$ 1,168,802	\$ 1,256,900	\$ 1,309,590	\$ 1,421,216	\$ 1,347,695	\$ 1,404,894	\$ 1,379,484	\$ 1,319,927	\$ 1,331,217
Operating Expenses:										
Personal services	604,479	540,444	543,976	569,879	596,703	623,407	605,367	626,062	617,559	596,560
Supplies	143,979	133,236	159,398	189,004	187,866	177,915	193,148	209,343	178,390	204,965
Other services	165,500	166,228	125,811	149,886	124,574	121,393	130,172	147,308	119,002	129,420
Internal support	119,379	154,015	143,746	151,384	143,867	146,230	136,941	137,034	123,743	141,851
Total operating expenses	1,033,337	993,923	972,931	1,060,153	1,053,010	1,068,945	1,065,628	1,119,747	1,038,694	1,072,796
Net operating income	\$ 56,972	\$ 174,879	\$ 283,969	\$ 249,437	\$ 368,206	\$ 278,750	\$ 339,266	\$ 259,737	\$ 281,233	\$ 258,421
Bonded Debt Service Requirements (per Operating Year):										
Principal	\$ 140,000	\$ 145,000	\$ 150,000	\$ 155,000	\$ 170,000	\$ 175,000	\$ 185,000	\$ 195,000	\$ 205,000	\$ 215,000
Interest	96,629	89,795	82,801	79,701	71,438	59,016	49,618	39,653	29,138	18,078
Discount and issuance expense ²	5,057	4,777	4,511	3,528	3,120	3,288	2,834	600	600	700
Total	\$ 241,686	\$ 239,572	\$ 237,312	\$ 238,229	\$ 244,558	\$ 237,304	\$ 237,452	\$ 235,253	\$ 234,738	\$ 233,778
Operating year coverage	23.57%	73.00%	119.66%	104.70%	150.56%	117.47%	142.88%	110.41%	119.81%	110.54%
Maximum future principal and interest	\$ 237,717	\$ 237,717	\$ 237,717	\$ 237,717	\$ 234,653	\$ 234,653	\$ 234,653	\$ 234,138	\$ 233,078	\$ 90,359
Bond covenant coverage	23.97%	73.57%	119.46%	104.93%	156.92%	118.79%	144.58%	110.93%	120.66%	285.99%

Source: City of Great Falls

Note: Series 1998 Golf Course Revenue Bonds issued in Fiscal Year 1998, refunded Series 1988 and issued \$1,000,000 in new debt.
Series 1999 Golf Course Revenue Bonds issued in Fiscal Year 1999.

¹ Includes all revenues from rates, fees, charges, and rentals imposed, sales of property and all income/loss received from investments.

² Includes amortization, discount premium, and fiscal agent fees for bond issues.

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

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	General Obligation Taxable Bonds	Special Improvement Districts Bonds	Tax Incremental Bonds	Notes Payable	Loans and Contracts Payable	Capital Leases	Loans and Contracts Payable	Revenue Bonds Payable				
2006	\$ 2,330,000	\$ -	\$ 1,055,000	\$4,191,420	\$ -	\$ 265,197	\$1,246,390	\$ 5,659,724	\$33,804,521	\$ 48,552,253	20.78%	\$ 1,661	
2007	4,526,927	-	875,000	3,197,288	-	257,415 ^b	1,147,372	6,862,180	31,469,157	48,335,339	19.84%	1,577	
2008	4,259,037	-	765,000	2,166,538	-	274,357 ^b	1,041,795	7,129,885	29,035,071	44,671,682	17.19%	1,407	
2009	3,961,366	-	555,000	1,104,126	-	288,380 ^b	929,222	6,860,149	27,697,993	41,396,236	14.71%	1,203	
2010	3,653,944	-	490,000	2,000,000	-	177,984 ^b	809,192	6,573,648	27,796,528	41,501,296	13.85%	1,136	
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	

^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, 2015

Date of Issue	Original Amount	Fund	Purpose	Final Maturity	Principal Amount Outstanding
09-15-2001	\$ 1,500,000	Nonmajor Enterprise Fund - Swimming Pools	Water attraction lease/purchase - Wells Fargo Lease	2016	\$ 157,464
10-21-2005	20,000	Nonmajor Governmental Fund - Master Debt SILD	Design/Install City Street Lights - Intercap Loan #1302	2021	4,295
10-21-2005	56,000	Nonmajor Governmental Fund - Master Debt SILD	Design/Install City Street Lights - Intercap Loan #1304	2021	13,339
10-22-2006	23,000	Nonmajor Governmental Fund - Master Debt SILD	Design/Install City Street Lights - Intercap Loan #1306	2022	6,248
03-28-2008	46,600	Nonmajor Governmental Fund - Master Debt SILD	Design/Install City Street Lights - Intercap Loan #1308	2023	13,638
05-03-2008	29,900	Nonmajor Governmental Fund - Master Debt SILD	Design/Install City Street Lights - Intercap Loan #1310	2024	13,020
04-17-2009	36,346	Nonmajor Governmental Fund - Master Debt SILD	Design/Install City Street Lights - Intercap Loan #1303	2024	10,381
09-15-2009	20,516	Nonmajor Governmental Fund - Master Debt SILD	Design/Install City Street Lights - Intercap Loan #1305	2025	8,082
06-15-2010	600,000	Internal Service Fund - Engineering	Public Works Addition & Remodel -Intercap Loan	2020	220,889
03-25-2014	1,065,000	Nonmajor Governmental Fund - General Obligation Taxable Bonds	2014B LTGO Bonds - Refund 2005 Note Payable	2023	915,000
	<u>\$ 3,397,362</u>				<u>\$ 1,362,356</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
2006	\$4,095,197	68,026,995	6.02%	\$ 140	\$31,635,155	\$ 4,095,197	\$ 27,539,958	12.95%
2007	6,284,342	70,550,043	8.91%	205	54,270,864	6,284,342	47,986,522	11.58%
2008	6,011,212	73,776,332	8.15%	189	57,459,106	6,011,212	51,447,894	10.46%
2009	5,681,236	76,405,690	7.44%	165	60,474,851	5,681,236	54,793,615	9.39%
2010	5,210,247	76,862,700	6.78%	143	62,441,688	5,210,247	57,231,441	8.34%
2011	5,161,387	78,275,702	6.59%	138	65,532,892	5,161,387	60,371,505	7.88%
2012	4,658,775	78,709,035	5.92%	120	67,431,565	4,658,775	62,772,790	6.91%
2013	4,156,979	77,852,991	5.34%	105	69,510,079	4,156,979	65,353,100	5.98%
2014	3,590,102	78,054,590	4.60%	88	71,978,361	3,590,102	68,388,259	4.99%
2015	3,039,892	76,098,354	3.99%	75	73,221,018	3,039,892	70,181,126	4.15%

^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, 2015

Jurisdiction	General Obligation Debt Outstanding¹	Percent Allocable to City¹	Amount Allocable to City
Elementary School District No. 1	\$ 4,964,404	67.92%	\$ 3,371,800
High School District No. 1	1,414,588	66.01%	933,828
Cascade County	2,276,854	56.78%	1,292,870
Total overlapping debt			5,598,497
Total direct debt ²			3,039,892
Total direct and overlapping debt			<u>\$ 8,638,389</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
2006	56,338	\$ 2,336,656	\$ 29,231	10,625	3.4%
2007	58,536 ⁵	2,436,097	30,647	10,474	2.5%
2008	58,827	2,599,000	31,740	10,410	3.4%
2009	59,251	2,814,771	34,417	10,336	4.4%
2010	59,366	2,996,541	36,533	10,159	5.8%
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%

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.

⁵ Based on challenge by City of Great Falls accepted by U.S. Census Bureau on November 9, 2007.

**City of Great Falls, Montana
Major Employers
Current Year and Nine Years Ago**

Employer	2015			2006		
	Number of Employees ¹	Rank	Percentage of Total Employment	Number of Employees ¹	Rank	Percentage of Total Employment
Malmstrom Air Force Base	4,476 ²	1	12%	4,078 ²	1	12%
Benefis Health Care Center	2,955	2	8%	2,400	2	7%
Great Falls Public Schools	2,078	3	6%	1,613	3	5%
Montana Air National Guard	1,004 ²	4	3%	1,100 ²	4	3%
City of Great Falls	574	5	2%	522	8	1%
Cascade County	500	6	1%	500	9	1%
Great Falls Clinic	472	7	1%	773	5	2%
Wal-Mart	413	8	1%	550	7	2%
Asurion (formerly N.E.W. Customer Services Cos.)	370	9	1%	700	6	2%
Centene Corporaton	319	10	1%			
Albertsons				280	10	1%

Source: Great Falls Tribune, Great Falls Montana Outlook 2015 printed February 21, 2015
www.greatfallstribune.com.

List completed February 2015. Ranking based on total employees.

¹ Full-time equivalents in full and part time positions.

² Includes military and civilian personnel.

Full-time equivalent is a term used, whereby the number of scheduled hours is divided by the hours in a full work week. The hours of several part time agents may add up to one FTE.

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

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	4.25	4.25	4.29	3.29	3.29	3.17	4.17	4.17	4.17	4.17
City Clerk	1.25	1.25	1.29	1.29	1.29	1.51	1.51	1.51	1.51	1.51
Cable 7	-	1.00	1.00	0.50	0.50	0.50	0.50	-	-	-
Human Resources	3.66	3.66	3.66	3.66	3.66	3.60	3.60	3.60	3.60	3.60
Insurance & Safety	-	-	-	-	-	-	-	1.00	1.00	1.00
Animal Shelter Operations	-	-	-	-	-	-	8.50	5.00	5.00	9.00
Events	-	-	-	-	-	-	-	-	-	4.54
City Planning	7.60	7.60	7.60	7.60	7.60	-	-	-	-	-
Community Development	23.43	20.94	20.94	21.94	20.94	-	-	-	-	-
Planning & Community Development	-	-	-	-	-	27.10	25.60	25.60	24.70	25.12
Fire	67.00	67.00	68.00	68.00	68.00	68.00	68.00	68.00	68.00	69.00
Fiscal Services	38.05	37.90	38.40	38.40	36.90	36.90	36.00	35.00	33.56	26.06
Legal	5.80	5.80	6.30	6.30	6.25	6.45	7.75	7.75	7.25	7.25
Library	21.76	21.05	21.30	21.30	20.78	20.54	21.54	21.54	21.54	17.47
Municipal Court	-	-	-	-	-	-	-	-	-	7.50
Park & Recreation	78.17	77.50	76.77	86.22	89.72	85.98	85.98	85.98	84.31	74.43
Police	117.00	119.00	133.50	129.50	129.00	134.00	126.00	126.00	128.00	127.00
Public Works	130.93	132.33	132.75	133.95	132.57	134.15	135.95	133.95	133.95	134.63
Total	518.65	519.03	535.55	541.70	540.25	541.65	544.85	538.85	536.34	532.03

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.

City of Great Falls, Montana
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Fire Department										
Number of Stations	4	4	4	4	4	4	4	4	4	4
Number of Training Centers	1	1	1	1	1	1	1	1	1	1
Number of Fire Vehicles	18	18	18	18	19	19	21	21	23	23
Police Department										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Police Vehicles	63	63	64	64	64	64	68	69	71	77
Sanitation										
Number of Collection Trucks	18	21	21	21	21	21	22	22	23	23
Streets										
Miles of Streets/Alleys	361	361	366	366	366	366	377	377	383	383
Miles of Street Striping	50	50	65	65	71	71	100	100	100	78
Street Signs	11,000	11,000	11,400	11,770	11,770	11,985	12,237	12,764	12,913	12,995
City/State Street Signals	89	89	89	89	89	89	89	89	89	89
Housing Authority										
Affordable Housing Units	16	16	16	16	16	24	24	32	32	32
Public Housing Units	490	490	490	490	490	490	490	490	490	490
Water										
Water mains (miles)	291.96	296.75	303.38	305.38	307.38	307.88	309.51	311.40	312.82	313.14
Fire hydrants	2,925	2,986	3,054	3,085	3,108	3,110	3,125	3,139	3,154	3,165
¹ Storage capacity (million gallons)	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	10.75	10.75
Sanitary Sewer										
Sanitary sewers (miles)	229.34	233.99	238.82	240.32	241.64	241.81	242.78	244.07	246.59	247.08
Storm sewers (miles)	109.23	111.10	114.00	114.65	115.27	116.01	117.70	118.50	119.09	120.12
² Treatment capacity (million gallons)	21	21	21	21	21	21	21	21	13	13
Parks and recreation										
Number of parks	74	74	64	64	64	64	64	64	66	66
Acreage of parks	1,138	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,155	1,155
Trees (approximately)	46,139	46,139	47,083	47,083	47,083	45,000	45,000	42,500	42,500	42,000
Pools	4	4	4	4	4	4	4	4	4	4
Golf Courses	2	2	2	2	2	2	2	2	2	2
Skate Park	1	1	1	1	1	1	1	1	1	1
	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Parking										
Parking lots	6	6	6	6	6	6	6	6	6	6
Parking garages	2	2	2	2	2	2	2	2	2	2
Off street parking spaces	1,143	1,143	1,143	1,143	1,143	1,143	1,143	1,143	1,143	1,122
Metered parking spaces	1,050	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,092
Library										
Number of Books Purchased	9,342	9,415	7,639	11,014	9,033	9,425	8,924	9,367	9,793	9,703

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

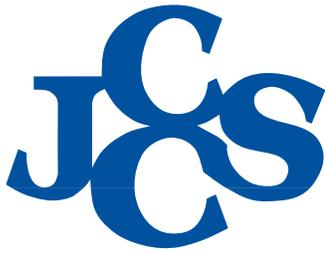


Single Audit Section

City of Great Falls, Montana

Fiscal Year 2015

July 1, 2014—June 30, 2015



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Certified Public Accountants • Business Advisors

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

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, 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, 2015, 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, 2015. 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. 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City 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 preceding paragraph 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

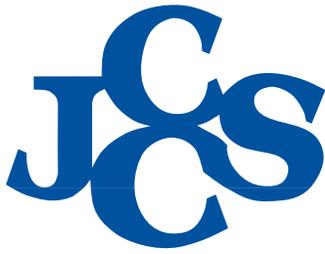
As part of obtaining reasonable assurance about whether the City of Great Falls, Montana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Great Falls, Montana
December 9, 2015



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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

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 Circular A-133 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, 2015. 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 the requirements of laws, regulations, contracts and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Great Falls, Montana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe 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, 2015.

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 OMB Circular A-133, 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.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

Great Falls, Montana
December 9, 2015

City of Great Falls, Montana
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Funding Agency	Federal CFDA Number	Program Number	Program or Award Amount	Balance July 1, 2014	Grant Revenues	Expenditures	Balance June 30, 2015
Department of Housing and Urban Development							
Direct Program							
Community Development Block Grant							
Entitlement Program	14.218	B12-MC-30-0002	\$ 718,203	\$ -	\$ 20,133	\$ 20,133	\$ -
Entitlement Program	14.218	B13-MC-30-0002	744,287	-	213,602	213,602	-
Entitlement Program	14.218	B14-MC-30-0002	720,280	-	652,578	652,578	-
HOME Investment Partnership Program	14.239	M10-MC-30-0218	350,000	-	236,652	236,652	-
HOME Investment Partnership Program	14.239	M13-MC-30-0218	230,146	-	-	-	-
HOME Investment Partnership Program	14.239	M14-MC-30-0218	215,030	-	26,528	26,528	-
Total Department of Housing & Urban Development				-	1,149,493	1,149,493	-
Department of Transportation							
Direct Programs							
Highway Planning and Construction	20.205	N/A	\$ 693,500	\$ -	\$ 297,063	\$ 297,063	\$ -
Community Transportation Enhancement Program	20.205	N/A	332,478	-	324,919	324,919	-
Federal Transit Metropolitan Planning Funds	20.505	N/A	125,252	-	87,926	87,926	-
Pass Through Montana Department of Transportation							
HMEP	20.703	HM-HMP-0336-13-01-00	13,300	-	8,591	8,591	-
Historic Bridge repair	20.219	2013-29	27,000	-	27,000	27,000	-
Total Department of Transportation				-	745,499	745,499	-
Department of Health and Human Services							
Direct Programs							
HIDTA 2014	95.001	G14RM0045A	\$ 188,268	\$ -	\$ 75,632	\$ 75,632	\$ -
HIDTA 2015	95.001	G15RM0045A	194,584	-	89,735	89,735	-
Total Department of Health and Human Services				-	165,367	165,367	-
Department of Justice							
Direct Programs							
Bulletproof Vest Program	16.607	2013BUBX13065606	\$ 6,640	\$ -	\$ 2,903	\$ 2,903	\$ -
Bulletproof Vest Program	16.607	2014BUBX14074090	7,331	-	6,891	6,891	-
Pass Through Montana Board of Crime Control							
Justice Assistance Grant	16.738	2012-DJ-BX-1076	30,036	-	1,672	1,672	-
Justice Assistance Grant	16.738	2013-DJ-BX-0780	30,898	-	29,772	29,772	-
Justice Assistance Grant	16.738	2014-DJ-BX-1064	31,013	-	3,356	3,356	-
Total Department of Justice				-	44,594	44,594	-

City of Great Falls, Montana
Schedule of Expenditures of Federal Awards (Concluded)
Year Ended June 30, 2015

Funding Agency	Federal CFDA Number	Program Number	Program or Award Amount	Balance July 1, 2014	Grant Revenues	Expenditures	Balance June 30, 2015
National Park Service							
Pass Through State of Montana Historic Preservation Office							
	15.904	MT-14-017	\$ 5,225	\$ -	\$ 3,919	\$ 3,919	\$ -
	15.904	MT-15-017	5,500	-	1,306	1,306	-
	15.904	MT-14-SP-025	5,000	-	5,000	5,000	-
Total National Park Service				-	10,225	10,225	-
Department of Homeland Security							
Pass Through State of Montana							
	97.067	2014-GE-T6-0062	\$ 44,167	\$ -	\$ 38,473	\$ 38,473	\$ -
	97.043	EMW-2013-EP-00044-S01	24,000	-	3,514	3,514	-
	97.043	EMX-2014-00006	18,142	-	12,359	12,359	-
	97.044	EMW-2013-FO-05971	89,017	-	89,017	89,017	-
	97.107	EMW-2014-SS-00019-S01	63,503	-	52,166	52,166	-
	97.067	N/A	3,087	-	3,084	3,084	-
	97.067	N/A	366	-	366	366	-
Total Department of Homeland Security				-	198,979	198,979	-
Environmental Protection Agency							
Direct Programs							
	66.458	SRF-15329	\$ 2,700,893	\$ -	\$ 986,686	\$ 986,686	\$ -
Total Environmental Protection Agency				-	986,686	986,686	-
Total Expenditures of Federal Awards				\$ -	\$ 3,300,843	\$ 3,300,843	\$ -

City of Great Falls, Montana
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

1. Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance of the City of Great Falls, Montana. The City of Great Falls, Montana's reporting entity is defined in Note 1 to the City's financial statements. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included in the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's financial statements.

City of Great Falls, Montana
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

A. Summary of Auditors Results

1. The auditors' report expresses an unmodified opinion on the financial statements of the City of Great Falls, Montana.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the City of Great Falls, Montana, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for the City of Great Falls, Montana expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 501(a) of OMB Circular A-133 are reported in this Schedule.
7. The program tested as major was:
 - a. Community Development Block Grants/Entitlement Grants, Department of Housing and Urban Development (CFDA #14.218)
 - b. State Revolving Funds, Environmental Protection Agency (CFDA #66.458)
8. The threshold used for distinguishing Type A and B programs was \$300,000.
9. The City of Great Falls, Montana was determined to be a low-risk auditee.

B. Findings - Financial Statement Audit

None.

C. Findings and Questioned Costs - Major Federal Program Award Audit

None.

**City of Great Falls, Montana
Independent Auditor's Report on Compliance and on
Internal Control Over Financial Reporting
Status of Prior Year Comments
June 30, 2015**

There were no prior year audit findings relative to major federal award programs.

