

**MONTANA DEPARTMENT OF ADMINISTRATION**  
State Financial Services Division  
Local Government Services Bureau  
Mitchell Building, Room 270, PO Box 200547, Helena, Montana 59620-0547

ENTITY # 021501

**MONTANA**  
**CITY OF COLUMBIA FALLS**  
**130 6TH STREET WEST**  
**COLUMBIA FALLS, MT 59912**

**ANNUAL FINANCIAL  
REPORT**



**FISCAL YEAR ENDING JUNE 30, 2015**

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**CITY OF COLUMBIA FALLS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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**INTRODUCTORY**

**SECTION**



130 6TH STREET WEST  
ROOM A  
COLUMBIA FALLS, MT 59912

PHONE (406) 892-4391

FAX (406) 892-4413

TRANSMITTAL LETTER

December 29, 2015

To the Honorable Mayor, City Councilors and the Citizens of the City of Columbia Falls, Montana:

State law requires that all general purpose local governments publish a complete set of financial statements within six months of the close of each fiscal year, or no later than December 31, 2015. These financial statements must be presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The comprehensive annual financial report of the City of Columbia Falls, Montana for the fiscal year ended June 30, 2015 is hereby submitted, within the grace period allowed by the State of Montana.

This report consists of management's representations concerning the finances and compliance of the City. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City.

Doyle & Associates, P.C., a firm of licensed certified public accountants will complete the audit of the financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2015 are free of material misstatement. The independent audit also conducts test of compliance with local, state and federal laws. The independent auditor's report is published separately and upon issuance available for public inspection.

The City administration takes seriously the duty of transparency in government operations and accountability to the public. The comprehensive annual financial report is one of the key documents in keeping the public informed of the City's operations and finances.

The financial statements included in this report demonstrate the City's continued financial stability. The City's total net position, before the pension reporting adjustment, decreased by \$1067.51, or 0.004% for fiscal year ended June 30, 2015, compared to a \$16,109 (0.06%) increase the prior year. After posting the new pension liability as of June 30, 2015, the total net position changed by \$40,374.42 and the City posted a prior period adjustment of (\$1,473,829.39). The GASB Statement 68 pension reporting is described in detail in the notes to the financial statements. The City is maintaining the current level of services with the resources available.

Thank you for your support and leadership resulting in the City's ability to meet goals and to provide the citizens of Columbia Falls with quality services.

Sincerely,

Susan M. Nicosia

City Manager/Director of Finance

**CITY OF COLUMBIA FALLS  
ELECTED OFFICIALS/OFFICERS**

OFFICE	NAME OF CITY/TOWN OFFICIALS/OFFICERS	DATE TERM EXPIRES
Mayor	Donald W. Barnhart	12/31/2017
Councilperson/Commissioner	Darin Fisher	12/31/2015
Councilperson/Commissioner	Doug Karper	12/31/2015
Councilperson/Commissioner	Jenny Lovering	12/31/2017
Councilperson/Commissioner	Dave Petersen	12/31/2017
Councilperson/Commissioner	Julie Plevel	12/31/2015
Councilperson/Commissioner	Mike Shepard	12/31/2017
Councilperson/Commissioner		
Councilperson/Commissioner		
City Manager	Susan Nicosia, CPA, MPA	
Attorney	Justin Breck	12/31/2015
Chief of Police	David Perry	
Clerk	Barb Staaland	
Treasurer	Todd Watkins	
Finance Director		
City Judge	Susan T. Gordon	12/31/2017
Fire Chief	Rick Hagen	
Public Works Director	Grady Jenkins	

IN ACCORDANCE WITH STATE LAW, I HEREBY TRANSMIT THE  
CITY OF COLUMBIA FALLS  
ANNUAL FINANCIAL REPORT FOR THE  
FISCAL YEAR ENDING JUNE 30, 2015

Respectfully submitted;

*Todd W. Watkins*

\_\_\_\_\_

City Treasurer

*Susan Nicosia*

\_\_\_\_\_

City Manager/Finance Director

12/29/2015

\_\_\_\_\_

Date

**FINANCIAL**

**SECTION**

**MANAGEMENT'S  
DISCUSSION  
AND  
ANALYSIS**

## **CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the report provides readers with a narrative overview and analysis of the financial activities of the City of Columbia Falls for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the City's financial performance.

### **FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at June 30 by \$24,810,939 (net position). Of this amount, \$764,329, or approximately 3%, may be used to meet the City's ongoing obligations to citizens and creditors. The remainder includes \$19,157,627 in capital assets, net of related debt and \$4,888,983 restricted for future debt payments and future use.
- Total net position increased by \$40,374 from routine operations. Net position in governmental activities was restated by (\$1,066,833) and net position in business-type activities was restated by (\$406,997) to record the pension liability as of June 30, 2015 as required by GASB Statement 68. The notes to the financial statements fully describe the effect of recording the pension liability.
- As of June 30 the City's governmental funds reported combined ending fund balances of \$3,120,329, an increase of \$189,304 over the prior year. Approximately 17% of this amount, \$537,270 is available for spending at the government's discretion (unassigned fund balance).
- The City completed the Safe Routes to Schools project with the installation of flashing school zone beacons in four intersections serving Ruder Elementary, Junior High and High School in the amount of \$23,344.
- The City also completed the 13<sup>th</sup> Street Storm Drainage project in the amount of \$143,799 serving the Hill Top neighborhood.
- The City invested \$8,850 in pool insulating tarps, replacing the tarps used for over 20 years and replaced the ten-year old pool boiler for \$16,575.
- The City also invested \$13,615 in sidewalk, drywells and curb improvements. Additionally in Public Works, the City purchased a snow deflector and sander for a total of \$ 24,545.
- The City continued the police patrol vehicle replacement program, purchasing a 2015 Police Interceptor for \$37,870.
- The City also updated the Fire Department Command vehicle for \$47,040, purchased cooperatively by the City and the Columbia Falls Rural Fire District and a \$4,000 contribution from Plum Creek.
- The Sewer Fund purchased a utility vehicle for \$23,653 and the Water Fund purchased a new tapping tool for \$4,235. The City continued upgrading the SCADA system, expending \$59,514 in the 2014-15 FY. The project was completed in the 2015-16 FY.



- The Public Works Department started two sewer main extensions on 3<sup>rd</sup> Ave. West and Van's Avenue and multiple water main upgrades, replacing all of the 2" galvanized steel mains throughout the City. During the 2014-15 FY, the City expended \$ 473,285 toward Construction in Progress. All of the projects were completed in the 2015-16 FY.
- The Water Fund Operating income (loss) for the water enterprise was \$51,452 compared to \$30,737 for the prior year. Water debt was reduced by \$24,000. The water fund's net position increased by \$51,452 for the 2015 fiscal year.
- Operating income (loss) for the sewer enterprise was (\$85,003) compared to operating income (loss) of (\$129,573) for the prior year. Sewer debt was reduced by \$211,769. The sewer fund's net position increased by \$35,026 for the 2015 fiscal year.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The basic financial statements contain four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) budgetary comparisons.

**1. Government-wide Financial Statements.** The *government-wide financial statements* 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* (page 13) presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in the net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating.

The *statement of activities* (page 14) presents information showing how the City's net position changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e. g., uncollected taxes and earned but unused vacation leave). Both of the government-wide financial statements distinguish functions of the City 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*). Governmental activities include general government, public safety, public works, public health, culture and recreation, housing and community development, and debt service. The City has two business type activities – operation of a water utility and wastewater utility. The City charges a fee to customers to recover the cost of operating the utilities.

The government-wide financial statements include not only the City's (known as the *primary government*), but also a legally separate component unit, the Fire Department Relief Association, for which the City is financially accountable. Financial information for the Fire Department Relief Association is reported separately from the financial information presented for the primary government.

**2. 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 Columbia 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 Columbia Falls can be divided into three categories: (a.) *governmental funds*, (b.) *proprietary funds* and (c.) *fiduciary funds*.

**a. 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 City'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 between *governmental funds* and *governmental activities* view of financial position. These statements are found on pages 15-17.

The City of Columbia Falls maintains 18 individual governmental funds. Information is presented separately for the General Fund and Street Maintenance Fund as they are major funds. Data from the other 16 funds are combined into a single aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements contained in this report.

The City of Columbia Falls adopts annual appropriated budgets for its governmental and proprietary funds. Schedules providing budgetary comparison have been provided to demonstrate compliance with both the original and final budgets.

**b. Proprietary funds.** The City of Columbia Falls operates two utilities, water and sewer, which are proprietary enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The proprietary fund statements provide detail information for the Water and Sewer Funds, which are classified as major enterprise funds. Data from the other 2 funds, Water Capital Expansion and Sewer Capital Expansion, are combined into a single aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements contained in this report.

The basic proprietary fund financial statements can be found on pages 18 through 20 of this report.

**c. Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* included in the government-wide financial statements because the resources of these funds are not available to support the City of Columbia Falls' own operations.

The City of Columbia Falls has two administrative clearing funds for payroll and claims that are included as agency funds in the basic fiduciary fund financial statement. The basic fiduciary fund financial statement can be found on page 21 of this report.

**3. Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 64 of this report.

**4. Other Information.** “Required Supplementary Information,” pages 65 through 75, includes GASB Statements 45 and 68, Other Postemployment Benefit (OPEB) implicit rate subsidy liability and Pension funding schedules and the General and major Special Revenue Fund budgetary comparison schedules.

“Other Supplementary Information,” pages 76-117, of this report includes combining and individual nonmajor governmental fund statements as well as combining and individual nonmajor enterprise fund statements and schedule of federal and state grants and shared revenue and cash reconciliation.

## CITY-WIDE FINANCIAL ANALYSIS

**Net Position.** As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In this case, the City’s assets exceeded liabilities by \$24,947,660 at June 30.

The following table provides a summary comparison of the City’s governmental and business-type net assets for fiscal years 2014 and 2015.

### City of Columbia Falls Net Position

	Governmental Activities		Business-type Activities		Total	
	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015
<b>Assets</b>						
Current and other assets	\$ 3,330,282	\$ 3,416,099	\$3,988,591	\$ 4,218,167	\$ 7,318,873	\$ 7,634,266
Capital assets	\$10,577,762	\$10,148,343	\$11,902,719	\$11,737,057	\$22,480,481	\$21,885,400
Total Assets	\$13,908,044	\$13,564,442	\$15,891,310	\$15,955,224	\$29,799,354	\$29,519,666
<b>Deferred outflows of resources</b>		\$ 97,203		\$ 37,083		\$ 134,286
<b>Liabilities</b>						
Current and other liabilities	\$296,462	\$ 331,959	\$ 339,231	\$ 465,736	\$ 635,693	\$ 797,695
Long-term liabilities	\$1,143,328	\$ 1,901,262	\$1,775,939	\$ 1,873,050	\$ 2,919,267	\$ 3,774,312
Total Liabilities	\$1,439,790	\$ 2,233,221	\$2,115,170	\$ 2,338,786	\$ 3,554,960	\$4,572,007
<b>Deferred inflows of resources</b>		\$ 196,169		\$ 74,838		\$ 271,007
<b>Net Position</b>						
Invested in capital assets net of related debt	\$ 9,437,369	\$ 9,155,681	\$9,931,839	\$10,001,946	\$19,369,208	\$19,157,627
Restricted	\$ 1,238,570	\$ 1,264,701	\$2,926,861	\$ 3,624,281	\$ 4,165,431	\$ 4,888,982
Unrestricted	\$ 1,792,315	\$ 811,873	\$ 917,440	\$ (47,544)	\$ 2,709,755	\$ 764,329
Total Net Position	\$12,468,254	\$11,232,255	\$13,776,140	\$13,578,683	\$26,244,394	\$24,810,938

A significant portion of the City's net assets (77%) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. These assets include land, buildings, machinery, and equipment, as well as infrastructure. Infrastructure assets include streets, sidewalks, water and sewer mains constructed by the city or constructed and donated by subdivision developers. Capital assets are used to provide services to citizens; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt would need to be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional \$4,888,982 of the City's net assets (20%) represents resources that are subject to external restrictions on how they may be used. Included in this category is a reserve for \$74,090 in the G. O. bond and SID debt service funds, \$350,843 for a long-term receivable in the Cedar Creek Trust Special Revenue Fund and other restrictions due to grant, donor or statutory provisions. Reserves have been established in the Water and Sewer funds for one year's annual payment in the amount of \$127,255 and \$184,860, respectively. Additional Water and Sewer reserves are for Replacement and Depreciation and System Improvements, as required by bond indenture requirements. These reserves total \$666,388 in Water and \$1,185,594 in Sewer. The Water and Sewer Capital Expansion Fund Net Assets are restricted to fund expansion of the applicable systems. Those restricted net assets total \$1,460,184. The remaining balance of unrestricted assets, \$764,329 (3%) may be used to meet the City's ongoing obligations to citizens and creditors.

At June 30, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. GASB 68 requires the City to report pension liabilities and related deferred inflows and outflows beginning this fiscal year. Had these not been reported, unrestricted net position in the business-type activities would also be positive as in prior years.

**Changes in Net Position.** Governmental and Business-type activities increased the City's net position by \$40,374 in 2015. The table below indicates the changes in net assets for governmental and business-type activities in 2015 and compares to prior year.

### City of Columbia Falls Changes in Net Position

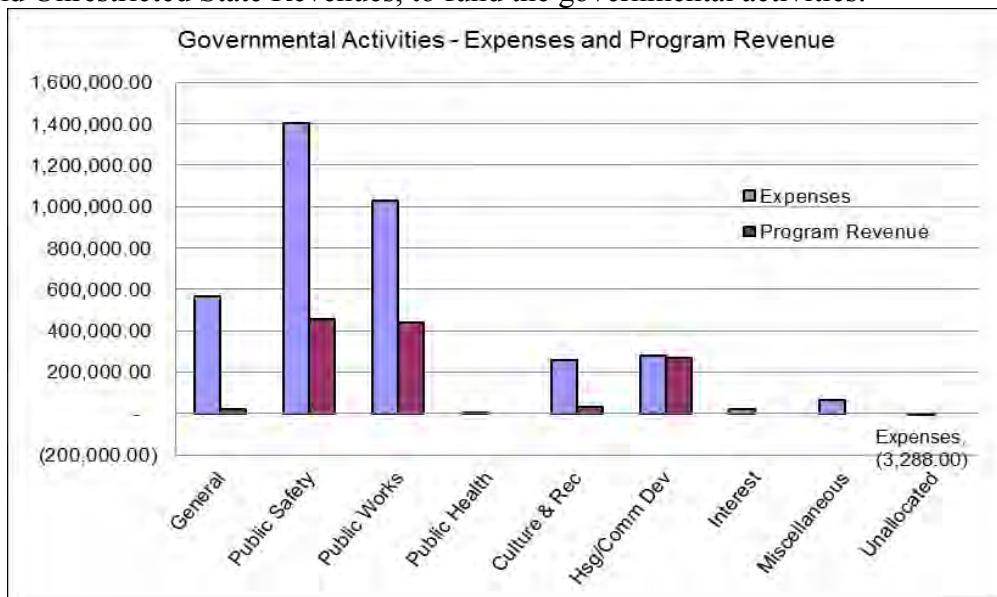
	Governmental Activities		Business-type Activities		Total	
	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 666,217	\$ 642,136	\$1,697,441	\$1,919,901	\$2,363,658	\$2,562,037
Operating grants and contributions	611,538	572,312			611,538	572,312
Capital grants and contributions	102,386	-	-	-	102,386	-
General revenues						
Property taxes	1,214,122	1,189,933			1,214,122	1,189,933
Intergovernmental revenue	705,123	678,782			705,123	678,782
Other revenues	448,234	378,334	24,219	41,650	472,453	419,984
<b>Total revenues</b>	<b>\$3,747,620</b>	<b>\$ 3,461,497</b>	<b>\$1,721,660</b>	<b>\$1,961,551</b>	<b>\$5,469,280</b>	<b>\$5,423,048</b>
<b>Expenses</b>						
General government	\$ 617,872	\$ 568,165			\$617,872	\$ 568,165
Public safety	1,304,982	1,405,486			1,304,982	1,405,486
Public works	996,710	1,031,600			996,710	1,031,600
Public health	4,250	4,250			4,250	4,250

Culture and recreation	256,614	256,025			256,614	256,025
Housing and community Development	480,670	279,330			480,670	279,330
Conservation of Natural Resources						
Interest on long term debt	26,549	23,302			26,549	23,302
Miscellaneous	63,615	65,793			63,615	65,793
Unallocated. costs	(2,225)	(3,288)			(2,225)	(3,288)
Water			593,763	667,517	593,763	667,517
Sewer			1,110,371	1,084,494	1,110,371	1,084,494
Total expenses	\$3,749,037	\$3,630,663	\$1,704,134	\$1,752,011	\$5,453,171	\$5,382,674
<b>Change in Net Position</b>	<b>(\$1,417)</b>	<b>(169,166)</b>	<b>\$17,526</b>	<b>209,540</b>	<b>\$16,109</b>	<b>40,374</b>
<b>Net Position-Beginning</b>	<b>\$12,404,771</b>	<b>\$12,468,254</b>	<b>\$13,758,614</b>	<b>\$13,776,140</b>	<b>\$26,163,385</b>	<b>\$26,244,394</b>
<b>Restatement</b>	<b>64,900</b>	<b>(1,066,832)</b>	<b>-</b>	<b>(406,997)</b>	<b>64,900</b>	<b>(1,473,829)</b>
<b>Net Position-Ending</b>	<b>\$12,468,254</b>	<b>\$11,232,256</b>	<b>\$13,776,140</b>	<b>\$13,578,683</b>	<b>\$26,244,394</b>	<b>\$24,810,939</b>

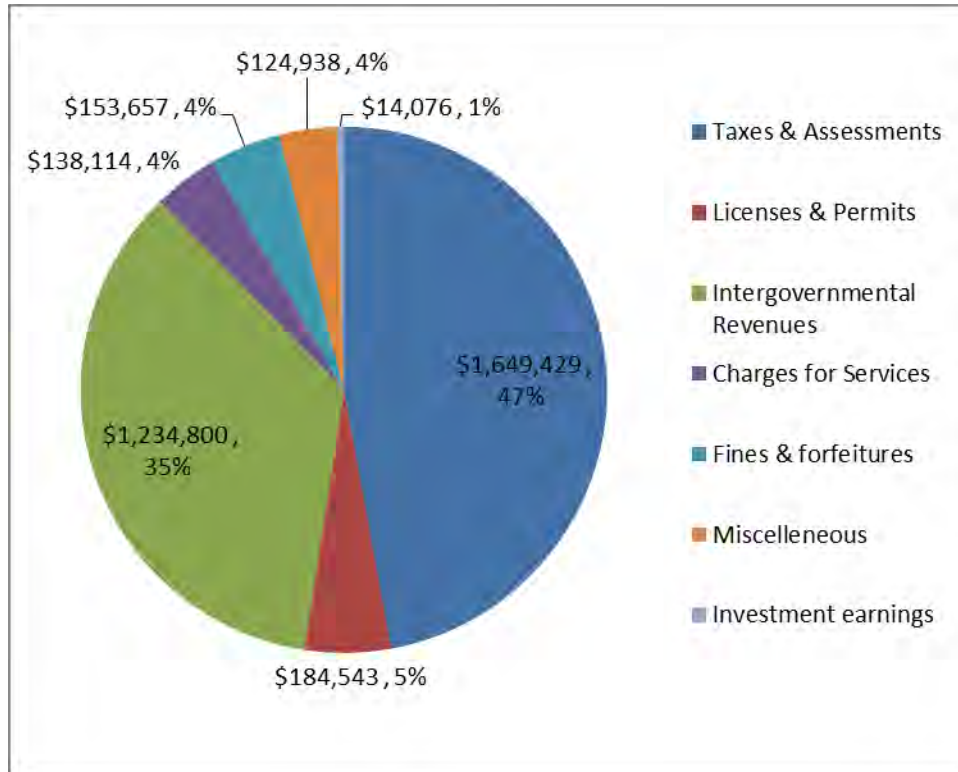
*Governmental Activities.* Governmental activities in fiscal year 2015 decreased the City’s net position by \$169,166 with revenues totaling \$3.4 million and expenditures totaling \$3.6 million. The key elements of the decrease and the variance between the years are:

- City was awarded a CDBG Economic Development Grant for \$400,000, receiving \$387,830 of those funds in the 2014 FY and the remainder of \$13,170 during the 2015 FY.
- The City completed the HOME Grant funds during the 2015 FY, receiving \$258,533, for the Habitat Fifth Street Homes Project as compared to \$43,745 in the 2014 FY.
- The City did not record any contributed capital or capital grants in the 2015 FY. The City did invest \$315,637 in capital assets from City resources as outlined on page 3 and 4 of this report.
- The remaining portion represents normal variances in revenues and expenditures.

This chart shows the extent to which the City relies on the general revenues, such as Property Tax Revenues and Unrestricted State Revenues, to fund the governmental activities:

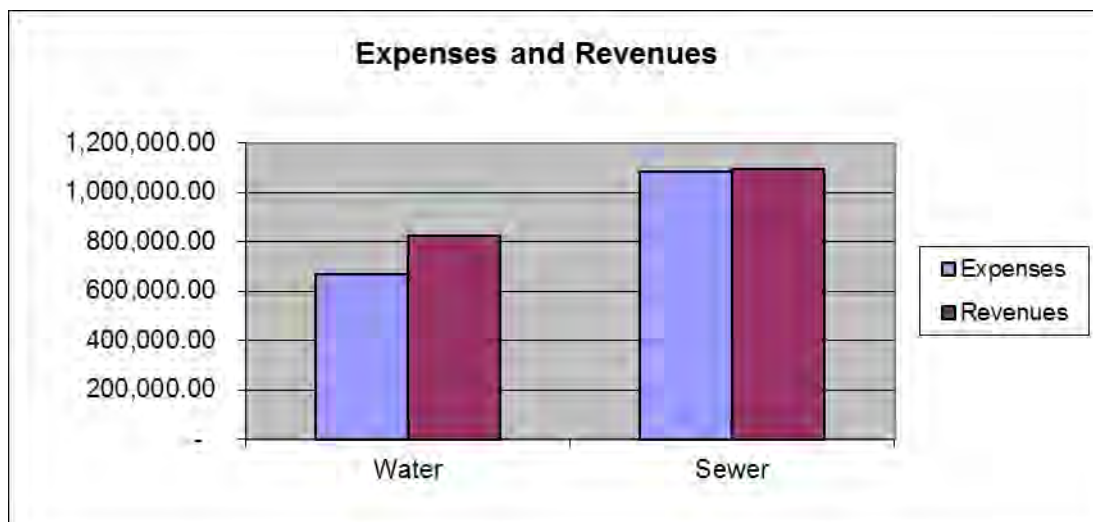


This chart shows the Revenues by Source for the Governmental Activities:



Taxes & Assessment revenues experienced the greatest increase over the prior year at \$108,749 (7%) as well as increase of \$98,239 in Misc.Revenues (300%) due to the sale of land. Both Intergovernmental Revenues and Fines and Forfeiture revenues decreased by 13% from the prior year in the amounts of \$184,246 and \$24,830 respectively.

*Business-type Activities.* The City's business-type activities, Water and Sewer, increased the City's net position in 2015 by \$209,540. Key elements of the increase is largely due to the increase in residential and commercial building activity resulting in an increase in the sale of meters and the collection of plant investment fees for both Water and Sewer.



## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

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

### ***Governmental Funds Overview***

The focus of City governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party or the City itself.

As of the end of 2015, the combined ending fund balances of City governmental funds was \$3,120,329, an increase of \$189,304 over the prior year. Of this amount, \$350,843, or 11% is not in spendable form because it represents a long-term receivable in the Cedar Creek Trust Fund. \$913,658, 29%, is restricted to indicate that constraints placed on the use of resources is externally imposed or imposed by law because assets are limited by specific grant agreements, assets are limited by state law or specific voter approved debt covenants. \$554,313, 18%, represents a cash reserve in the General fund to provide liquidity until tax revenue is received in December. Additionally, \$729,595, 23%, represents funds committed to future capital projects. The Cedar Creek Trust has an assigned balance of \$34,450. The unassigned fund balance is \$537,270, 17% total ending fund balance, all of which is within the General Fund.

The General Fund is the chief operating fund of the City. At June 30, the unassigned fund balance was \$537,270, committed fund balance was \$554,313 and restricted by donors was \$266 for a total fund balance of \$1,091,849. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures/other financing uses. Unassigned fund balance represents approximately 23% of the total General Fund expenditures and other financing uses while total fund balance represents approximately 47% of that same amount.

The City of Columbia Falls has two major governmental funds: the General Fund and Street Maintenance Fund.

1. General Fund. This is the primary operating fund of the City of Columbia Falls government. It accounts for many of the City's general and administrative services, such as legislative, financial, legal, police, fire and parks.
2. Street Maintenance Fund. This special revenue fund accounts for the special maintenance assessment charged for the direct street, alley and sidewalk operational and maintenance costs including, but not limited to, snow removal, street sweeping, and minor and major repairs. The street maintenance assessment is set each year by the City Council pursuant to state statute.

### ***Proprietary Funds Overview***

The City's proprietary fund statements provide the same type of information found in the government-wide statements, but in more detail.

The City has two major enterprise-type proprietary funds, the Water Fund and Sewer Fund.

The Water Fund unrestricted net position was \$3,766 as of June 30, 2015. Investment in capital, net of related debt is \$3,657,264 or 82% of total net position. These assets are acquired through the purchase of equipment, city construction and the donation of constructed infrastructure by subdivision developers. The Water Fund received \$678,216 from customers. Total operations resulted in a cash increase of \$3,574. Restricted net position accounts are maintained for future system expansion, replacement of capital assets, and one year's debt payment.

The Sewer Fund unrestricted net position was (\$51,311) as of June 30, 2015. Investment in capital, net of related debt is \$6,344,682 or 83% of total net position. These assets are typically acquired through the purchase of equipment, city construction and the donation of constructed infrastructure by subdivision developers. The Sewer Fund received \$981,158 from its customers. Total operations resulted in a cash increase for the year of \$61,255. Restricted net position accounts are maintained for future system expansion, replacement of capital assets, and one year's debt payment.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The City's budget is prepared according to Montana Code 7-6-4020. The most significant budgeted fund is the General Fund.

In September of 2014, the City Council appropriated \$ 2,764,477 for General Fund expenditures. The budget anticipated using \$466,337 of fund balance.

**2014-2015 General Fund Budget**

	Final Budget	Actual
Fund Balance Carryover for appropriation	\$ 466,337	
Revenue and other financing sources	2,301,078	2,382,924
Expenditures and other financing uses	(2,764,477)	(2,312,280)
Available for fiscal year 2015-2016	2,938	70,644

Actual revenues and other financing sources came within 3.5% of anticipated with a difference of only \$81,846; and actual expenditures were \$452,197 (16%) less than anticipated, mainly due to savings on contracted services for special planning, litigation services, facility repairs, and termination pay savings. Additionally, Facilities did not purchase the planned \$15,000 fire alarm system and the sidewalk on Railroad Street was also delayed, resulting in budget savings. The operating increase in cash was \$80,202.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The City of Columbia Falls' investment in capital assets for its governmental and business type activities as of June 30, 2015 totals \$19,526,989 (net of accumulated depreciation). The City's capital investment includes all land, buildings, machinery and equipment, and infrastructure. The City's asset capitalization is \$5,000 for machinery and equipment and other capital improvements. The depreciation of capital assets is reflected in the various governmental and business-type expense activities. The City of Columbia Falls depreciates its infrastructure, and the expense of depreciation is reflected in public works activities and in business activities for infrastructure associated with water and sewer lines.



Major capital asset events during the current fiscal year included the following:

- Completed the 13<sup>th</sup> Street Storm Drainage project for \$143,799 and drywells, curbs and sidewalk for an additional \$ 13,615 in infrastructure improvements.
- Completed the Safe Routes to Schools project by adding flashing beacons at four additional intersections for \$23,344. Within the Public Works Department, sanding and snow equipment were also purchased for a total of \$24,545.
- The Police Department purchased a 2015 Interceptor for \$37,871 and the Fire Department purchased a command vehicle \$47,040.
- The Water and Sewer Funds paid a combined \$473,285 in Construction in Progress on water and sewer main extensions and upgrades. The projects were completed in the 2016 FY.
- The Sewer Fund also purchased a 2015 utility vehicle for \$23,653 and started the final SCADA installation for \$59,514. The SCADA project was completed in the 2016 FY.
- Sold a lot in the Cedar Creek subdivision for a gain of \$54,220.

**Long-term debt.** The City's general obligation long term debt was incurred for the construction of the municipal pool in 1999 and street improvements in 2007. Voters approved the \$1.1 million Street Construction Project to be repaid with a 20-year debt service levy. The City used all but \$33,339 of this authority through the completion of the project in 2011. The City borrowed \$364,449 from the Intercap Program to pay for the remaining Street Construction project in 2012. The City borrowed \$115,365 in 2013 to pay for the City's share of the Fire Apparatus. Revenue bond long term debt issues as of the end of the fiscal year are reflected in the Water and Sewer Fund. The Sewer Fund borrowed \$124,625 from Intercap to pay for the new Camel Jet Rodder in 2012. The Water and Sewer revenue bonds were refunded in November 2012 primarily to reduce the interest rate on the outstanding issues. The City retired \$383,501 of governmental and business-type debt and issued no new debt during the 2015 FY. Additional information on The City of Columbia Falls' long-term debt can be found in the Notes to the Financial Statement.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of The City of Columbia Falls' finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Susan M. Nicosia, City Manager, 130 6<sup>th</sup> Street West, Room A, Columbia Falls, MT 59912.

**BASIC  
FINANCIAL  
STATEMENTS**

**CITY OF COLUMBIA FALLS  
STATEMENT OF NET POSITION  
FISCAL YEAR ENDING JUNE 30, 2015**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	970,918.74	743,787.24	1,714,705.98	420,133.93
Investments	0.00	0.00	0.00	
Petty Cash	225.00	300.00	525.00	
Restricted Assets:				
Cash and cash equivalents	1,746,467.78	3,216,346.43	4,962,814.21	
Investments (at fair value)	0.00	0.00	0.00	
Taxes/Assessments Receivable - (net of allowance for uncollectibles)	132,457.41	0.00	132,457.41	
Accounts/other receivables - (net of allowance for uncollectibles)	396,696.23	182,691.12	579,387.35	
Internal Balances	(671.59)	75,041.98	74,370.39	
Due from other governments	170,006.10	0.00	170,006.10	
Prepaid expense	0.00	0.00	0.00	
Inventories	0.00	0.00	0.00	
Other debits	0.00	0.00	0.00	
Capital assets not being depreciated				
Land	1,802,336.52	17,402.00	1,819,738.52	
Construction in progress	5,874.24	532,798.82	538,673.06	
Capital assets being depreciated (net of accumulated depreciation)	8,340,132.03	11,186,856.83	19,526,988.86	
<b>Total Assets</b>	<b>13,564,442.46</b>	<b>15,955,224.42</b>	<b>29,519,666.88</b>	<b>420,133.93</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows of Resources	97,203.10	0.00	97,203.10	
Deferred Outflows of Resources	0.00	37,083.00	37,083.00	
<b>Total Deferred Outflows of Resources</b>	<b>97,203.10</b>	<b>37,083.00</b>	<b>134,286.10</b>	<b>0.00</b>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	114,392.62	171,591.12	285,983.74	
Matured bonds and interest payable	0.00	216,000.00	216,000.00	
Due to other governments	0.00	0.00	0.00	
Revenues collected in advance	0.00	0.00	0.00	
Contracts/Loans/Notes Payable	0.00	25,079.70	25,079.70	
Noncurrent liabilities:				
Due within one year	217,566.00	53,064.82	270,630.82	
Due in more than one year	963,393.52	1,515,252.81	2,478,646.33	
Net Pension Liability	937,868.88	357,797.21	1,295,666.09	
<b>Total Liabilities</b>	<b>2,233,221.02</b>	<b>2,338,785.66</b>	<b>4,572,006.68</b>	<b>0.00</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows of Resources	196,168.96	74,838.51	271,007.47	
Deferred Inflows of Tax Resources	0.00	0.00	0.00	
<b>Total Deferred Inflows of Resources</b>	<b>196,168.96</b>	<b>74,838.51</b>	<b>271,007.47</b>	<b>0.00</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	9,155,681.27	10,001,946.14	19,157,627.41	
Restricted for:				
Debt Service	74,089.52	312,115.00	386,204.52	
Bond Indenture Requirements		585,286.00	585,286.00	
General Government	17,284.81		17,284.81	
Public Safety	40,584.95		40,584.95	
Public Works	247,870.99	2,726,880.38	2,974,751.37	
Public Health			0.00	
Culture/Recreation	122,254.91		122,254.91	
Economic Development	7,627.00		7,627.00	
Other:	404,146.07		404,146.07	
Non-spendable (other than Perm Fund)	350,842.73		350,842.73	
Permanent Fund principal			0.00	
Unrestricted	811,873.33	(47,544.27)	764,329.06	420,133.93
<b>Total Net Position</b>	<b>11,232,255.58</b>	<b>13,578,683.25</b>	<b>24,810,938.83</b>	<b>420,133.93</b>
<i>Balance check w/GW Statement (should equal zero):</i>				
	0.00	0.00	0.00	
	<b>-13-</b>			
	0.00	0.00	0.00	

**CITY OF COLUMBIA FALLS  
STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDING JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services, Fines, Forfeitures, etc.	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	
<b>Primary government:</b>								
Governmental activities:								
General government	588,164.66	16,661.59	1,881.92	0.00	(549,621.15)		(549,621.15)	
Public safety	1,405,485.93	247,869.84	206,024.23	0.00	(951,591.86)		(951,591.86)	
Public works	1,031,600.39	347,019.27	90,484.03	0.00	(594,097.09)		(594,097.09)	
Public health	4,250.00	0.00	0.00	0.00	(4,250.00)		(4,250.00)	
Social and economic services	0.00	0.00	0.00	0.00	0.00		0.00	
Culture and recreation	256,024.87	30,585.76	2,219.50	0.00	(223,220.61)		(223,220.61)	
Housing/Community Development	279,329.80	0.00	271,702.80	0.00	(7,627.00)		(7,627.00)	
Conservation of Natural Resources	0.00	0.00	0.00	0.00	0.00		0.00	
Interest on long-term debt	23,302.47	0.00	0.00	0.00	(23,302.47)		(23,302.47)	
Miscellaneous	65,793.04	0.00	0.00	0.00	(65,793.04)		(65,793.04)	
Unallocated costs	(3,288.00)				3,288.00		3,288.00	
<b>Total governmental activities</b>	<b>3,630,663.16</b>	<b>642,136.46</b>	<b>572,311.48</b>	<b>0.00</b>	<b>(2,416,215.22)</b>		<b>(2,416,215.22)</b>	
Business-type activities:								
Hospital								
Water	667,516.88	825,939.47			158,422.59		158,422.59	
Sewer								
Solid Waste/Landfill	1,084,493.72	1,093,961.57			9,467.85		9,467.85	
Ambulance								
Airport								
Gas/Electric								
<b>Total business-type activities</b>	<b>1,752,010.60</b>	<b>1,919,901.04</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>167,890.44</b>	
<b>Total primary government</b>	<b>5,382,673.76</b>	<b>2,562,037.50</b>	<b>572,311.48</b>	<b>0.00</b>	<b>(2,416,215.22)</b>		<b>167,890.44</b>	<b>(2,248,324.78)</b>
<b>Component Unit:</b>								
Fire Relief Association Disability & Pension Fund	58,249.20							(58,249.20)
<b>Total component units</b>	<b>58,249.20</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>				<b>(58,249.20)</b>
<b>General revenues:</b>								
Property taxes					1,189,933.24	0.00	1,189,933.24	81,220.25
Local option taxes					0.00		0.00	
Licenses and permits					183,605.07		183,605.07	
Unrestricted Federal/State shared revenues					678,781.80	6,215.99	684,997.79	17,066.07
Unrestricted grants and contributions					0.00		0.00	
Unrestricted investment earnings					14,076.35	21,480.92	35,557.27	837.97
Miscellaneous					124,938.57	7,752.50	132,691.07	
Gain on sale of capital assets					55,714.59	972.00	56,686.59	
Transfers					0.00	0.00	0.00	
Special/Extraordinary items					0.00	5,228.17	5,228.17	
<b>Total general revenues and transfers</b>					<b>2,247,049.62</b>	<b>41,649.58</b>	<b>2,288,699.20</b>	<b>99,124.29</b>
Change in net position					(169,166.60)	209,540.02	40,373.42	40,875.09
Total net position - July 1, 2014 as previously reported					12,468,253.69	13,776,140.11	26,244,393.80	379,258.84
Prior period adjustments					(1,066,832.51)	(406,996.88)	(1,473,829.39)	0.00
Total net position - July 1, 2014 as restated					11,401,421.18	13,369,143.23	24,770,564.41	379,258.84
Total net position - June 30, 2015					11,232,255.58	13,578,683.25	24,810,938.83	420,133.93

**CITY OF COLUMBIA FALLS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
FISCAL YEAR ENDING JUNE 30, 2015**

Account Number	Description	Major Funds		Other Governmental Funds	Total Governmental Funds
		Fund #1000 General	Fund #2500 Fund Name		
<b>ASSETS</b>					
101000	Cash and cash equivalents	517,297.05	24,696.99	428,924.70	970,918.74
103000	Petty cash	225.00		0.00	225.00
101100	Investments			0.00	0.00
<b>Restricted Assets:</b>					
102200	Cash and cash equivalents	559,652.58	133,807.00	1,053,008.20	1,746,467.78
102300	Investments			0.00	0.00
106000	Valuation of investments to fair value			0.00	0.00
110000	Tax/assessment receivable (net of allowance for uncollectibles)	41,203.34	5,088.14	86,165.93	132,457.41
120000	Accounts/other receivables - (net of allowance for uncollectibles)	45,853.50		350,842.73	396,696.23
131000	Due from other funds			0.00	0.00
132000	Due from other governments	108,742.84	26,440.59	34,822.67	170,006.10
133000	Advances to other funds			0.00	0.00
140000	Prepaid expense			0.00	0.00
150000	Inventories			0.00	0.00
170000	Other debits			0.00	0.00
<b>Total Assets</b>		<b>1,272,974.31</b>	<b>190,032.72</b>	<b>1,953,764.23</b>	<b>3,416,771.26</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
190000	Deferred Outflows of Resources			0.00	0.00
19xxxx	Deferred Outflows of Resources			0.00	0.00
<b>Total Deferred Outflows of Resources</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>LIABILITIES</b>					
201000	Warrants payable			0.00	0.00
202100	Accounts payable	31,490.77	1,619.67	14,052.02	47,162.46
203100	Judgments payable			0.00	0.00
204000	Contracts/loans/notes payable			0.00	0.00
205200	Matured interest payable			0.00	0.00
208100	Other accrued payables	59,511.06	7,207.33	511.77	67,230.16
211000	Due to other funds			671.59	671.59
212000	Due to other governments			0.00	0.00
214000	Deposits payable			0.00	0.00
216000	Revenues collected in advance			0.00	0.00
233000	Advances from other funds			0.00	0.00
<b>Total Liabilities</b>		<b>91,001.83</b>	<b>8,827.00</b>	<b>15,235.38</b>	<b>115,064.21</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
220000	Deferred Inflows of Resources	48,920.50		0.00	48,920.50
223000	Deferred Inflows of Tax Revenues	41,203.34	5,088.14	86,165.93	132,457.41
<b>Total Deferred Inflows of Resources</b>		<b>90,123.84</b>	<b>5,088.14</b>	<b>86,165.93</b>	<b>181,377.91</b>
<b>FUND BALANCES:</b>					
250100	Non-spendable			350,842.73	350,842.73
	Inventory				0.00
250200	Restricted			737,474.76	737,474.76
	General government				0.00
	Public Safety	200.00			200.00
	Public Works		176,117.58		176,117.58
	Culture and Recreation	65.91			65.91
	Other: (input explanation)				0.00
260100	Committed			729,594.97	729,594.97
	General government	554,313.00			554,313.00
	Public Safety				0.00
	Public Works				0.00
	Culture and Recreation				0.00
	Other: (input explanation)				0.00
260200	Assigned			34,450.46	34,450.46
					0.00
					0.00
					0.00
271000	Unassigned	537,269.73	0.00	0.00	537,269.73
<b>Total Fund Balances</b>		<b>1,091,848.64</b>	<b>176,117.58</b>	<b>1,852,362.92</b>	<b>3,120,329.14</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>		<b>1,272,974.31</b>	<b>190,032.72</b>	<b>1,953,764.23</b>	
<i>Balance check (Should equal zero):</i>					
		0.00	0.00	0.00	0.00
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					
					10,148,342.79
Other long-term assets are not available to pay current-period expenditures and, therefore, are deferred outflows of resources in the funds.					
					(14,791.05)
Internal service funds are used by management to charge the costs of providing services within the government. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net position.					
				0.00	
Current assets				0.00	
Accounts payable				0.00	
Net amount allocated to business-type/external activities				0.00	0.00
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.					
					(2,021,625.30)
<b>Net position of governmental activities</b>					<b>11,232,255.58</b>

**CITY OF COLUMBIA FALLS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FISCAL YEAR ENDING JUNE 30, 2015**

Account Number	Description	Fund #1000 General	Major Funds		Total Governmental Funds
			Fund #2500 Fund Name	Other Governmental Funds	
<b>REVENUES</b>					
310000/ 363000	Taxes/assessments	1,052,800.14	304,977.52	291,651.36	1,649,429.02
320000	Licenses and permits	67,611.39		116,931.18	184,542.57
330000	Intergovernmental revenues	871,481.00		363,318.75	1,234,799.75
340000	Charges for services	137,164.30	950.00	0.00	138,114.30
350000	Fines and forfeitures	149,540.68		4,116.00	153,656.68
360000	Miscellaneous	2,165.40	30.92	122,742.25	124,938.57
370000	Investment and royalty earnings	4,648.74	669.31	8,758.30	14,076.35
					0.00
	<b>Total Revenues</b>	<b>2,285,411.65</b>	<b>306,627.75</b>	<b>907,517.84</b>	<b>3,499,557.24</b>
<b>EXPENDITURES</b>					
Current:					
410000	General government	523,006.67		6,389.24	529,395.91
420000	Public safety	1,251,396.22		94,919.58	1,346,315.80
430000	Public works	5,525.00	312,078.31	162,354.24	479,957.55
440000	Public health	4,250.00		0.00	4,250.00
450000	Social and economic services	0.00		0.00	0.00
460000	Culture and recreation	174,253.06		0.00	174,253.06
470000	Housing and community development	0.00		279,329.80	279,329.80
480000	Conservation of natural resources	0.00		0.00	0.00
490000	Debt Service:				
	Principal	11,107.14		136,624.57	147,731.71
	Interest	961.10		22,341.37	23,302.47
					0.00
	Capital outlay	153,985.76	34,251.33	127,401.51	315,638.60
500000	Internal Services				0.00
510000	Miscellaneous	64,981.07		811.97	65,793.04
	<b>Total Expenditures</b>	<b>2,189,466.02</b>	<b>346,329.64</b>	<b>830,172.28</b>	<b>3,365,967.94</b>
	<b>Excess of revenues (under) expenditures</b>	<b>95,945.63</b>	<b>(39,701.89)</b>	<b>77,345.56</b>	<b>133,589.30</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
381010/40	Bonds issued	0.00		0.00	0.00
381010/40	Discount on bonds issued	0.00		0.00	0.00
381050	Inception of capital lease	0.00		0.00	0.00
381070	Notes/loans/intercap issued	0.00		0.00	0.00
382010	Sale of capital assets	0.00		55,714.59	55,714.59
383000	Transfers In	97,512.63	28,155.19	122,814.00	248,481.82
521000	Transfers out (Enter as negative)	(122,814.00)		(125,667.82)	(248,481.82)
384000	Special items - revenue	0.00		0.00	0.00
385000	Extraordinary items - revenue	0.00		0.00	0.00
524000	Special items - expenditure (Negative)	0.00		0.00	0.00
525000	Extraordinary items - expenditure (Negative)	0.00		0.00	0.00
	<b>Total other financing sources (uses)</b>	<b>(25,301.37)</b>	<b>28,155.19</b>	<b>52,860.77</b>	<b>55,714.59</b>
	<b>Net change in fund balances</b>	<b>70,644.26</b>	<b>(11,546.70)</b>	<b>130,206.33</b>	<b>189,303.89</b>
	<b>Fund balances - July 1, 2014 as previously reported</b>	<b>1,021,204.38</b>	<b>187,664.28</b>	<b>1,722,156.59</b>	<b>2,931,025.25</b>
	<b>Prior period adjustments</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>
	<b>Fund balances - July 1, 2014 as restated</b>	<b>1,021,204.38</b>	<b>187,664.28</b>	<b>1,722,156.59</b>	<b>2,931,025.25</b>
	<b>Fund balances - June 30, 2015</b>	<b>1,091,848.64</b>	<b>176,117.58</b>	<b>1,852,362.92</b>	<b>3,120,329.14</b>

**CITY OF COLUMBIA FALLS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDING JUNE 30, 2015**

<b>Net change in fund balances - total governmental funds (page 16 )</b>	<u>189,303.89</u>
Amounts reported for governmental activities in the statement of activities (page ) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital assets purchased	315,638.60
Depreciation expense	<u>(745,057.77)</u>
In the Statement of Activities, the loss or gain on the sale or disposal of capital assets is recognized. The fund financial statements recognize only the proceeds from the sale of these assets:	
Gain (loss) on the disposal of capital assets	55,714.59
Proceeds from the sale of capital assets	<u>(55,714.59)</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Donated capital assets	
Long-term receivables (deferred inflow)	<u>(110,067.80)</u>
GASB68 recognition of On-behalf payments to Pension Plans	<u>16,293.53</u>
Long-term debt proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the statement of net position:	
Capital lease proceeds	0.00
Bond sale proceeds	<u>0.00</u>
Loan proceeds	<u>0.00</u>
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the Statement of Net Position:	
Capital lease obligation principal payments	
Long-term loan/contract principal payments	<u>92,731.71</u>
Long-term bond principal payments	<u>55,000.00</u>
Internal service funds are used by management to charge the costs of certain activities, such as insurance and data processing, to individual funds. The net revenue of the internal service funds is reported with the governmental activities of the government-wide statement of activities net of the amounts allocated to business-type activities and depreciation expense	
Change in net position	0.00
Net of amount allocated to business-type/external activities	<u>0.00</u>
Depreciation Expense	<u>0.00</u> 0.00
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	
Accrued compensated absenses	3,288.00
Pension expense - GASB 68	<u>13,704.24</u>
Other:	
<b>Change in Net Position in Governmental Activities</b>	<u>(169,165.60)</u>

*Balance check:* (0.00)

**CITY OF COLUMBIA FALLS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
FISCAL YEAR ENDING JUNE 30, 2015**

		Business-type Activities			
Account Number	Description	Major Enterprise Funds		Nonmajor	Totals
		Fund #5210	Fund #5310	Enterprise	
		Water Enterprise	Sewer Enterprise	Funds	
<b>ASSETS</b>					
<b>Current Assets</b>					
101000	Cash and cash equivalents	629,970.83	113,816.41	0.00	743,787.24
103000	Petty cash	150.00	150.00	0.00	300.00
101100	Investments (at fair value)			0.00	0.00
110000	Tax/assessment receivable (net of allowance for uncollectibles)			0.00	0.00
120000	Accounts/other receivables - (net of allowance for uncollectibles)	76,142.58	90,122.88	16,425.66	182,691.12
131000	Due from other funds	671.59		0.00	671.59
132000	Due from other governments			0.00	0.00
141000	Prepaid expense			0.00	0.00
150000	Inventories			0.00	0.00
	<b>Total Current Assets</b>	<b>708,935.00</b>	<b>204,089.29</b>	<b>16,425.66</b>	<b>927,449.95</b>
<b>Noncurrent Assets</b>					
<b>Restricted Assets:</b>					
102200	Cash and cash equivalents	393,355.34	1,379,232.50	1,443,758.59	3,216,346.43
102300	Investments			0.00	0.00
133000	Advances to other funds	46,787.13	27,563.26	0.00	74,370.39
170000	Other debits			0.00	0.00
180000	<b>Capital assets:</b>				
	Land	17,402.00	0.00	0.00	17,402.00
	Construction in progress	353,256.17	179,542.65	0.00	532,798.82
	Buildings			0.00	0.00
	Improvements other than buildings			0.00	0.00
	Machinery and equipment	580,963.01	1,899,079.48	0.00	2,480,042.49
	Infrastructure (utility systems)	7,558,206.26	13,841,397.42	0.00	21,397,603.68
	Less: accumulated depreciation	(4,572,582.95)	(8,118,226.39)	0.00	(12,690,789.34)
	Capital assets - net of accumulated depreciation	3,935,264.49	7,801,793.16	0.00	11,737,057.65
	<b>Total Noncurrent Assets</b>	<b>4,375,406.98</b>	<b>9,208,608.92</b>	<b>1,443,758.59</b>	<b>15,027,774.47</b>
	<b>Total Assets</b>	<b>5,082,341.98</b>	<b>9,412,698.21</b>	<b>1,460,184.25</b>	<b>15,955,224.42</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
199000	Deferred Outflows of Resources			0.00	0.00
199xxx	Deferred Outflow of Resources	15,722.61	21,360.39	0.00	37,083.00
	<b>Total Deferred Outflows of Resources</b>	<b>15,722.61</b>	<b>21,360.39</b>	<b>0.00</b>	<b>37,083.00</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
202100	Accounts payable	140,406.07	20,285.05	0.00	160,691.12
203100	Judgments payable			0.00	0.00
204000	Contracts/loans/notes payable		25,079.70	0.00	25,079.70
205200	Matured interest bonds payable	25,000.00	191,000.00	0.00	216,000.00
208100	Other accrued payables	8,908.62	11,159.20	0.00	20,067.82
209100	Compensated absences	13,911.00	19,086.00	0.00	32,997.00
211000	Due to other funds			0.00	0.00
212000	Due to other governments			0.00	0.00
214000	Deposits payable	10,900.00		0.00	10,900.00
216000	Revenues collected in advance			0.00	0.00
	<b>Total Current Liabilities</b>	<b>199,125.69</b>	<b>266,609.95</b>	<b>0.00</b>	<b>465,735.64</b>
<b>Noncurrent Liabilities</b>					
231000	Bonds payable	253,000.00	1,203,000.00	0.00	1,456,000.00
233000	Advance from other funds			0.00	0.00
234000	Judgments payable			0.00	0.00
235000	Contracts/loans/notes payable		38,031.81	0.00	38,031.81
236000	Closure/postclosure care costs			0.00	0.00
237000	Net Pension Liability	151,700.38	206,096.83	0.00	357,797.21
238000	OPEB Liability			0.00	0.00
239000	Compensated absences	7,834.00	13,387.00	0.00	21,221.00
	<b>Total Noncurrent Liabilities</b>	<b>412,534.38</b>	<b>1,460,515.64</b>	<b>0.00</b>	<b>1,873,050.02</b>
	<b>Total Liabilities</b>	<b>611,660.07</b>	<b>1,727,125.59</b>	<b>0.00</b>	<b>2,338,785.66</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
220000	Deferred Inflows of Resources	31,730.35	43,108.16	0.00	74,838.51
22xxxx	Deferred Inflows of Resources			0.00	0.00
	<b>Total Deferred Inflows of Resources</b>	<b>31,730.35</b>	<b>43,108.16</b>	<b>0.00</b>	<b>74,838.51</b>
<b>NET POSITION</b>					
	Net Investment in Capital Assets	3,657,264.49	6,344,681.65	0.00	10,001,946.14
	Restricted for:				
	Debt Service	127,255.00	184,860.00	0.00	312,115.00
	Replacements/Depreciation	212,041.00	373,245.00	0.00	585,286.00
	System improvements	454,346.95	812,349.18	0.00	1,266,696.13
	System Expansion			1,460,184.25	1,460,184.25
	Unrestricted	3,766.71	(51,310.98)	0.00	(47,544.27)
	<b>Total Net Position</b>	<b>4,454,674.15</b>	<b>7,663,824.85</b>	<b>1,460,184.25</b>	<b>13,578,683.25</b>
	Balance check (Should equal zero):	0.00		0.00	
				Reconciliation to government-wide statement of net position	
				Adjustment to reflect the consolidations of internal service activities related to enterprise funds	
				Net position of business-type activities	
					13,578,683.25



**CITY OF COLUMBIA FALLS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FISCAL YEAR ENDING JUNE 30, 2015**

Account Number	Description	Business-type Activities			Totals	Governmental Activities
		Major Enterprise Funds		Nonmajor Enterprise Funds		Internal Service
		Fund #5210	Fund #5310			
		Water Enterprise	Sewer Enterprise			
<b>OPERATING REVENUES</b>						
340000	Charges for services	703,728.15	981,158.15	235,014.74	1,919,901.04	0.00
360000	Miscellaneous revenues	1,244.11	2,704.53	0.00	3,948.64	0.00
363000	Special assessments	2,387.10	1,416.76	0.00	3,803.86	0.00
				0.00	0.00	
	<b>Total Operating Revenues</b>	<b>707,359.36</b>	<b>985,279.44</b>	<b>235,014.74</b>	<b>1,927,653.54</b>	<b>0.00</b>
<b>OPERATING EXPENSES</b>						
100	Personal services	237,723.34	302,349.49	0.00	540,072.83	0.00
200	Supplies	79,912.79	73,091.88	0.00	153,004.67	0.00
300	Purchased services	106,580.21	153,921.73	0.00	260,501.94	0.00
400	Building materials		106.87	0.00	106.87	0.00
500	Fixed charges	7,758.88	23,594.80	0.00	31,353.68	0.00
610	Loss/Bad debt expense	686.41	1,675.07	0.00	2,361.48	0.00
630	Depreciation	228,195.25	498,153.58	0.00	726,348.83	0.00
				0.00	0.00	
	<b>Total Operating Expenses</b>	<b>660,856.88</b>	<b>1,052,893.42</b>	<b>0.00</b>	<b>1,713,750.30</b>	<b>0.00</b>
	Operating Income (Loss)	46,502.48	(67,613.98)	235,014.74	213,903.24	0.00
<b>NONOPERATING REVENUES (EXPENSES)</b>						
310000	Taxes/assessment revenue			0.00	0.00	0.00
320000	Licenses/permits revenue			0.00	0.00	0.00
330000	Intergovernmental revenue	2,635.48	3,580.51	0.00	6,215.99	0.00
371000	Interest revenue	5,785.63	7,619.63	8,075.66	21,480.92	0.00
382030	Gain/Loss on Sale of Capital Assets (Loss is negative)	972.00		0.00	972.00	0.00
490000	Debt service interest expense (Enter as negative)	(6,660.00)	(31,600.30)	0.00	(38,260.30)	0.00
384000	Special items - revenue			0.00	0.00	0.00
385000	Extraordinary items - revenue			0.00	0.00	0.00
524000	Special items - expense (enter as negative)	2,216.66	3,011.51	0.00	5,228.17	0.00
525000	Extraordinary items - expense (enter as negative)			0.00	0.00	0.00
	<b>Total Non-Operating Revenues (Expenses)</b>	<b>4,949.77</b>	<b>(17,388.65)</b>	<b>8,075.66</b>	<b>(4,363.22)</b>	<b>0.00</b>
	Income (Loss) before contributions and transfers	51,452.25	(85,002.63)	243,090.40	209,540.02	0.00
	Capital contributions			0.00	0.00	0.00
	Transfers in (out)		120,028.70	(120,028.70)	0.00	0.00
	Change in net position	51,452.25	35,026.07	123,061.70	209,540.02	0.00
	Total net position - July 1, 2014 as previously reported	4,575,782.16	7,863,235.40	1,337,122.55	13,776,140.11	0.00
	Prior period adjustments	(172,560.26)	(234,436.62)	0.00	(406,996.88)	0.00
	Total net position - July 1, 2014 as restated	4,403,221.90	7,628,798.78	1,337,122.55	13,369,143.23	0.00
	Total net position - June 30, 2015	4,454,674.15	7,663,824.85	1,460,184.25	13,578,683.25	0.00
				Reconciliation to government-wide statement of activities:		
				Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		
				<b>Change in net position of business</b>	209,540.02	

CITY OF COLUMBIA FALLS				
STATEMENT OF CASH FLOWS				
PROPRIETARY FUNDS				
FISCAL YEAR ENDING JUNE 30, 2015				
	Business-type Activities			
	Major Enterprise Funds		Nonmajor	
	Fund #5210	Fund #5310	Enterprise	
Description	Water Enterprise	Sewer Enterprise	Funds	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	678,215.96	965,698.70	236,848.11	1,880,762.77
Cash paid to suppliers	(66,092.56)	(273,739.13)	0.00	(339,831.69)
Cash paid to employees	(231,206.47)	(313,914.93)	0.00	(545,121.40)
Cash received from interfund services provided	466.83		0.00	466.83
Cash paid for interfund services used			0.00	0.00
Net cash provided (used) by operating activities	381,383.76	378,044.64	236,848.11	996,276.51
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from (to) other funds		120,028.70	(120,028.70)	0.00
Advances from (to) other funds	3,583.84	2,127.12	0.00	5,710.96
Subsidies from taxes and other governments			0.00	0.00
Net cash provided (used) by capital and related financing activities	3,583.84	122,155.82	(120,028.70)	5,710.96
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from debt			0.00	0.00
Capital contributions	0.00	0.00	0.00	0.00
Purchases/acquisition/construction of capital assets	(357,491.40)	(203,195.67)	0.00	(560,687.07)
Principal on debt (Enter as a negative)	(24,000.00)	(211,769.12)	0.00	(235,769.12)
Interest paid on debt (Negative)	(6,660.00)	(31,600.30)	0.00	(38,260.30)
Capital lease down payment			0.00	0.00
Proceeds from sales of capital assets	972.00		0.00	972.00
Net cash provided (used) by capital and related financing activities	(387,179.40)	(446,565.09)	0.00	(833,744.49)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sales of investments			0.00	0.00
Purchase of investments (Enter as negative)			0.00	0.00
Interest earnings	5,785.63	7,619.63	8,075.66	21,480.92
Net cash provided (used) by investing activities	5,785.63	7,619.63	8,075.66	21,480.92
Net increase (decrease) in cash and cash equivalents	3,573.83	61,255.00	124,895.07	189,723.90
Cash and cash equivalents - July 1, 2014	1,019,902.34	1,431,943.91	1,318,863.52	3,770,709.77
Cash and cash equivalents - June 30, 2015	1,023,476.17	1,493,198.91	1,443,758.59	3,960,433.67
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>				
Operating income	46,502.48	(67,613.98)	235,014.74	213,903.24
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation expense	228,195.25	498,153.58	0.00	726,348.83
(Increase) Decrease in accounts receivable	(29,285.40)	(17,905.67)	1,833.37	(45,357.70)
(Increase) Decrease in intergovernmental receivables			0.00	0.00
(Increase) Decrease in due from other funds	(204.76)		0.00	(204.76)
Increase in allowance for uncollectible accounts			0.00	0.00
(Increase) decrease in inventories			0.00	0.00
(Increase) decrease in prepaid items			0.00	0.00
Increase (decrease) in customer deposits	1,500.00		0.00	1,500.00
Increase (decrease) in accounts payable	128,159.32	(23,023.85)	0.00	105,135.47
Increase (decrease) in compensated absences pay.	6,038.00	(8,883.00)	0.00	(2,845.00)
Increase (decrease) in intergovernmental payables	478.87	(2,682.44)	0.00	(2,203.57)
Increase (decrease) in due to other funds			0.00	0.00
Total adjustments	334,881.28	445,658.62	1,833.37	782,373.27
Net cash provided (used) by operating activities	381,383.76	378,044.64	236,848.11	996,276.51
<b>Noncash investing, capital, and financing activities:</b>				
Borrowing under capital lease			0.00	0.00
Contributions of capital assets from government			0.00	0.00
Purchase of equipment on account			0.00	0.00
Increase in fair value of investments			0.00	0.00
Capital asset trade-ins			0.00	0.00

CITY OF COLUMBIA FALLS		
STATEMENT OF FIDUCIARY NET POSITION		
FIDUCIARY FUNDS		
FISCAL YEAR ENDING JUNE 30, 2015		
		Agency Funds
Account Number	Description	Agency Composite (7100-7999)
	<b>ASSETS</b>	
101000	Cash and cash equivalents	144,744.40
	Receivables:	
110000	Tax/assessment receivable (net of allowance for uncollectibles)	
120000	Accounts/other receivables - (net of allowance for uncollectibles)	
128000	Interest receivable	
101100	Investments (at fair value)	
	<b>Total Assets</b>	<b>144,744.40</b>
190000	<b>Deferred Outflows of Resources</b>	
	<b>LIABILITIES</b>	
201100	Warrants payable	129,917.18
202100	Accounts payable	14,827.22
203100	Judgments payable	
204100	Contracts payable	
211000	Due to other funds	
212000	Due to other governments	
216000	Revenues Collected in Advance	
	<b>Total Liabilities</b>	<b>144,744.40</b>
220000	<b>Deferred Inflows of Resources</b>	
	<b>NET POSITION</b>	
	Held in trust for pension benefits and other purposes	
		<i>Balance check:</i>

# CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 1. Introduction

The financial statements of the City of Columbia Falls, Montana (the City) have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America (US GAAP). The accounting and reporting framework and the significant accounting principles and practices of the City are discussed in the sections of this Note. The remaining Notes are organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ended June 30, 2015.

#### 2. Reporting Entity

The City is a political subdivision of the State of Montana, incorporated in 1909. On March 5, 1992, by lawful authority, the City established a Commission/Manager form of government. The City is governed by a city commission, composed of six commissioners and a mayor, elected at large by voters of the City.

The City is considered a primary government because it is a general-purpose local government. Further, it meets the following criteria: (a) it has a separately elected governing body (b) it is legally separate and (c) it is fiscally independent from the State and other local governments.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by GASB. These financial statements present the City and its component unit. The discretely presented component unit is reported in separate columns in the basic financial statements to emphasize that it is legally separate from the City.

The Fire Relief Association Disability and Pension Fund is a discretely presented component unit of the City. The City is financially accountable, by law, to ensure that the Fire Relief Association and Pension Fund is properly funded based upon actuarial valuation of the liability to pay the retirement and disability benefits of the City's volunteer firefighters. The City is also responsible for the collection of taxes and intergovernmental revenues for the Fire Relief Association Disability and Pension Fund. The Fire Relief Association Disability and Pension Fund has a June 30 year end. This component unit is presented discretely in the Statement of Net Position and Statement of Activities.

#### 3. Government-Wide and Fund Financial Statements

##### Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements report financial information for the primary government (the City)

and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities.

These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed primarily through taxes, assessments, intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for services provided.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, assessments and charges paid by the recipients of good or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Certain eliminations have been made as prescribed by GASB 34 in regard to inter-fund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column.

### Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category - *governmental, proprietary, and fiduciary* - are presented. Each fund is accounted for by providing a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. 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 non-major funds. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise funds are at least 5 percent of the corresponding total for all governmental and enterprise funds combined, or
- c. If an individual fund has met the minimum criteria for mandatory major fund reporting in some years but not in others, the City may elect to always report it as a major fund to enhance consistency from year to year.

The City reports the following major governmental funds:

General Fund. This is the City's primary operating fund, which accounts for all financial resources of the City except those required to be accounted for in other funds. It accounts for

many of the City's general and administrative services, such as legislative, financial, legal, police, fire and parks.

Street Maintenance Fund. This special revenue fund accounts for the special maintenance assessment charged for the direct street, alley and sidewalk operational and maintenance costs including, but not limited to, snow removal, street sweeping, and minor and major repairs. The street maintenance assessment is set each year by the City Council pursuant to state statute.

The City reports the following major enterprise funds:

Water Fund. This fund accounts for the operating revenues and expenses of the public water utility system. This fund is maintained on the full accrual basis of accounting.

Sewer Fund. This fund accounts for the operating revenues and expenses of the public sewer system. This fund is maintained on the full accrual basis of accounting.

Additionally, the City reports the following fund type:

*Agency.* The City has two agency funds: Payroll and Claim Funds. Agency funds have no measurement focus.

#### 4.Measurement Focus, Basis of Presentation and 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 indicates the timing of transactions or events for recognition in the financial statements.

*Government-wide and Proprietary Statements.* The government-wide and proprietary fund 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 at the time liabilities are incurred, regardless of when the related cash flows take place.

Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. ON an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, licenses, and interest on investments are considered to be susceptible to accrual. Property taxes not meeting the revenue recognition criteria at year-end have been reported as unavailable revenue.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are

reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Under the terms of grant agreements and State law, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

In accordance with provisions of Montana statutes, the City finances both capital improvements and certain services deemed to benefit specific properties by levying special assessments against the benefited properties. Special assessments are levied against property in a manner similar to ad valorem property taxes.

Proprietary funds distinguish between operating revenues and expenses and non-operating items. Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

## 5. Cash and Investments

Cash and investments may include cash and cash items; demand, time, savings, and fiscal agent deposits; investments in the State Short-Term Investment Pool (STIP); repurchase agreements, U.S. government treasury bills, notes, bonds, and other treasury obligations such as state and local government series; general obligations of certain agencies of the United States such as Federal Home Loan Bank; and U.S. government security money market funds if the fund meets certain conditions. Cash resources of the individual funds are combined to form a pool of cash and investments that is managed by the City Treasurer and City Manager in accordance with the City's Investment Policy. Investments of the pooled cash consist primarily of demand deposits, government backed securities and investments with STIP. Interest income earned as a result of pooling is distributed monthly to the appropriate funds based on the month-end balance of cash in each fund.

The City issues checks in payment of its obligations drawn on either the Claims Fund or Payroll Fund, both agency funds. No outstanding checks are reported in the governmental or proprietary funds.

Investments are recorded at fair value in accordance with GASB Statement 31 with all investment income, including changes in the fair value of investments, reported as revenue in the financial statements.

### Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the City considers all funds, including restricted assets, held in the City's cash management pool to be cash equivalents.

## 6. Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Outstanding receivables and payables are classified as “due to/from other funds” (current portion) or “advances to/from other funds” (non-current portion) on the fund balance sheets. All amounts are eliminated in the Statement of Net Position other than any outstanding balances between governmental-type and business-type that are classified as “internal balances.”

Long-term advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not expendable, available financial resources.

All trade, taxes and assessment receivables are shown net of an allowance for uncollectibles. Receivables are reviewed prior to year-end and written off if older than 360 days and not secured by real property. Water and wastewater receivables constitute a lien on the property per City Ordinance. The lien must be paid before property is transferred to a new property owner. The only uncollectible accounts incurred in these funds are immaterial and relate to bankruptcy proceedings that are written off immediately after court proceedings are finalized. As such, the balance of the allowance as of June 30 was \$ - 0 -.

Real Property taxes are levied and collected by Flathead County and are payable in two installments due November 30 and May 31. The county assesses penalty and interest after these dates and pursues collection through the statutory tax deed process when necessary. Uncollectible taxes result from protested taxes. Decisions by the tax appeal board on protested taxes are generally made prior to fiscal year-end for that year’s taxes. All remaining receivables constitute a lien on the property and are eventually collected. As of June 30, there were no taxes receivable considered a material uncollectible.

## 7. Inventories and Prepaid Items

Inventories of supplies and other expendable items are expensed at the time of purchase in the governmental fund types. The City does not maintain any material inventories within the enterprise funds and therefore expenses any items at the time of purchase. Prepaid expenses, if any, represent payments to vendors that benefit future reporting periods and are reported on the consumption basis.

## 8. Restricted Assets

Certain proceeds of the City’s enterprise fund revenue bonds and loans, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Restricted assets also reflect amounts set aside by the City Council as cash reserves to fund future needs. The Cedar Creek Trust document restricts the principal portion to purchase other land or buildings with at least five (5) members approving such a purchase.

The City’s policy for using restricted or unrestricted cash reflects the bond covenant restrictions, grant requirements or City Policy. Other long-term reserves are invested as allowed and are not used for any type of expenditure except as allowed by the bond covenants, Trust Document or City Policy.



9. Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element 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. Additionally, on the governmental funds balance sheet, these include the net uncollected property tax and special assessment receivables and court fine receivables.

10. Deferred Outflows of Resources

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

11. Capital Assets, Depreciation, and Amortization

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets used in governmental fund types are recorded as expenditures in the governmental funds and capitalized in the Statement of Net Position. Capital assets of propriety funds are capitalized in the fund in which they are used.

All purchased capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. City policy has set the capitalization threshold for reporting capital assets at \$5,000 with a useful life of at least five years. Streets, alleys and sidewalks are capitalized by specified criteria and not by a dollar threshold. The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend the assets' useful life, are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation of all governmental fund capital assets, except land and construction in progress, is charged as an expense to the proper function in the Statement of Activity, but not in the governmental fund statements in accordance with generally accepted accounting principles. Depreciation of all capital assets, except land, easements and construction in progress, used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on the proprietary funds' Statement of Net Position. However, it is shown net of asset's installed cost on the Statement of Net Position for all fund types presented.

Depreciation on assets is provided over their estimated useful lives on the straight-line method. The useful lives of these assets have been estimated as follows:

Buildings .....	50-75 years
Building Improvements .....	50-75 years
Equipment other than Vehicles .....	20-30 years
Public Domain Infrastructure .....	20 years
System Infrastructure .....	40 years
Vehicles .....	6-10 years
Heavy Equipment.....	10-20 years
Office/computer Equipment .....	5 years

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34 which required governments to make retroactive reporting of infrastructure at its historical cost for all assets or just those acquired after June 30, 2008. The City of Columbia Falls recorded the estimated historical value of infrastructure as of June 30, 2007. GASB Statement 51 required governments to record the value of easements it owns for fiscal year 2010. Based on Montana statute, the City concluded that the estimated historical value of easements which the City would own, are not material and accordingly, did not record the value of easements. In most instances, the easements are recorded on the property without transfer of ownership.

## 12. Compensated Absences

It is the City's policy and state law to permit employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid to employees upon separation from City service. Employees are allowed to accumulate and carryover a maximum of two times their annual accumulation of vacation. Any excess over the maximum must be used by 90 days into the new calendar year. State law and City policy allows excess vacation hours to be carried until the end of the calendar year under certain circumstances. There is no restriction of the amount of sick leave that may be accumulated. Upon separation, employees are paid 100 percent of accumulated vacation and 25 percent of accumulated sick leave. The liability for compensated absences is reported in the government-wide and proprietary Statements of Net Position.

Compensated absences liability and expense are reported in the governmental funds only if they have matured. This would occur if an employee had terminated their employment with the City and there was unused reimbursable leave that was unpaid at June 30.

## 13. Long-term Obligations

In the Statement of Net Position and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## 14. Pensions

The City participates in three cost-sharing defined benefit pension plans administered by the Public Employees Retirement Board (PERB). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Public Employees Retirement System (PERS), Municipal Police Officers Retirement System (MPORS), Firefighters Unified Retirement System (FURS) and additions to/deductions from PERB's fiduciary net position have been determined on the same basis as they are reported by PERB. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The City also participates in a defined contribution plan offered by PERB. There is no liability associated with this type of pension plan unless the City fails to pay the required contributions. The City has paid all required contributions.

Management adopted the provisions of the Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. These Statements establish new requirements for the City to report a “net pension liability” (asset) for the unfunded (overfunded) portion of its pension plans and deferred outflows of resources and deferred inflows of resources related to pension plans.

#### 15. Postemployment Benefits

The City accounts for postemployment benefit obligations in accordance with Governmental Accounting Standards Board (GASB) Statement No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.” The City allows retirees, their dependents and spouses to pay similar rates for insurance as current employees. Statement 45 states this provides an “implied rate subsidy” since retirees generally have higher health costs and should pay higher premiums. Even though the City has consistently collected more premiums than it has paid in expenses for retiree insurance, the actuary is not allowed to take this into account since our insurance pool is not large enough for their statistical calculations. The City feels this is not a legal liability since nothing in State law or other contracts requires us to provide the same rate and we can change it at any time. Rates are actuarially established for the entire group and therefore the costs are covered. The City will continue to fund this imposed liability on a pay-as-you-go basis as City staff feel it would be irresponsible to set aside taxpayer funds in an irrevocable trust fund that will never be used and probably continue to increase.

#### 16. Net Position/Fund Balance

Net position in government-wide and propriety fund financial statements show the amount of the capital assets less any outstanding debt issued to fund them as “Net Investment in Capital Assets.” Restricted net assets are those that have constraints placed on them either by external parties or imposed by law or enabling legislation.

GASB Statement 54 requires governmental fund balances to be allocated to categories as follows:

- Nonspendable – funds that are not in spendable form (i.e. inventory);
- Restricted – externally enforceable legal restrictions exist, such as state law or bond covenants;
- Committed – constraint formally imposed by the City Commission by the end of the reporting period;
- Assigned – constrained imposed by the City Administration by the reporting date;
- Unassigned – remaining balance.

The Governmental Accounting Standards Board adopted Statement 54, Fund Balance Reporting and Governmental Type Fund Type Definitions effective for fiscal years beginning after June 15, 2010. As required by GASB 54, the City adopted Resolution 1614 setting the fund balance policy including the order of spending and designating authority.

## 17. Grant Revenue

The City recognizes grant income on governmental-mandated and voluntary non-exchange transactions when all eligibility requirements have been met. Cash or other assets provided in advance are reported as unearned grant revenue until all eligibility requirements have been met.

## 18. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services provided and used are reported as transfers.

## **NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### 1. Budgetary Data

The State of Montana's budget law stipulates that money, other than payments from agency funds, may not be drawn from the treasury of a municipality except pursuant to an appropriation. Therefore, a legally adopted budget is required for all funds, with the exception of agency funds. The City legally adopts a budget for the required funds.

### 2. Budget Process

The City Manager is responsible for preparation of the preliminary annual budget. The City Commission approves and/or modifies the budget. The City Commission must meet prior to the budget adoption for the purpose of holding a public hearing on the final budget. This hearing can be continued until the budget is finally approved and adopted on or before the second Monday in August. The tax levies are set on the later of that date or 45 calendar days after receiving certified taxable values from the State Department of Revenue. The total value of property within the City as determined by the County Assessor is the assessed valuation.

The City Commission modified the 2015 budget for the receipt of unanticipated building permit revenues and additional contracted services expenditure and to close the Local Government Study Commission fund. There were no additional appropriations made during the year that required a public hearing.

The City's assessed valuation and mill value as certified by the MT Department of Revenue in August 2014 were 243,945,917 and 6,669,524 respectively. The City's mill levy totaled 191.875 mills including a 146.997 all-purpose levy, 11.315 mills for the Fire Relief Pension Fund, 12.082 for the Permissive Medical Levy and 21.481 mills for the two voted levies for general obligation bonds: 1999 Swimming Pool Bond and 2007 Street Improvements Bond.

The City Clerk forwards a copy of the final budget to the State Department of Administration no later than October 1<sup>st</sup> of each year. A copy of the final budget is available for review in the City Clerk's office located at 130 6<sup>th</sup> Street West, Columbia Falls, Montana and at the City's website at [cityofcolumbiafalls.org](http://cityofcolumbiafalls.org). The tax levies and special assessments are forwarded to the County Treasurer for collection.

All appropriations lapse at the end of the year.

### 3. Negative Fund and Net Position Balances

The City had no major funds with negative fund or net position balances. Additionally, the City had no non-major funds with negative fund or net position balances.

### **NOTE C - CASH AND INVESTMENTS**

A summary of cash and investments at June 30, 2015 was as follows:

	<u>Total</u>
Cash on Hand	\$ 525.00
Flex Advance	5,073.67
Demand Deposits	4,722,149.55
Government Backed Securities	2,095,000.00
State Short-term Investment Pool (STIP)	41.37
Total	<u>\$ 6,822,789.59</u>

#### Cash and Investment Policies

##### *Deposits*

Custodial Credit Risk for deposits is the risk that in the event of bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's policy requires all deposits be insured by an agency of the United States Government and deposits in excess of insurance require pledged securities in compliance with section 7-6-207 of the Montana Code Annotated (MCA), which requires the City obtain securities for the uninsured portion of the deposits equal to 50% of such deposits if the institution in which the deposits are made has a net worth to total asset ratio of 6% or more or securities equal to 100% of uninsured deposits if the institution in which the deposits are made has a net worth to total asset ratio of less than 6%. State statute does not specify in whose custody or name the collateral is to be held. Third party safekeeping of collateral is mandatory and pledged securities are valued at market rather than face value. The amount of collateral held for the City's pooled deposits as of June 30, 2015 was \$7,150,000 which exceeds the amount required by statute. At June 30, 2015, 100% of the City's deposits were insured or collateralized.

##### *Investments*

Credit Risk is the risk that an issuer or other counterpart to an investment will not fulfill its obligations. Investing is performed in accordance with investment policies adopted by City Council complying with State Statutes and any applicable Attorney General, County Attorney and the City's retained counsel's opinions. The City's policy to minimize credit risk is to:

- Limit investing to the safest types of securities;
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business;
- Diversify the investment portfolio so that potential losses on individual securities will be minimized.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy to minimize interest rate risk is to:

- Structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity;
- Investing operating funds primarily in short-term securities, money market mutual funds, or similar investment pools.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investments in a single issuer. The City's investment policy requires that investments be diversified in instruments, institutions and maturity dates.

#### *External Investment Pool*

The City previously invested in the Short-Term Investment Pool (STIP) managed by the State of Montana Board of Investments but elected in the 2015 FY to invest the funds in other investments in order to increase interest earnings. The Board was created by the Legislature to invest and manage Montana's Unified Investment Program. Local Governments may voluntarily participate in STIP. The City elected to participate in STIP effective July 1, 1994. The City has elected to leave the STIP accounts open to allow the City to take advantage of the pool at such time the investment return is comparable to other investment opportunities.

The investments managed by the City were 69% invested in an interest bearing account secured as noted above with Glacier Bank. For the year ended June 30, 2015, the average investment return on this account was 0.25%, almost twice the STIP rate of return of 0.12936%. The remaining 31% of the investment portfolio, \$2,095,000, is invested through Multi-Bank Securities, Inc. in government backed Certificates of Deposit and US Government Bonds with interest rates ranging from 1.0% - 1.94%.

## **NOTE D - CAPITAL ASSETS**

Changes in general capital assets were as follows:

	Balance July 1, 2014	Debits, including adjustments	Credits, including adjustments	Balance June 30, 2015
Cost:				
Land	\$ 1,802,337	\$	\$	\$ 1,802,337
Construction in progress	5,874			5,874
Buildings	2,643,573			2,643,573
Improvements	807,674	157,414		965,088
Machinery and equipment	2,259,172	158,225	30,147	2,387,250
Infrastructure	9,430,245			9,430,245
Total	16,948,875	315,639	30,147	17,234,367
Less: Accumulated Depreciation:	(6,371,113)	30,147	745,058	(7,086,024)
Net Capital Assets	\$ 10,577,762	345,786	775,205	10,148,343

Changes in proprietary fund capital assets were as follows:

	Balance July 1, 2014	Debits	Credits	Balance June 30, 2015
Cost:				
Land	\$ 17,402	\$ -	\$ -	\$ 17,402
Construction Work in Progress		532,799		532,799
Source of Supply	1,758,428		-	1,758,428
Pumping Plant	486,331		-	486,331
Treatment Plant	8,198,341		-	8,198,341
Transmission and Distribution	10,954,504		-	10,954,504
General Plant	2,452,154	27,888		2,480,042
Total	23,867,160	560,687		24,427,847
Less: Accumulated Depreciation	(11,964,441)		726,349	(12,690,790)
Net Capital Assets	\$ 11,902,719	560,687	726,349	11,737,057

Governmental activities depreciation expense was charged to functions as follows:

Governmental Activities:

General Government	\$ 41,993
Public Safety	66,757
Public Works	553,824
Culture and Recreation	82,484
Total governmental activities depreciation	<u>\$ 745,058</u>

**NOTE E - LONG-TERM DEBT**

*Long-term Debt Supporting Government Activities*

General obligation bonds in the amount of \$857,000 were issued by the City in 1999 to provide funds for the construction of the municipal pool, as approved by the voters and repaid with property taxes recorded in the Debt Service Fund. These bonds are required to be paid within twenty years from the date of issue and are backed by the full faith and credit of the City. The City redeemed \$55,000 in bonds during the 2015 fiscal year, leaving an outstanding balance of \$235,000.

General obligation debt, in the form of a loan from Cedar Creek Trust, was issued by the City to provide funds for the improvement of City streets, as approved by the voters in June 2007 and repaid with property taxes recorded in the Debt Service Funds. The loan is required to be paid within twenty years from the date of issue and is backed by the full faith and credit of the City. As of June 30, 2015, the City had drawn down a total of \$703,287.46 from the Trust, and repaid \$40,905.04 during the 2015 fiscal year, leaving an outstanding balance of \$350,842.73. As of August 2011, the City closed on a State of MT Intercap Loan in the amount of \$364,449 to cover the final Street Improvement expenditures, repaying \$35,008.57 during 2015, leaving an outstanding balance of \$244,652.47 as of June 30, 2015. The City will use the Debt Service authorization to repay the Cedar Creek Trust and the Intercap Loan.

The loan from the Cedar Creek Trust is treated as an external debt borrowing pursuant to generally accepted accounting principles. The loan by the Trust was approved by at least five (5) members of the City Council and then submitted to the electorate for approval. Pursuant to the Trust Document, loans of the principal must be secured and the loan agreement and security approved by the City

Attorney and an independent financial consultant. The City Council approved loaning the City up to \$1.1 million for specific street improvements from the Cedar Creek Trust to save interest, closing and bond costs. To provide the required security, the City Council called for an election approving the debt for up to \$1.1 million. The electorate approved the debt obligation in June 2007. The City Council approved setting the annual interest rate based on the current rates earned by the City's investment pool.

After beginning the Street Improvement Project, the City Council had the opportunity to purchase approximately 28 acres of parkland, including 900 ft of river frontage for \$951,072. Upon the vote of at least five (5) City Council members, the purchase of the land was approved in the fall of 2007. Unfortunately shortly after the purchase, sales of lots halted due to the declining economy and the Trust did not have the available cash to fund the entire \$1.1 million street improvement project along with the land purchase. City Council approved an Intercap Loan with the State of MT to fund any potential shortfall after all of the street projects were completed. In June 2011, the City applied for an Intercap Loan in the amount of \$ 364,449 to cover the final street construction costs and in August 2011 closed on the loan. The City has drawn down funds as available in the Cedar Creek Trust. Due to the favorable Intercap Loan terms, the Council will review annually paying the loan early or paying the Intercap Loan in accordance with the loan agreement. As of June 30, 2015, the Cedar Creek Trust had a total cash balance of \$438,596.53, consisting of \$34,450.46 unrestricted and \$404,146.07 restricted funds.

The City purchased a new fire apparatus in July 2012 for a total cost of \$322,761.50. This purchase was made cooperatively with the Columbia Falls Rural Fire District pursuant to an interlocal agreement with the Rural District contributing \$205,762.80 or 64%. The City borrowed \$115,365 from the State of MT Intercap Loan program to pay for the City's share of the truck purchase. The City received the \$115,365 in proceeds in August 2012 and repaid \$11,107.14 during the 2015 Fiscal year, leaving a balance of \$87,795.93 as of June 30, 2015.

General obligation bonds and debt outstanding as of June 30, 2015, were as follows:

Purpose:	Issue Date	Interest Rate	Bond Term	Maturity Date	Annual Payment	Bonds/ Debt Issued	Balance June 30, 2015
Swimming Pool Street Improvements	6/27/1999	4-6.5%	20 yrs	7/1/2019	Varies	\$857,000	\$235,000
Street Improvements – Intercap	6/26/2007	Var	20 yrs	7/1/2027	Varies	\$703,287	\$350,843
Fire Apparatus- Intercap	8/26/2011	1.0- 1.25%	10 yrs	8/15/2021	Varies	\$364,449	\$244,652
	8/31/2012	1.0- 1.25%	10 yrs	8/15/2022	Varies	\$115,365	\$ 87,796

Changes in long-term debt were as follows:

	Balance June 30, 2014	Change	Balance June 30, 2015	Amount due in 2016
General Obligation Bonds	\$ 290,000	\$ (55,000)	\$ 235,000	\$55,000
General Obligation Debt	770,312	(87,021)	683,291	\$82,001
Compensated Absences	191,586	(3,288)	188,298	\$74,583
Total	\$1,251,898	\$(145,309)	\$1,106,589	\$211,584



Annual requirement to amortize general obligation debt:

For Fiscal Year Ended	<u>Principal</u>	<u>Interest</u>
2016	137,001	17,927
2017	138,069	14,424
2018	144,155	10,835
2019	150,258	6,993
2020	86,378	2,888
2021 and beyond	262,431	4,422
Total	<u>\$918,292</u>	<u>\$57,489</u>

Legal Debt Margin:

At June 30 the general obligation debt issued by the City did not exceed its legal debt margin as demonstrated by the following computation:

Total Assessed value of taxable property (market value)	\$243,945,917
General limitation percentage	<u>2.50%</u>
General limit of indebtedness	\$ 6,098,648
Outstanding general obligation bonds at June 30	235,000
Outstanding loans subject to limitation	<u>683,292</u>
Total Debt subject to limit	<u>918,292</u>
Remaining Legal Debt Margin	<u>\$ 5,180,356</u>

*Long-term Debt Supporting Business-type Activities*

Changes in long-term debt were as follows:

	Balance		Balance	Amount
	June 30, 2014	Change	June 30, 2015	due
				in 2016
Revenue Bonds	\$1,883,000	\$(211,000)	\$1,672,000	\$216,000
Intercap Loan	87,881	\$(24,769)	63,112	25,080
Compensated Absences	57,063	(2,845)	54,218	32,997
Total	<u>\$2,027,944</u>	<u>\$(238,614)</u>	<u>\$1,789,330</u>	<u>\$285,323</u>

Revenue Bonds

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

Revenue bonds outstanding at year-end were as follows:

<u>Purpose</u>	<u>Origination Date</u>	<u>Interest Rate</u>	<u>Bond Term</u>	<u>Maturity Date</u>	<u>Bonds Amount</u>	<u>Annual Payment</u>	<u>Balance June 30, 2015</u>
Water System Revenue Refunding Bond	2005	2.25%	12 yrs	7/1/2025	\$ 350,000	Varies	\$ 278,000
Sewer System Revenue Refunding Bond	2001	2.25%	7 yrs	7/1/2020	\$1,248,000	Varies	803,000
Sewer System Revenue Bond	2009B	0.75%	20 yrs	7/1/2029	\$359,300	Varies	257,000
Sewer System Revenue Refunding Bond	2009C	3.00%	18 yrs	7/1/2030	\$385,000	Varies	334,000
Total					<u>\$2,342,300</u>		<u>\$1,672,000</u>

In November 2012, the City issued Water System Revenue Refunding and Sewer System Revenue Refunding Bonds through the State of Montana, Department of Natural Resources, Drinking Water Revolving Fund Loan Program and the Wastewater Revolving Fund Loan Program to take advantage of current interest rates. The City's Series 2005 Water system bonds with an outstanding amount of \$350,000 were refunded and the interest rate reduced from 4.0% to 2.25%, resulting in a savings of \$43,907. The City's Series 2001 Sewer system bonds with an outstanding balance of \$1,248,000 were refunded and the interest rate reduced from 4.0% to 2.25%. Additionally, the Series 2009C Sewer system bonds with an outstanding amount of \$385,000 were refunded and the interest rate reduced from 3.75% to 3.0%. The Sewer system bond refundings resulted in a savings of \$156,285.

Revenue bond resolutions include various restrictive covenants. The more significant covenants 1) require that cash be restricted and reserved for operations, construction, debt service, and replacement and depreciation; 2) specify minimum required operating revenue; and 3) specific and timely reporting of financial information to bond holders and the registrar. The City was in compliance with applicable covenants as of June 30, 2015, as indicated below:

Debt Service Coverage:	<u>Water</u>	<u>Sewer</u>
Operating Revenues	\$830,542	\$1,098,082
Operating Expenses	<u>426,978</u>	<u>552,047</u>
Net Revenue	<u>\$ 403,564</u>	<u>\$ 546,035</u>
Max Debt Service	\$ 35,994	\$234,056
Percent Coverage	1121.1%	233.2%

The Sewer Fund borrowed \$124,625 from the MT Board of Investments Program on June 15, 2012. The Sewer Fund used these funds to pay for the new Camel Hydro excavator/Jet Rodder. The loan is for a five-year term, expiring on August 15, 2017. The current interest rate is 1.25%. The Board sets the rate each February. The City repaid \$24,769 leaving an amount outstanding at June 30, 2015 of \$63,112.

Annual requirement to amortize revenue bond and loan debt:

For Fiscal <u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2016	\$241,080	\$33,757
2017	244,394	29,147
2018	236,638	24,473
2019	227,000	19,875
2020	233,000	15,264
Thereafter	553,000	54,938
Total	\$1,735,112	\$177,690

**NOTE F - EMPLOYEE BENEFIT PLANS**

Pension Plans

General Information:

All full-time, qualifying part-time and elective City employees are covered by one of the following retirement plans: Montana Public Employees Retirement System (PERS), Municipal Police Officers’ Retirement System (MPORS), and Firefighter Unified Retirement System (FURS). The plans are established by State law and administered by the State of Montana Public Employees’ Retirement Board (PERB). The authority to establish or amend contribution requirements for all plans, and provide cost of living adjustments for defined benefit plans is assigned to the State legislature. The Plans are cost-sharing multiple-employer defined benefit plans that provide retirement, disability and death benefits to plan members and beneficiaries with amounts determined by the State. PERS also has a defined contribution option.

Public Employee Retirement Systems (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).

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-Defined Contribution Retirement Plan (DCRP) by filing an irrevocable election. Members may not be members of both the defined contribution and defined benefit retirement plans. For members that choose to join the PERS-DCRP, 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:

**Member's highest average compensation (HAC)**

- Hired prior to July 1, 2011 – highest average compensation during any consecutive 36 months.
- Hired on or after July 1, 2011 – highest average compensation during any consecutive 60 months.
- Hired on or after July 1, 2013 – 110% annual cap on compensation considered as part of a member's highest average compensation.

**Eligibility for benefit:**

Service retirement:

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

Early retirement, actuarially reduced:

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

**Vesting:**

5 years of membership service.

**Monthly benefit formula:**

Members hired prior to July 1, 2011;

- Less than 25 years of membership service: 1.7857% 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% HAC per year of service credit.
- 10 years or more, but less than 30 years of membership service: 1.7857% of HAC per year of service credit.
- 30 years or more of membership service: 2% of HAC per year of service credit.

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

- 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 each January, inclusive of other adjustments to the member's benefit.

\*At this time, as a result of permanent injunction issued by the AMPRE 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.

**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**

1. 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.
2. Member contributions to the system:
  - a. 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.
  - b. The 7.90% member contributions is temporary and will be decreased to 6.90% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.
3. Employer contributions to the system:
  - a. Local government entities are required to contribute 8.17% of members' compensation.
  - b. 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 increased 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 contribution rates.
  - c. 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.
4. Non-Employer Contributions
  - a. Special Funding  
The state contributes 0.1% of members' compensation on behalf of local government entities.
  - b. 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 stand-alone financial statements can be found on the website at <http://mpera.mt.gov/annualReports.shtml>

The latest actuarial valuation and experience study can be found on the website at <http://mpera.mt.gov/actuarialValuations.asp>

## 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, 2007After 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. 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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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 following table.

### Sensitivity Analysis

	<u>1.0% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1.0% Increase (8.75%)</u>
PERS' Net Pension Liability	\$1,982,274,732	\$1,246,010,898	\$625,044,646
Employer's proportionate share of net pension liability	\$27,251,671	\$171,297,543	\$8,592,911

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.

### Summary of Significant Accounting Policies

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.

**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 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.

	<u>Net Pension Liability as of June 30, 2013</u>	<u>Net Pension Liability as of June 30, 2014</u>	<u>Percent of Collective NPL</u>
City’s Proportionate Share	\$1,024,421	\$796,071	0.063890%
State of Montana Proportionate Share associated with City	12,510	9,721	0.081161%
Total	\$1,036,931	\$805,792	0.145051%

At June 30, 2015, the City recorded a liability of \$796,071 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 city contributions received from all of PERS’ participating employers. At June 30, 2014, the City’s proportion was 0.063890 percent.

**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.

At June 30, 2015, the City recognized a Pension Expense of \$61,173 for its proportionate share of the PERS’ Pension Expense. The City also recognized grant revenue of \$22,509 for the support provided by the State of Montana for its proportionate share of the Pension Expense that is associated with the City.

	<u>Pension expense as of June 30, 2014</u>
City’s Proportionate Share	\$ 38,664
State of Montana Proportionate Share associated with the City	22,509
Total	\$ 61,173

**Recognition of Beginning Deferred Outflow - GASB 71**

At June 30, 2015, the City recognized a beginning deferred outflow of resources for the City’s FY2014 contributions of \$60,984.

**Deferred Inflows and Outflows**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ -	\$ -
Changes in assumptions	-	-
Difference between projected and actual earnings on pension plan investments	-	\$205,692
Changes in proportion differences between employer contributions and proportionate share of contributions	-	\$ 628
Difference between actual and expected contributions	-	-
Contributions paid to PERS subsequent to the measurement date – FY 2015 Contributions	\$ 66,583	-
Total	\$ 66,583	\$206,320

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:

<u>Year ended June 30:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Amounts recognized in Pension Expense as an increase or (decrease) to Pension Expense</u>
2016	\$ -	\$ 51,632	\$ (51,632)
2017	-	51,632	(51,632)
2018	-	51,632	(51,632)
2019	-	51,423	(51,423)
2020	-	-	-
Thereafter	-	-	-

The governmental funds utilized to liquidate these obligations are the General Fund and the Special Revenue Funds.

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 benefit plan that was established in 1974 and is governed by Title 19, chapters 2 & 9 Montana Code Annotated (MCA). This plan covers all municipal police officers employed by first-and second-class cities and other cities that adopt the plan, such as the City of Columbia Falls. 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:

**Member's final average compensation (FAC)**

- Hired prior to July 1, 1977 – average monthly compensation of final year of service.
- Hired on or after July 1, 1977 – final average compensation (FAC) for last consecutive 36 months.
- Hired on or after July 1, 2013 – 110% annual cap on compensation considered as part of a member's final average compensation.

**Eligibility for benefit:**

20 years of membership service, regardless of age.

**Early retirement:**

Age 50, 5 years of membership service.

**Vesting:**

5 years of membership service.

**Monthly benefit formula:**

2.5% of FAC per year of service credit.

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

Hired on or after July 1, 1997, or those electing GABA – after the member has completed 12 full months of retirement, the member's benefit increases by a maximum of 3% each January, inclusive of all other adjustments to the member's benefit.

**Minimum benefit adjustment (non-GABA):**

If hired before July 1, 1997 and 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 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 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 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

**Overview of Contributions**

1. 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.
2. Member contributions to the system:
  - a. Member contribution rates are dependent upon date of hire as a police officer. For fiscal year 2015:
    - i. If employed on or before June 30, 1975, member contributions as a percentage of salary are 5.8%;
    - ii. If employed after June 30, 1975 and prior to July 1, 1979, member contributions as a percentage of salary are 7.0%;

- iii. If employed after June 30, 1979 and prior to July 1, 1997, member contributions as a percentage of salary are 8.5%; and,
- iv. If employed on or after July 1, 1997 and for members electing GABA, member contributions as a percentage of salary are 9.0%.

3. Employer contributions to the system:

- a. Local government entities are required to contribute 14.41% of member's compensation.
- b. 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 stand-alone financial statements can be found on the website at <http://mpera.mt.gov/annualReports.shtml>

The latest actuarial valuation and experience study can be found on the website at <http://mpera.mt.gov/actuarialValuations.asp>

### **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% for members electing GABA or hired or of 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 29.37% of pensionable payroll paid by local governments. 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**

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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 following table.

**Sensitivity Analysis**

	<u>1.0% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1.0% Increase (8.75%)</u>
MPORS’ Net Pension Liability	\$226,560,623	\$157,135,903	\$102,022,702
Employer’s proportionate share of net pension liability	\$656,525	\$455,416	\$295,685

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.

### Summary of Significant Accounting Policies

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.

### 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, local governments 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.

	<u>Net Pension Liability as of June 30, 2013</u>	<u>Net Pension Liability as of June 30, 2014</u>	<u>Percent of Collective NPL</u>
City's Proportionate Share	\$518,882	\$455,416	0.289823%
State of Montana Proportionate Share associated with City	1,048,204	919,994	0.585611%
Total	\$1,567,086	\$1,375,410	0.875434%

At June 30, 2015, the City recorded a liability of \$455,416 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 MPORS during the measurement period July 1, 2013, through June 30, 2014, relative to the total city contributions received from all of MPORS' participating employers. At June 30, 2014, the City's proportion was 0.289823 percent.

**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.

At June 30, 2015, the City recognized a Pension Expense of \$147,946 for its proportionate share of the MPORS’ Pension Expense. The City also recognized grant revenue of \$98,959 for the support provided by the State of Montana for its proportionate share of the Pension Expense that is associated with the City.

	<u>Pension expense as of June 30, 2014</u>
City’s Proportionate Share	\$ 48,987
State of Montana Proportionate Share associated with the City	98,959
Total	\$ 147,946

**Recognition of Beginning Deferred Outflow - GASB 71**

At June 30, 2015, the City recognized a beginning deferred outflow of resources for the City’s FY2014 contributions of \$56,540.

**Deferred Inflows and Outflows**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ -	\$ -
Changes in assumptions	-	-
Difference between projected and actual earnings on pension plan investments	-	\$55,913
Changes in proportion differences between employer contributions and proportionate share of contributions	-	-
Difference between actual and expected contributions	-	-
Contributions paid to MPORS subsequent to the measurement date – FY 2015 Contributions	\$ 58,979	-
Total	\$ 58,979	\$55,913

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:

<u>Year ended June 30:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Amounts recognized in Pension Expense as an increase or (decrease) to Pension Expense</u>
2016	\$ -	\$ 13,978	\$ (13,978)
2017	-	13,978	(13,978)
2018	-	13,978	(13,978)
2019	-	13,978	(13,978)
2020	-	-	-
Thereafter	-	-	-

The governmental fund used to liquidate these obligations is the General Fund.

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:

**Member’s highest monthly compensation (HMC)**

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

**Eligibility for benefit:**

20 years of membership service, regardless of age.

**Early Retirement:**

Age 50, 5 years of membership service.



**Vesting:**

5 years of membership service.

**Monthly benefit formula:**

- 1) 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
  - i). if less than 20 years of service – 2% of HMC for each year of service;
  - ii). 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) Members hired on or after July 1, 1981 and those electing GABA:  
2.5% of HAC per year of service

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

Hired on or after July 1, 1997, or those electing GABA – after the member has completed 12 full months of retirement, the member’s benefit increases by a maximum of 3% each January, inclusive of all other adjustments to the member’s benefit.

**Minimum benefit adjustment (non-GABA):**

If hired before July 1, 1997 and member did not elect GABA – the monthly retirement, disability or survivor’s benefit 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**

1. 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.
2. Member contributions to the system:
  - a. Member contribution rates are dependent upon date of hire as a firefighter. For fiscal year 2015:
    - i. For members hired prior to July 1, 1997 and not electing GABA, member contributions as a percentage of salary are 9.5%; and
    - ii. For members hired on or after July 1, 1997 and for members electing GABA, member contributions as a percentage of salary are 10.7%.
3. Employer contributions to the system:
  - a. Local government entities are required to contribute 14.36% of member’s compensation.
  - b. The State contributes 32.61% of member’s compensation from the general fund.

c. 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 stand-alone financial statements can be found on the website at <http://mpera.mt.gov/annualReports.shtml>

The latest actuarial valuation and experience study can be found on the website at <http://mpera.mt.gov/actuarialValuations.asp>

### **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% for members electing GABA or hired or of 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 firefighter.
- 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 pensionable payroll paid by local governments. 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**

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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 following table.

**Sensitivity Analysis**

	<u>1.0% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1.0% Increase (8.75%)</u>
FURS’ Net Pension Liability	\$156,823,891	\$97,616,579	\$49,290,705
Employer’s proportionate share of net pension liability	\$70,975	\$44,179	\$22,308

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.

**Summary of Significant Accounting Policies**

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.

**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, local governments 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.

	<u>Net Pension Liability as of June 30, 2013</u>	<u>Net Pension Liability as of June 30, 2014</u>	<u>Percent of Collective NPL</u>
City’s Proportionate Share	\$56,547	\$44,179	0.045258%
State of Montana Proportionate Share associated with City	127,567	99,666	0.102117%
Total	\$183,114	\$143,845	0.147375%

At June 30, 2015, the City recorded a liability of \$44,179 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 city contributions received from all of FURS’ participating employers. At June 30, 2014, the City’s proportion was 0.045258 percent.

**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.

At June 30, 2015, the City recognized a Pension Expense of \$15,968 for its proportionate share of the FURS' Pension Expense. The City also recognized grant revenue of \$11,064 for the support provided by the State of Montana for its proportionate share of the Pension Expense that is associated with the City.

	<u>Pension expense as of June 30, 2014</u>
City's Proportionate Share	\$ 4,904
State of Montana Proportionate Share associated with the City	11,064
<b>Total</b>	<b>\$ 15,968</b>

**Recognition of Beginning Deferred Outflow - GASB 71**

At June 30, 2015, the City recognized a beginning deferred outflow of resources for the City's FY2014 contributions of \$8,497.

**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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ -	\$ -
Changes in assumptions	-	-
Difference between projected and actual earnings on pension plan investments	-	
Changes in proportion differences between employer contributions and proportionate share of contributions	-	8,775
Difference between actual and expected contributions	-	-
Contributions paid to FURS subsequent to the measurement date – FY 2015 Contributions	\$ 8,724	-
<b>Total</b>	<b>\$ 8,724</b>	<b>\$8,775</b>

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:

<u>Year ended June 30:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Amounts recognized in Pension Expense as an increase or (decrease) to Pension Expense</u>
2016	\$ -	\$ 2,194	\$ (2,194)
2017	-	2,194	(2,194)
2018	-	2,194	(2,194)
2019	-	2,194	(2,194)
2020	-	-	-
Thereafter	-	-	-

The governmental fund used to liquidate these obligations is the General Fund.

### Local Retirement Plans

The City offers its employees an optional deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The plan, available to all full-time and part-time City employees, permits them to defer a portion of their salary until future years. Additionally, for qualifying employees not participating in the City's Health Insurance Benefit program due to having other health insurance coverage, the City contributes up to \$416 per month into the deferred compensation plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency pursuant to Internal Revenue Service requirements.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the employee (without being restricted to the provisions of benefits under the plan).

Investments are managed by the plan's trustee, Nationwide Retirement Solutions, based on the participant's selected investment options. For the 2015 fiscal year, 8 active employees had elected deferred compensation benefits in lieu of health insurance benefits and 12 active employees elected to defer a portion of their compensation under the provisions of the 457(b) plan. The City contributed \$24,505.95 on the employees' behalf during the 2015 FY to the 457(b) plan. The City does not manage or control the plan assets.

City volunteer firefighters are covered by the Fire Department Relief Association Disability and Pension Fund, which is established by State Law. The Association is managed by a Board of Trustees made up of members of the fire department, and is accounted for as a component unit of the City.

A member of a volunteer fire department who has served 20 years or more is entitled to benefits regardless of age. Volunteers serving less than 20 years but more than 10 years may receive reduced benefits. The amount of the pension benefits are set by the Association's Board of Trustees.

Effective during fiscal year 2005, State law required the City to ensure that the Fire Department Relief Association Disability and Pension Fund is soundly funded. The City opted to ensure funding is maintained at a level determined by an actuarial valuation rather than on the total assessed value of taxable property pursuant to 19-18-503 (2) MCA. This funding requirement places financial accountability on the City for the Pension Fund.

Beginning in fiscal year 2006 the Fire Department Relief Association and Disability Pension Fund became a component unit of the City upon further review by City and State officials.

### Post Employment Benefits Other than Pensions

The City accounts for postemployment benefit obligations in accordance with Governmental Accounting Standards Board (GASB) Statement No. 45 “Accounting and Financial Reporting by Employer for Postemployment Benefits Other Than Pensions.” Accordingly, the City reported the “implied rate subsidy” liability as required by GASB Statement No. 45 for the first time in fiscal year 2010. As required by state law, the City provides employees who retire and their spouses and dependents the option to continue to participate in the City’s group health insurance plan. The City also allows terminated employees to continue their health care coverage for 18 months past the date of termination as required by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). To continue coverage, retirees are required to pay the full cost of the benefits. State law requires the City to offer insurance to retirees but it does not require the City to offer it at the same rate as all participants. Furthermore, there are no legal or contractual agreements requiring the City to pay any portion of a retiree’s insurance or to offer the insurance at a specified rate. Rates are charged according to the annual actuarial valuation provided by the City’s insurer, Montana Municipal Interlocal Authority.

**Plan Description:** In 2015, the City of Columbia Falls provided employee medical insurance through a cost-sharing, multiple-employer plan administered by the Montana Municipal Interlocal Authority.

**Funding Policy:** The City of Columbia Falls provides no direct subsidy to the health insurance premiums for retirees. Retirees pay the entire cost of the actuarially determined health insurance premium. Eligible retirees must be enrolled in the City’s medical insurance prior to retiring and must elect to continue coverage within 30 days of retirement. As of June 30, 2015, the City had three retired employees or their spouses electing to participate in the City’s medical insurance plan entirely at their own cost. There were no former employees under COBRA insurance coverage. In 2015, retirees paid \$18,624 in actuarially determined medical premiums.

**Annual OPEB Cost Obligation:** The City’s other postemployment benefit (OPEB) cost (expense) is calculated based on the projected unit credit cost method. The objective under this method is to fund each participant’s benefits under the plan as they accrue. Thus, the total benefit to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service. Typically, when this method is introduced, there will be an initial liability for benefits credited for service prior to that date, and to the extent that the liability is not covered by assets of the plan, there is an unfunded liability to be funded over a stipulated period in accordance with an amortization schedule. It is important to note that the accrued liability and the annual required contribution (ARC) are highly sensitive to the participation rate assumption. For the City of Columbia Falls, based on historical data, the City used a 10% participation rate, which matches the thirty-year trend for the City’s retirees’ participation. Additionally, the calculation is also sensitive to the age of the City’s employees.

Funded Status and Funding Progress: As calculated using the alternative method for smaller governments effective June 30, 2015, the actuarial accrued liability (AAL) for benefits was \$ 0. The City will continue to fund benefit costs on a pay-as-you-go basis. Based on the City’s thirty-year participation rate, this liability will not be material with respect to the City’s financial statements.

Methods and Assumptions: The Montana Municipal Interlocal Authority (MMIA) contracted with Leif Associations, Inc to calculate the actual cost of retiree medical coverage and subsequently calculated the pre-age 65 (not Medicare eligible) and age 65 and older (Medicare eligible) per individual premium subsidy as of June 30, 2013. Leif Associates used the following assumptions in calculating the subsidy rate:

- Medical Trend – 8%
- Out-of-network claims percentage – 10%
- Member to employee ratio: 2.01
- Blended (menu) rates based on enrollment distribution as of 6/30/2013
- HDHP plan enrollment included in Menu blended rates (Rx no copay)
- Retiree costs are 35% greater than an active’s cost of the same age
- Medicare assumed to cover 65% of retiree medical costs (65+)

City Implementation of GASB 45: As a phase III government, the City was required to implement the GASB 45 provisions in FY 2010. Accordingly, GASB 45 was implemented prospectively; the City began the 2010 fiscal year with a Net OPEB obligation of – 0 – and is amortizing the Actuarial Accrued Liability (AAL) over a period of 30 years. The City calculated the AAL and ARC using the Leif Associates, Inc. report and the subsidy calculation and Alternative Method Worksheets provided by MMIA for the express purpose of complying with GASB 45 requirements. Pursuant to the Alternative Method, the calculation and assumptions are recalculated every three years. As of June 30, 2013, in accordance with GASB 45 requirements, the City calculated the AAL and ARC using the updated Leif Associations, Inc. report and the subsidy calculation and Alternative Method Worksheets provided by MMIA for the 2013 FY recalculation. Due to a reduction in the employees receiving benefits, the City’s actuarial accrued liability (AAL) as of June 30, 2013 was \$-0-. The City recognizes this AAL for the next two fiscal years, 2014 and 2015 until the City is required to recalculate the AAL.

**NOTE G - INTER-FUND TRANSFERS**

The following is an analysis of governmental operating transfers in and out during fiscal year 2015:

<u>Purpose</u>	<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
Street construction	General Fund (Major)	Capital Projects Street Construction Fund (Non-Major)	\$122,814
Permissive Medical Levy Transfer	Permissive Medical Levy Fund (Non-Major)	General Fund (Major) Street Maintenance (Major)	\$94,575 \$28,155
Close Fund – inactive	Local Government Review (non-major)	General Fund(Major)	\$ 2,938



The following is an analysis of enterprise fund transfers in and out during fiscal year 2015:

<u>Purpose</u>	<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
Infrastructure expansion	Sewer Capital Expansion (Non-Major)	Sewer Fund (Major)	\$120,029

**NOTE H - INTERFUND LOANS**

Special Improvement Districts 34 and 36 - During fiscal year 2006 the City’s Water and Sewer Enterprise Funds loaned funds for construction costs for the upgrade and expansion of water and sewer lines and appurtenances for 4<sup>th</sup> Avenue and 5<sup>th</sup> Avenue within the City. The City Council approved the formation of Special Improvement Districts 34 and 36 and the homeowners are assessed annually on the tax bill to pay back the City for construction costs for a period of twenty (20) years. The payments are due in equal installments on November 30 and May 30.

Long-term interfund loans receivable have been recorded in the Water and Sewer Enterprise Funds and at June 30, 2015, the combined balance of the interfund loans was \$74,370.39, which is the same amount owed to the City by homeowners within the special improvement districts. The City’s special improvement funds 34 and 36 are debt service funds and these funds record the special assessments receivable and receipts and pay back the interfund loans to the Water and Sewer Enterprise Funds. The interfund loan payable is reported as long-term debt in the general long-term debt account group in the fund financial statements and is eliminated in the government-wide financial statements as interfund activity.

Annual maturity of the long-term special assessment receivable for the 2015 FY is \$5,711, subject to interest at 4.75%.

Cedar Creek Trust Fund – During fiscal year 2008, general obligation debt, in the form of a loan from Cedar Creek Trust was issued by the City to provide funds for the improvement of city streets, as approved by the voters and repaid with property taxes levied and recorded in a Debt Service Fund. This loan is accurately reported as an external debt borrowing pursuant to generally accepted accounting principles. Accordingly, the debt is not reported as an Advance to/from other fund, long-term portion, or as a Due to/from other fund, short-term portion. The loan is recorded and reported in the general long-term debt account group within the fund financial statements and as general obligation debt within the government-wide financial statements. See Note 4 for further disclosure and debt maturity schedule.

**NOTE I - RESTRICTED CASH AND INVESTMENTS**

In compliance with the City’s policies, debt covenants and Cedar Creek Trust, the governmental and enterprise funds restricted cash and investments at June 30, 2015 are as follows:

Fund	Description	Amount
General (Major)	Reserved by Council/cash flow	\$ 554,313
	Reserved by donor restrictions/flex plan advance	5,340
Street Maintenance (Major)	Reserved by Council/cash flow	133,807
Capital Projects General	Reserved by Council for future equipment	139,067

Equipment purchases		
Capital Projects Parks	Reserved by Council for future equipment/cash In lieu	385,387
Cedar Creek Trust	Reserved by Trust Document	404,146
Street Lighting	Reserved by Council/cash flow	14,936
Permissive Medical Levy	Reserved by Council/Cash flow	4,163
Bldg Code Enforcement	Reserved by Council/Cash flow	29,873
GO Pool Debt Service	Reserved by Council for debt payments	19,527
GO Street Debt Service	Reserved by Council for debt payments	37,545
Capital Projects Bldg Imp	Reserved by Council/bldg improvements	18,364
Water (Major)	Reserved for Future Debt Service	35,308
Water (Major)	Surplus Cash – System Improvements	111,293
Water (Major)	Replacement/Depreciation	246,754
Sewer (Major)	Reserved for Future Debt Service	256,051
Sewer (Major)	Surplus Cash – System Improvements	313,867
Sewer (Major)	WWTP Project/Debt	609,315
Sewer (Major)	Replacement/Depreciation	200,000
Water Capital Expansion	System Expansion	968,435
Sewer Capital Expansion	System Expansion	475,323
	Total	<u>\$4,962,814</u>

**NOTE J - GOVERNMENT FUND BALANCE REPORTING**

The City implemented Government Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions during 2011, and therefore required to classify fund balances into specifically defined classifications (see Note 1). The City spends restricted amounts first. When expenditure is incurred for purposes for which committed, assigned or unassigned funds are available, the City spends first committed, then assigned and finally unassigned funds.

Fund Balances:	Major		Other Gov't	Total
	General	Special Revenue Street Maintenance		
Non-Spendable:				
Long-term receivable			350,843	350,843
Restricted:				
Trust Agreement			404,146	404,146
Grantor or contributors	266		7,627	7,893
State statute		176,118	325,702	501,820
Assigned:				
Designated by Admin/Council			34,450	34,450
Committed:				
Restricted by definitions of				
Funds in state law/grantor			729,595	729,595
Reserved by Council in				
Budget process	554,313			554,313
Un-assigned:	537,270			537,270
Total Fund Balances	<u>\$1,091,849</u>	<u>\$176,118</u>	<u>\$1,852,363</u>	<u>\$3,120,329</u>

The mayor and commission are the City's highest level of decision-making authority, and they adopted a resolution authorizing the City Administration to define and utilize the fund types in accordance with GASB 54 pursuant to actions authorized by the commission, such as budget adoption and letting of contracts. Assigned fund balances include funds committed by the commission to spend interest earnings of the Cedar Creek Trust Fund.

By resolution, the City will apply restricted and unrestricted resources within the City's Governmental fund-types in the following order: restricted, committed, assigned and unassigned.

The City maintains one major special revenue fund, the Street Maintenance Fund. The purpose of this fund is to finance street repair, maintenance, snow removal and street signage. GASB 54 requires disclosure of revenues for each major special revenue fund. Revenues are as follows:

Special assessments	\$304,978
Charges for service	950
Interest earnings	669
Miscellaneous	<u>31</u>
	<u>\$306,628</u>

#### **NOTE K - RISK MANAGEMENT**

The City faces a number of risks of loss including damage to and loss of property and contents, employee torts, professional liability, (i.e. errors and omission), environmental damage, worker's compensation, and medical insurance costs of employees. Commercial policies, transferring all risk of loss except for relatively small deductible amounts, are purchased for commercial property and boiler insurance. The City participates in a statewide public risk pool operated by the Montana Municipal Interlocal Authority (MMIA) for property and contents, business auto, contractors' equipment, bonding of public officials, workers' compensation and for tort liability coverage. In addition, the City contracts with the Montana Municipal Insurance Authority for the City employee medical, dental and vision benefit plans. MMIA provides an environmental damages fund of \$5 million each year for all participants on a first come, first served basis. The City has no coverage for potential losses from environmental damages once the \$ 5 million is expended.

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 governmental General Fund and the business-type Water and Sewer Funds based upon the insurance needs of the funds. Settled claims resulting from these risks did not exceed commercial insurance coverage for the past three years.

In 1986, the City joined with other Montana cities to form the Montana Municipal Interlocal Authority which established a workers' compensation plan and a tort liability plan. Both public entity risk pools currently operate as common risk management and insurance programs for the member governments. The liability limits for damages in tort actions are \$750,000 per individual and \$1.5 million per occurrence with an \$11,250 deductible per incident. State tort law limits the City's liability to \$1.5 million. The City pays an annual premium for its employee injury insurance coverage, which is allocated to the employer funds based on total salaries and wages. The agreements for formation of the pools provide that they will be self-sustaining through member contributions.

The City offers employees health benefits for medical, vision, and dental through the MMIA's multiple-employer health insurance plan. MMIA provides four medical plans with varying rates, benefits and deductibles from which City employees can select. The purpose of these plans is to pay medical claims of the City employees, retirees, participating elected officials and other enrolled family members. Rates are actuarially determined and approved by MMIA's Board each spring for the next fiscal year. The City pays a monthly premium.

#### **NOTE L - LEASING ARRANGEMENTS**

The City of Columbia Falls leases property to Plum Creek Manufacturing under two lease agreements:

1. There is a 99-year lease for Tract 7E in 8-30-20 (Land) with a minimum annual payment of \$10 plus street maintenance assessments.
2. There is a 15-year lease for Tract 13 in 8-30-20 (Land) with no minimum annual payment outstanding commencing March 1994. The lease automatically renews for a period of one year until the landfill is complete and closure is approved by the State.

#### **NOTE M - COMMITMENTS AND CONTINGENCIES**

City Park Commitment - The City is committed to construct a City park on land leased from the City to Plum Creek Manufacturing using Plum Creek Manufacturing lease funds. Currently Plum Creek Manufacturing is using the land as a Class III landfill for wood chips and related products. The land is scheduled for reclamation upon completion of the Class III landfill and closure of the landfill has been approved by the Montana Solid Waste Bureau. The landfill is not expected to be completed in the upcoming fiscal year.

Pursuant to the terms of the lease agreement, Plum Creek Manufacturing paid \$100,000 in prior fiscal years to be used for the park. During fiscal year 2003, Plum Creek Manufacturing approved the use of the funds for general recreation purpose and the City elected to use \$69,100 of the funds to construct a bike path. The balance of \$30,900 was transferred to the Park Improvement Fund for future development of the park. The City is obligated to provide the funding for the development of the park.

#### Contingencies

The City is a defendant in one civil litigation matters as of June 30, 2015. Although the outcome of the civil matter is not presently determinable, in the opinion of the City's counsel, the resolution of these matters will not have a materially adverse effect on the financial condition of the City.

#### **NOTE N - INTERLOCAL AGREEMENTS**

#### Building Code Enforcement Program

The City of Columbia Falls and the City of Whitefish signed an interlocal agreement to provide for plan review, site review, and site inspection relating to the enforcement of State and City of Columbia Falls technical, building, and plumbing codes within the extended jurisdictional limits of Columbia Falls. Plan review, site review, and site inspection is provided by Whitefish through its Building Department. In consideration of the services provided, the City of Columbia Falls has agreed to pay the City of Whitefish a sum equal to 65% of the permitting fees paid by the permit applicant, or a minimum of \$2,000 per month, on the project inspected payable on a monthly basis according to Columbia Falls' standard procedure.

### 911 Dispatch Services

Effective July 1, 2010, the City of Columbia Falls began receiving emergency dispatch services through an Interlocal agreement between the City and Flathead County, City of Kalispell, and the City of Whitefish. Pursuant to an April 2009 Interlocal Agreement, the entities established the Flathead Emergency Communications Center Governing Board. The Board adopts an annual budget that is presented for approval to the four parties. The costs of operating the center are prorated amongst the parties based on the latest US census population. The City's proportionate share of the 2015 FY operating budget is \$113,369 and for 2016 FY the share is \$115,183.

### **NOTE O - SERVICES PROVIDED FROM OTHER GOVERNMENTS**

Flathead County provides various financial services to the City. The County serves as cashier and treasurer for the City for tax and assessment collections and other revenues received by the County. The collections made by the County on behalf of the City are accounted for in an agency fund in the City's name and are periodically remitted to the City by the County Treasurer. No service charges have been recorded by either the City or the County.

Flathead County and the City of Columbia Falls have also signed interlocal agreements whereby the County provides Animal Control, Recreation Programs, and Transit Service to the City. Columbia Falls has agreed to pay \$4,250 for Animal Control, \$6,000 for Recreation Programs and \$5,500 for Transit Services.

### **NOTE P – PRIOR PERIOD ADJUSTMENTS**

The City implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions (an Amendment of GASB Statement No. 27)* and Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (an Amendment of GASB Statement No. 68)*, for the year ending June 30, 2015. The implementation of these statements required the City to recognize pension liabilities, and the related deferred inflows and outflows for its proportionate share of actuarially determined unfunded liabilities of cost sharing defined benefit retirement plans the City participates in as more fully described in Note F above. Amounts that would have been reported as pension expense in prior periods are reported as a restatement as required. As a result, net position for the governmental and business-type activities decreased by \$1,066,832.51 and \$406,996.88, respectively.

### **NOTE Q – RECENT ACCOUNTING PRONOUNCEMENTS**

The Government Accounting Standards Board (GASB) has issued Statement No. 72, *Fair Value Measurement and Applications*, which is effective for the City beginning in FY 2016. This statement addresses accounting and financial reporting issues related to fair value measurements, and provides guidance for determining a fair value measurement for financial reporting purposes, and for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB has issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68*, which is effective for the City beginning in FY 2016. The objective of this Statement is to improve the usefulness of information about pensions included in the City's financial reports for making decisions and assessing accountability.

GASB has issued Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), and Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, which are effective for the City beginning in FY 2018. The objective of these statements is to improve the usefulness of information about OPEB included in the financial reports of state and local governments for making decisions and assessing accountability.

GASB has issued Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, which is effective for the City beginning FY 2016. The objective of this statement is to identify the hierarchy of generally accepted accounting principles.

GASB has issued Statement No. 77, Tax Abatement Disclosures, which is effective for the City beginning FY 2017. The objective of this statement is to improve the transparency and consistency in reporting tax abatements.

The City does not believe the adoption of Statement No. 72 will have any effect on its basic financial statements. The City has not fully assessed the impact of Statements No. 73 – 77 on its financial position and results of operations, but does not believe the adoption of these statements will have a material effect on its basic financial statements.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

CITY OF COLUMBIA FALLS					
GENERAL FUND					
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE					
BUDGET AND ACTUAL					
FISCAL YEAR ENDING JUNE 30, 2015					
Account Number	Description	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH
		ORIGINAL	FINAL		FINAL BUDGET
					POSITIVE
					(NEGATIVE)
<b>REVENUES</b>					
<b>Taxes:</b>					
311000/312000	Property taxes	982,256.00	982,256.00	1,052,800.14	70,544.14
314140	Local option taxes				0.00
<b>Licenses and permits</b>					
322010	Alcoholic beverage licenses	5,000.00	5,000.00	5,637.50	637.50
322020	General business licenses	5,000.00	5,000.00	6,560.00	1,560.00
323010	Building permits				0.00
323030	Animal licenses				0.00
323050	Other permits	51,500.00	51,500.00	55,413.89	3,913.89
<b>Intergovernmental revenue (See supplemental section for detail)</b>					
331000	Federal grants				0.00
332000/333	Federal shared revenues			2,218.50	2,218.50
334000	State grants	13,170.00	13,170.00	13,333.10	163.10
335000/336	State shared revenues	817,763.00	817,763.00	818,802.40	1,039.40
337000	Local grants	34,406.00	34,406.00	37,127.00	2,721.00
338000	Local shared revenues				0.00
<b>Charges for services</b>					
341000	General government	9,500.00	9,500.00	16,661.59	7,161.59
342000	Public safety	81,700.00	81,700.00	89,428.00	7,728.00
343000	Public works	750.00	750.00	488.95	(261.05)
344000	Public health				0.00
345000	Social/economic services				0.00
346000	Culture and recreation	26,890.00	26,890.00	30,585.76	3,695.76
<b>Fines and forfeitures</b>					
351010	Justice court				0.00
351020	District court				0.00
351030	City court	174,100.00	174,100.00	149,540.68	(24,559.32)
360000	Miscellaneous	1,203.00	1,203.00	2,165.40	962.40
370000	Investment and royalty earnings	3,200.00	3,200.00	4,648.74	1,448.74
<b>Total revenues</b>		<b>2,206,438.00</b>	<b>2,206,438.00</b>	<b>2,285,411.65</b>	<b>78,973.65</b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
410000	<b>General Government:</b>				
410100	<b>Legislative services</b>				
100	Personal services	30,107.00	30,107.00	29,519.31	587.69
200-800	Supplies/services/materials, etc	62,937.00	62,937.00	22,946.07	39,990.93
900	Capital outlay				0.00
410200	<b>Executive services</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
410300	<b>Judicial services</b>				
100	Personal services	158,211.00	158,211.00	139,858.33	18,352.67
200-800	Supplies/services/materials, etc	55,432.00	55,432.00	43,732.71	11,699.29
900	Capital outlay				0.00



**CITY OF COLUMBIA FALLS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FISCAL YEAR ENDING JUNE 30, 2015**

Account Number	Description	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH
		ORIGINAL	FINAL		FINAL BUDGET
					POSITIVE
					(NEGATIVE)
410400	<b>Administrative services</b>				
100	Personal services	33,503.00	33,503.00	33,525.93	(22.93)
200-800	Supplies/services/materials, etc	8,204.00	8,204.00	1,925.87	6,278.13
900	Capital outlay				0.00
410500	<b>Financial services</b>				
100	Personal services	113,112.00	113,112.00	87,278.43	25,833.57
200-800	Supplies/services/materials, etc	53,850.00	53,850.00	35,421.83	18,428.17
900	Capital outlay				0.00
410600	<b>Elections</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
410900	<b>Records administration</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
411000	<b>Planning &amp; Research services</b>				
100	Personal services	3,678.00	3,678.00	3,680.54	(2.54)
200-800	Supplies/services/materials, etc	27,670.00	27,670.00	27,963.22	(293.22)
900	Capital outlay				0.00
411100	<b>Legal services</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc	57,225.00	57,225.00	21,759.27	35,465.73
900	Capital outlay				0.00
411200	<b>Facilities administration</b>				
100	Personal services	9,315.00	9,315.00	9,410.16	(95.16)
200-800	Supplies/services/materials, etc	82,930.00	82,930.00	64,440.00	18,490.00
900	Capital outlay	15,000.00	15,000.00	0.00	15,000.00
411600	<b>Public school administration</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
411800	<b>Other General Government services</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc	1,800.00	1,800.00	1,545.00	255.00
900	Capital outlay				0.00
420000	<b>Public Safety:</b>				
420100	<b>Law enforcement services</b>				
100	Personal services	864,726.00	864,726.00	857,993.68	6,732.32
200-800	Supplies/services/materials, etc	232,529.00	232,529.00	225,765.08	6,763.92
900	Capital outlay				0.00
420200	<b>Detention and correction</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
420300	<b>Probation and parole</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00

**CITY OF COLUMBIA FALLS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FISCAL YEAR ENDING JUNE 30, 2015**

Account Number	Description	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
		ORIGINAL	FINAL	ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
420400	<b>Fire protection</b>				
100	Personal services	101,160.00	101,160.00	101,100.51	59.49
200-800	Supplies/services/materials, etc	67,930.00	67,930.00	59,958.11	7,971.89
900	Capital outlay				0.00
420500	<b>Protective inspections</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
420600	<b>Civil defense</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
420700	<b>Emergency services</b>				
100	Personal services	2,687.00	2,687.00	2,687.31	(0.31)
200-800	Supplies/services/materials, etc	4,912.00	4,912.00	3,891.53	1,020.47
900	Capital outlay				0.00
430000	<b>Public Works:</b>				
430100	<b>Public works administration</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay	255,000.00	255,000.00	145,136.18	109,863.82
430200	<b>Road and street services</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
430300	<b>Airport</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
430400	<b>Transit systems</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc	5,500.00	5,500.00	5,500.00	0.00
900	Capital outlay				0.00
430500	<b>Water utilities</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
430600	<b>Sewer utilities</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
430800	<b>Solid waste services</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
430900	<b>Cemetery services</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
431100	<b>Weed control</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc	1,000.00	1,000.00	25.00	975.00
900	Capital outlay				0.00

**CITY OF COLUMBIA FALLS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FISCAL YEAR ENDING JUNE 30, 2015**

Account Number	Description	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
		ORIGINAL	FINAL		
431300	<b>Central shop services</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
440000	<b>Public Health:</b>				
440100	<b>Public health services</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
440200	<b>Hospitals</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
440300	<b>Nursing homes</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
440400	<b>Mental health center</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
440600	<b>Animal control services</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc	4,250.00	4,250.00	4,250.00	0.00
900	Capital outlay				0.00
440700	<b>Insect and pest controls</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
450000	<b>Social and Economic Services:</b>				
450100	<b>Welfare</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
450200	<b>Veteran's services</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
450300	<b>Aging services</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
450400	<b>Extension services</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00

**CITY OF COLUMBIA FALLS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FISCAL YEAR ENDING JUNE 30, 2015**

Account Number	Description	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
		ORIGINAL	FINAL		POSITIVE (NEGATIVE)
460000	<b>Culture and Recreation:</b>				
460100	<b>Library services</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
460200	<b>Fairs</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
460300	<b>Other community events</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
460400	<b>Parks</b>				
100	Personal services	49,259.00	49,259.00	44,995.89	4,263.11
200-800	Supplies/services/materials, etc	101,600.00	101,600.00	53,540.63	48,059.37
900	Capital outlay	3,750.00	3,750.00	0.00	3,750.00
460440	<b>Participant recreation</b>				
100	Personal services	47,749.00	47,749.00	41,882.54	5,866.46
200-800	Supplies/services/materials, etc	38,725.00	38,725.00	33,834.00	4,891.00
900	Capital outlay	10,000.00	10,000.00	8,849.58	1,150.42
460450	<b>Spectator recreation</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
470000	<b>Housing and Community Development:</b>				
470100	<b>Community public facility projects</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
470200	<b>Housing rehabilitation</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
470300	<b>Economic development</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
470400	<b>TSEP/Home/Infrastructure rehabilitation</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00

**CITY OF COLUMBIA FALLS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FISCAL YEAR ENDING JUNE 30, 2015**

Account Number	Description	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
		ORIGINAL	FINAL		POSITIVE (NEGATIVE)
480000	<b>Conservation of Natural Resources:</b>				
480100	<b>Soil conservation</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
480200	<b>Water quality control</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
480300	<b>Air quality control</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
490000	<b>Debt Service:</b>				
810	Principal	11,108.00	11,108.00	11,107.14	0.86
620	Interest	962.00	962.00	961.10	0.90
510000	<b>Miscellaneous</b>	125,842.00	125,842.00	64,981.07	60,860.93
	<b>Total expenditures</b>	<b>2,641,663.00</b>	<b>2,641,663.00</b>	<b>2,189,466.02</b>	<b>452,196.98</b>
	<b>Excess of revenues over (under)expenditures</b>	<b>(435,225.00)</b>	<b>(435,225.00)</b>	<b>95,945.63</b>	<b>531,170.63</b>
	<b>OTHER FINANCING SOURCES (USES)</b>				
381010/40	Proceeds from sale of bonds				0.00
381010/40	Discount on bonds issued				0.00
381050	Inception of capital lease				0.00
381070	Notes/loans/intercap issued				0.00
382010	Sale of assets				0.00
383000	Transfers in	91,702.00	94,639.82	97,512.63	2,872.81
520000	Transfers out (enter as a negative)	(122,814.00)	(122,814.00)	(122,814.00)	0.00
384000	Special items - revenue				0.00
385000	Extraordinary items - revenue				0.00
524000	Special items - expenditure (enter as negative)				0.00
525000	Extraordinary items - expenditure (enter as negative)				0.00
	<b>Total other financing sources (uses)</b>	<b>(31,112.00)</b>	<b>(28,174.18)</b>	<b>(25,301.37)</b>	<b>2,872.81</b>
	<b>Net change in fund balance</b>	<b>(466,337.00)</b>	<b>(463,399.18)</b>	<b>70,644.26</b>	<b>534,043.44</b>
	<b>Fund balances - July 1, 2014 as previously reported</b>			<b>1,021,204.38</b>	
	<b>Prior period adjustments</b>				
	<b>Fund balances - July 1, 2014 as restated</b>			<b>1,021,204.38</b>	
	<b>Fund balances - June 30, 2015</b>			<b>1,091,848.64</b>	

**CITY OF COLUMBIA FALLS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**MAJOR SPECIAL REVENUE FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

		Fund #2500			
		Fund Name			
		BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL	ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
	<b>REVENUES</b>				
	<b>Taxes:</b>				
311000/312000	Property taxes				0.00
314140	Local option taxes				0.00
	<b>Licenses and permits</b>				
322010	Alcoholic beverage licenses				0.00
322020	General business licenses				0.00
323010	Building permits				0.00
323030	Animal licenses				0.00
323050	Other permits				0.00
	<b>Intergovernmental revenue (See supplemental section for detail)</b>				
331000	Federal grants				0.00
332000/333	Federal shared revenues				0.00
334000	State grants				0.00
335000/336	State shared revenues				0.00
337000	Local grants				0.00
338000	Local shared revenue				0.00
	<b>Charges for services</b>				
341000	General government				0.00
342000	Public safety				0.00
343000	Public works				0.00
344000	Public health				0.00
345000	Social/economic services				0.00
346000	Culture and recreation	300.00	300.00	950.00	650.00
	<b>Fines and forfeitures</b>				
351010	Justice court				0.00
351020	District court				0.00
351030	City court				0.00
360000	<b>Miscellaneous</b>	301,700.00	301,700.00	305,008.44	3,308.44
370000	<b>Investment and royalty earnings</b>	500.00	500.00	669.31	169.31
	<b>Total revenues</b>	302,500.00	302,500.00	306,627.75	4,127.75

**CITY OF COLUMBIA FALLS  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 MAJOR SPECIAL REVENUE FUNDS  
 FISCAL YEAR ENDED JUNE 30, 2015**

		Fund #2500			
		Fund Name			VARIANCE WITH FINAL BUDGET
		BUDGETED AMOUNTS		ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL		
	<b>EXPENDITURES</b>				
	<b>Current:</b>				
410000	<b>General Government:</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
420000	<b>Public Safety</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
430000	<b>Public Works</b>				
100	Personal services	254,458.00	254,458.00	225,068.98	29,389.02
200-800	Supplies/services/materials, etc	105,050.00	105,050.00	87,009.33	18,040.67
440000	<b>Public Health</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
450000	<b>Social and Economic Services</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
460000	<b>Culture and Recreation</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
470000	<b>Housing and Community Development</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
480000	<b>Conservation of Natural Resources</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	<b>Capital expenditures</b>	27,900.00	27,900.00	34,251.33	(6,351.33)
490000	<b>Debt Service</b>				
610	Principal				0.00
620	Interest				0.00
510000	<b>Miscellaneous</b>				0.00
	<b>Total expenditures</b>	387,408.00	387,408.00	346,329.64	41,078.36
	<b>Excess of revenues over (under) expenditures</b>	(84,908.00)	(84,908.00)	(39,701.89)	45,206.11
	<b>OTHER FINANCING SOURCES (USES)</b>				
381000	Bonds issued				0.00
381000	Discount on bonds issued				0.00
381050	Inception of capital lease				0.00
381070	Notes/loans/intercap issued				0.00
382010	Sale of assets				0.00
383000	Transfers In	31,028.00	31,028.00	28,155.19	(2,872.81)
520000	Transfers out (enter as a negative)				0.00
384000	Special items - revenue				0.00
385000	Extraordinary items - revenue				0.00
524000	Special items - expenditure (enter as negative)				0.00
525000	Extraordinary items - expenditure(enter as negative)				0.00
	<b>Total other financing sources (uses)</b>	31,028.00	31,028.00	28,155.19	(2,872.81)
	<b>Net change in fund balance</b>	(53,880.00)	(53,880.00)	(11,546.70)	42,333.30
	<b>Fund balances - July 1, 2014 as previously reported</b>			187,664.28	
	<b>Prior period adjustments</b>				
	<b>Fund balances - July 1, 2014 as restated</b>			187,664.28	
	<b>Fund balances - June 30, 2015</b>			176,117.58	

**CITY OF COLUMBIA FALLS  
REQUIRED SUPPLEMENTARY INFORMATION  
FISCAL YEAR ENDING JUNE 30, 2015**

**OTHER POST EMPLOYMENT BENEFITS PLAN  
RETIREE HEALTH INSURANCE  
SCHEDULE OF FUNDING PROGRESS**

	FY2013	FY2014	FY2015
Actuarial Valuation Date	6/30/2013	6/30/2013	6/30/2013
Actuarial Value of Assets	-	-	-
Actuarial Accrued Liability	-	-	-
Unfunded Actuarial Accrued Liability (UAAL)	-	-	-
Funded Ratio	N/A	N/A	N/A
Annual Covered Payroll	\$1,196,978	\$1,217,443	\$1,356,071
Ratio of UAAL to Annual Covered Payroll	N/A	N/A	N/A

**Note:** The City of Columbia Falls implemented GASB Statement 45 for the fiscal year ending June 30, 2010. A subsequent actuarial valuation was completed effective 6/30/2013. The City of Columbia Falls' actuarial accrued liability is \$0.0 as calculated pursuant to the Alternative Measurement Method. The notes to the Financial Statements, pg 57-58, provide detailed information on this calculation. The City is required to have only triennial actuarial valuations.



**CITY OF COLUMBIA FALLS  
REQUIRED SUPPLEMENTARY INFORMATION  
FISCAL YEAR ENDING JUNE 30, 2015**

**SCHEDULE OF NET PENSION LIABILITY AND CONTRIBUTIONS**

GASB 68 requires cost-sharing employers to present in required supplementary information 10-year schedules containing (1) the net pension liability and certain related ratios and (2) if applicable, information about statutorily or contractually required contributions, contributions to the pension plan, and related ratios.

Plan:       PERS      

**Schedule of Proportionate Share of the Net Pension Liability:**

	2015										
City's proportion of the net pension liability	0.06389%										
City's proportionate share of the net pension liability (asset)	\$ 796,071										
State of MT proportionate share of the net pension liability (asset) associated with the City	\$ 9,721										
<b>Total</b>	<b>\$ 805,792</b>	0	0	0	0	0	0	0	0	0	0
City's covered-employee payroll	\$ 814,968										
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	97.68%										
Plan fiduciary net position as a percentage of the total pension liability	79.87%										

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

**Schedule of Contributions:**

	2015										
Contractually required contributions	\$ 66,583										
Contributions in relation to the contractually required contributions	\$ 66,583										
Contribution deficiency (excess)	0	0	0	0	0	0	0	0	0	0	0
City's covered-employee payroll	\$ 814,968										
Contributions of covered-employee payroll (as a percentage)	8.1700%										

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

**Changes of assumptions:**

The following changes in assumptions or other inputs that affected the measurement date have been made since the prior measurement date:

None

Plan:       MPORS      

**Schedule of Proportionate Share of the Net Pension Liability:**

	2015										
City's proportion of the net pension liability	0.289823%										
City's proportionate share of the net pension liability associated with the City	\$ 455,416										
State of MT proportionate share of the net pension liability associated with the Employer	\$ 919,994										
<b>Total</b>	<b>\$ 1,375,410</b>	0	0	0	0	0	0	0	0	0	0
City's covered-employee payroll	\$ 409,292										
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	111.27%										
Plan fiduciary net position as a percentage of the total pension liability	67.01%										

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

**Schedule of Contributions:**

	2015										
Contractually required contributions	\$ 58,979										
Contributions in relation to the contractually required contributions	\$ 58,979										
Contribution deficiency (excess)	0	0	0	0	0	0	0	0	0	0	0
City's covered-employee payroll	\$ 409,292										
Contributions of covered-employee payroll (as a percentage)	14.41%										

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

**Changes of assumptions:**

The following changes in assumptions or other inputs that affected the measurement date have been made since the prior measurement date:

None

**CITY OF COLUMBIA FALLS  
REQUIRED SUPPLEMENTARY INFORMATION  
FISCAL YEAR ENDING JUNE 30, 2015**

**SCHEDULE OF NET PENSION LIABILITY AND CONTRIBUTIONS CONT.**

GASB 68 requires cost-sharing employers to present in required supplementary information 10-year schedules containing (1) the net pension liability and certain related ratios and (2) if applicable, information about statutorily or contractually required contributions, contributions to the pension plan, and related ratios.

Plan:         FURS        

**Schedule of Proportionate Share of the Net Pension Liability:**

	2015									
City's proportion of the net pension liability	0.045258%									
City's proportionate share of the net pension liability associated with the City	\$ 4,904									
State of MT proportionate share of the net pension liability associated with the City	\$ 11,064									
<b>Total</b>	<b>\$ 15,968</b>	0	0	0	0	0	0	0	0	0
City's covered-employee payroll	\$ 60,753									
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	8.072%									
Plan fiduciary net position the total pension liability (as a percentage)	76.710%									

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

**Schedule of Contributions:**

	2015									
Contractually required contributions	\$ 8,724									
Contributions in relation to the contractually required contributions	\$ 8,724									
Contribution deficiency (excess)	\$ -	0	0	0	0	0	0	0	0	0
City's covered-employee payroll	\$ 60,753									
Contributions of covered-employee payroll (as a percentage)	14.36%									

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

**Changes of assumptions:**

The following changes in assumptions or other inputs that affected the measurement date have been made since the prior measurement date:

None

**OTHER  
SUPPLEMENTARY  
INFORMATION**

**CITY OF COLUMBIA FALLS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2015**

ACCOUNT NUMBER	DESCRIPTION	FUND#2350 Local Government Review	FUND#2372 Permissive Medical Levy	FUND#2394 Building Code Enforcement	FUND#2400 Special Lighting District
<b>ASSETS</b>					
101000	Cash and cash equivalents	0.00		21,968.74	25,865.27
103000	Petty cash				
101100	Investments				
102000	Cash and cash equivalents - restricted		4,163.45	29,873.00	14,936.00
102300	Investments - restricted				
106000	Valuation of investments to fair value				
Taxes receivable:					
111000	Mobiles				
113000	Real estate		2,065.43		561.76
114000	Net proceeds				
115000	Personal		2,996.79		
116000	Protested		0.02		
118000	Special assessments				
120000	Accounts/other receivables (net of allowance for uncollectibles)				
131000	Due from other funds				
132000	Due from other governments		13,121.36		4,088.77
133000	Advances to other funds				
140000	Prepaid expense				
150000	Inventories				
170000	Other debits				
	<b>Total Assets</b>	0.00	22,347.05	51,841.74	45,451.80
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
190000	Deferred Outflows of Resources				
19xxxx	Deferred Outflows of Resources				
	<b>Total Deferred Outflows of Resources</b>	0.00	0.00	0.00	0.00
<b>LIABILITIES</b>					
201000	Warrants payable				
202100	Accounts payable			10,945.02	2,862.00
203100	Judgments payable				
204000	Contracts/loans/notes payable				
205200	Matured interest payable				
206100	Other accrued payables			511.77	
211000	Due to other funds				
212000	Due to other governments				
214000	Deposits payable				
216000	Revenues collected in advance				
233000	Advances from other funds				
	<b>Total Liabilities</b>	0.00	0.00	11,456.79	2,862.00
<b>DEFERRED INFLOWS OF RESOURCES</b>					
220000	Deferred Inflows of Resources				
223000	Deferred Inflows of Tax Revenues		5,062.24		561.76
	<b>Total Deferred Inflows of Resources</b>	0.00	5,062.24	0.00	561.76
<b>FUND BALANCES:</b>					
250100	Non-spendable				
250200	Restricted		17,284.81	40,384.95	42,028.04
260100	Committed				
260200	Assigned				
271000	Unassigned (negative balance only)	0.00	(0.00)	0.00	0.00
	<b>Total Fund Balances</b>	0.00	17,284.81	40,384.95	42,028.04
	<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	0.00	22,347.05	51,841.74	45,451.80
		-76-			

**CITY OF COLUMBIA FALLS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2015**

ACCOUNT NUMBER	DESCRIPTION	FUND#2700 Cedar Creek Trust	FUND#2820 Gas Tax Fund	FUND#2917 Crime Victims Assistance	FUND#2940 CDBG Home Investment
<b>ASSETS</b>					
101000	Cash and cash equivalents	34,450.46	29,725.37	245.00	7,627.00
103000	Petty cash				
101100	Investments				
102000	Cash and cash equivalents - restricted	404,146.07			
102300	Investments - restricted				
106000	Valuation of investments to fair value				
	Taxes receivable:				
111000	Mobiles				
113000	Real estate				
114000	Net proceeds				
115000	Personal				
116000	Protested				
118000	Special assessments				
120000	Accounts/other receivables (net of allowance for uncollectibles)	350,842.73			
131000	Due from other funds				
132000	Due from other governments				
133000	Advances to other funds				
140000	Prepaid expense				
150000	Inventories				
170000	Other debits				
	<b>Total Assets</b>	<b>789,439.26</b>	<b>29,725.37</b>	<b>245.00</b>	<b>7,627.00</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
190000	Deferred Outflows of Resources				
19xxxx	Deferred Outflows of Resources				
	<b>Total Deferred Outflows of Resources</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>LIABILITIES</b>					
201000	Warrants payable				
202100	Accounts payable			245.00	
203100	Judgments payable				
204000	Contracts/loans/notes payable				
205200	Matured interest payable				
206100	Other accrued payables				
211000	Due to other funds				
212000	Due to other governments				
214000	Deposits payable				
216000	Revenues collected in advance				
233000	Advances from other funds				
	<b>Total Liabilities</b>	<b>0.00</b>	<b>0.00</b>	<b>245.00</b>	<b>0.00</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
220000	Deferred Inflows of Resources				
223000	Deferred Inflows of Tax Revenues				
	<b>Total Deferred Inflows of Resources</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>FUND BALANCES:</b>					
250100	Non-spendable	350,842.73			
250200	Restricted	404,146.07	29,725.37		7,627.00
260100	Committed				
260200	Assigned	34,450.46			
271000	Unassigned (negative balance only)	0.00	0.00	0.00	0.00
	<b>Total Fund Balances</b>	<b>789,439.26</b>	<b>29,725.37</b>	<b>0.00</b>	<b>7,627.00</b>
	<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>789,439.26</b>	<b>29,725.37</b>	<b>245.00</b>	<b>7,627.00</b>
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**CITY OF COLUMBIA FALLS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2015**

ACCOUNT NUMBER	DESCRIPTION	FUND#2942 CDBG EC Development Grant	NONMAJOR SPECIAL REVENUE FUNDS
<b>ASSETS</b>			
101000	Cash and cash equivalents	0.00	119,881.84
103000	Petty cash		0.00
101100	Investments		0.00
102000	Cash and cash equivalents - restricted		453,118.52
102300	Investments - restricted		0.00
106000	Valuation of investments to fair value		0.00
	Taxes receivable:		
111000	Mobiles		0.00
113000	Real estate		2,627.19
114000	Net proceeds		0.00
115000	Personal		2,996.79
116000	Protested		0.02
118000	Special assessments		0.00
120000	Accounts/other receivables (net of allowance for uncollectibles)		350,842.73
131000	Due from other funds		0.00
132000	Due from other governments		17,210.13
133000	Advances to other funds		0.00
140000	Prepaid expense		0.00
150000	Inventories		0.00
170000	Other debits		0.00
	<b>Total Assets</b>	0.00	946,677.22
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
190000	Deferred Outflows of Resources		0.00
19xxxx	Deferred Outflows of Resources		0.00
	<b>Total Deferred Outflows of Resources</b>	0.00	0.00
<b>LIABILITIES</b>			
201000	Warrants payable		0.00
202100	Accounts payable		14,052.02
203100	Judgments payable		0.00
204000	Contracts/loans/notes payable		0.00
205200	Matured interest payable		0.00
206100	Other accrued payables		511.77
211000	Due to other funds		0.00
212000	Due to other governments		0.00
214000	Deposits payable		0.00
216000	Revenues collected in advance		0.00
233000	Advances from other funds		0.00
	<b>Total Liabilities</b>	0.00	14,563.79
<b>DEFERRED INFLOWS OF RESOURCES</b>			
220000	Deferred Inflows of Resources		0.00
223000	Deferred Inflows of Tax Revenues		5,624.00
	<b>Total Deferred Inflows of Resources</b>	0.00	5,624.00
<b>FUND BALANCES:</b>			
250100	Non-spendable		350,842.73
250200	Restricted		541,196.24
260100	Committed		0.00
260200	Assigned		34,450.46
271000	Unassigned (negative balance only)	0.00	0.00
	<b>Total Fund Balances</b>	0.00	926,489.43
	<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	0.00	946,677.22
		-78-	

**CITY OF COLUMBIA FALLS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FISCAL YEAR ENDED JUNE 30, 2015**

		FUND#2350			
		Local Government Review			
		BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL	ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
	<b>REVENUES</b>				
	<b>Taxes:</b>				
311000/312000	Property taxes	6,000.00	6,000.00	5,208.65	(791.35)
314140	Local option taxes				0.00
	<b>Licenses and permits</b>				
322010	Alcoholic beverage licenses				0.00
322020	General business licenses				0.00
323010	Building permits				0.00
323030	Animal licenses				0.00
323050	Other permits				0.00
	<b>Intergovernmental revenue (See supplemental section for detail)</b>				
331000	Federal grants				0.00
332000/333	Federal shared revenues				0.00
334000	State grants				0.00
335000/336	State shared revenues				0.00
337000	Local grants				0.00
338000	Local shared revenues				0.00
	<b>Charges for services</b>				
341000	General government				0.00
342000	Public safety				0.00
343000	Public works				0.00
344000	Public health				0.00
345000	Social/economic services				0.00
346000	Culture and recreation				0.00
	<b>Fines and forfeitures</b>				
351010	Justice court				0.00
351020	District court				0.00
351030	City court				0.00
360000	<b>Miscellaneous</b>				0.00
370000	<b>Investment and royalty earnings</b>			2.41	2.41
	<b>Total revenues</b>	6,000.00	6,000.00	5,211.06	(788.94)

**CITY OF COLUMBIA FALLS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FISCAL YEAR ENDED JUNE 30, 2015**

		FUND#2350			
		Local Government Review			
					VARIANCE
		BUDGETED AMOUNTS			WITH FINAL
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL	ACTUAL AMOUNTS	BUDGET POSITIVE (NEGATIVE)
	<b>EXPENDITURES</b>				
	<b>Current:</b>				
410000	<b>General Government:</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc	6,000.00	6,000.00	2,273.24	3,726.76
420000	<b>Public Safety</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
430000	<b>Public Works</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
440000	<b>Public Health</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
450000	<b>Social and Economic Services</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
460000	<b>Culture and Recreation</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
470000	<b>Housing and Community Development</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
480000	<b>Conservation of Natural Resources</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	<b>Capital expenditures</b>				0.00
490000	<b>Debt Service</b>				
610	Principal				0.00
620	Interest				0.00
510000	<b>Miscellaneous</b>				0.00
	<b>Total expenditures</b>	6,000.00	6,000.00	2,273.24	3,726.76
	<b>Excess of revenues over expenditures</b>	0.00	0.00	2,937.82	2,937.82
	<b>OTHER FINANCING SOURCES (USES)</b>				
381000	Bonds issued				0.00
381000	Discount on bonds issued				0.00
381050	Inception of capital lease				0.00
381070	Notes/loans/intercap issued				0.00
382010	Sale of assets				0.00
383000	Transfers In				0.00
520000	Transfers out (enter as a negative)			(2,937.82)	(2,937.82)
384000	Special items - revenue				0.00
385000	Extraordinary items - revenue				0.00
524000	Special items - expenditure (enter as negative)				0.00
525000	Extraordinary items - expenditure(enter as negative)				0.00
	<b>Total other financing sources (uses)</b>	0.00	0.00	(2,937.82)	(2,937.82)
	<b>Net change in fund balance</b>	0.00	0.00	0.00	0.00
	<b>Fund balances - July 1, 2014 as previously reported</b>			0.00	
	<b>Prior period adjustments</b>				
	<b>Fund balances - July 1, 2014 as restated</b>			0.00	
	<b>Fund balances - June 30, 2015</b>			0.00	



**CITY OF COLUMBIA FALLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUNDS  
FISCAL YEAR ENDED JUNE 30, 2015**

		FUND#2372			
		Permissive Medical Levy			
		BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL	ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
	<b>REVENUES</b>				
	<b>Taxes:</b>				
311000/312000	Property taxes	121,284.00	121,284.00	127,772.02	6,488.02
314140	Local option taxes				0.00
	<b>Licenses and permits</b>				
322010	Alcoholic beverage licenses				0.00
322020	General business licenses				0.00
323010	Building permits				0.00
323030	Animal licenses				0.00
323050	Other permits				0.00
	<b>Intergovernmental revenue (See supplemental section for detail)</b>				
331000	Federal grants				0.00
332000/333	Federal shared revenues				0.00
334000	State grants				0.00
335000/336	State shared revenues	1,166.00	1,166.00	1,881.92	715.92
337000	Local grants				0.00
338000	Local shared revenues				0.00
	<b>Charges for services</b>				
341000	General government				0.00
342000	Public safety				0.00
343000	Public works				0.00
344000	Public health				0.00
345000	Social/economic services				0.00
346000	Culture and recreation				0.00
	<b>Fines and forfeitures</b>				
351010	Justice court				0.00
351020	District court				0.00
351030	City court				0.00
360000	<b>Miscellaneous</b>				0.00
370000	<b>Investment and royalty earnings</b>	0.00	0.00	81.37	81.37
	<b>Total revenues</b>	122,450.00	122,450.00	129,735.31	7,285.31

**CITY OF COLUMBIA FALLS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FISCAL YEAR ENDED JUNE 30, 2015**

		FUND#2372			
		Permissive Medical Levy			
		BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL	ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
	<b>EXPENDITURES</b>				
	<b>Current:</b>				
410000	<b>General Government:</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
420000	<b>Public Safety</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
430000	<b>Public Works</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
440000	<b>Public Health</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
450000	<b>Social and Economic Services</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
460000	<b>Culture and Recreation</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
470000	<b>Housing and Community Development</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
480000	<b>Conservation of Natural Resources</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	<b>Capital expenditures</b>				0.00
490000	<b>Debt Service</b>				
610	Principal				0.00
620	Interest				0.00
510000	<b>Miscellaneous</b>				0.00
	<b>Total expenditures</b>	0.00	0.00	0.00	0.00
	<b>Excess of revenues over expenditures</b>	122,450.00	122,450.00	129,735.31	7,285.31
	<b>OTHER FINANCING SOURCES (USES)</b>				
381000	Bonds issued				0.00
381000	Discount on bonds issued				0.00
381050	Inception of capital lease				0.00
381070	Notes/loans/intercap issued				0.00
382010	Sale of assets				0.00
383000	Transfers in				0.00
520000	Transfers out (enter as a negative)	(122,730.00)	(122,730.00)	(122,730.00)	0.00
384000	Special items - revenue				0.00
385000	Extraordinary items - revenue				0.00
524000	Special items - expenditure (enter as negative)				0.00
525000	Extraordinary items - expenditure(enter as negative)				0.00
	<b>Total other financing sources (uses)</b>	(122,730.00)	(122,730.00)	(122,730.00)	0.00
	<b>Net change in fund balance</b>	(280.00)	(280.00)	7,005.31	7,285.31
	<b>Fund balances - July 1, 2014 as previously reported</b>			10,279.50	
	<b>Prior period adjustments</b>				
	<b>Fund balances - July 1, 2014 as restated</b>			10,279.50	
	<b>Fund balances - June 30, 2015</b>			17,284.81	

**CITY OF COLUMBIA FALLS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FISCAL YEAR ENDED JUNE 30, 2015**

		FUND#2394			
		Building Code Enforcement			VARIANCE WITH FINAL BUDGET
		BUDGETED AMOUNTS		ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL		
	<b>REVENUES</b>				
	<b>Taxes:</b>				
311000/312000	Property taxes				0.00
314140	Local option taxes				0.00
	<b>Licenses and permits</b>				
322010	Alcoholic beverage licenses				0.00
322020	General business licenses				0.00
323010	Building permits	74,300.00	108,800.00	105,394.75	(3,405.25)
323030	Animal licenses				0.00
323050	Other permits	8,400.00	8,400.00	11,536.43	3,136.43
	<b>Intergovernmental revenue (See supplemental section for detail)</b>				
331000	Federal grants				0.00
332000/333	Federal shared revenues				0.00
334000	State grants				0.00
335000/336	State shared revenues				0.00
337000	Local grants				0.00
338000	Local shared revenues				0.00
	<b>Charges for services</b>				
341000	General government				0.00
342000	Public safety				0.00
343000	Public works				0.00
344000	Public health				0.00
345000	Social/economic services				0.00
346000	Culture and recreation				0.00
	<b>Fines and forfeitures</b>				
351010	Justice court				0.00
351020	District court				0.00
351030	City court				0.00
360000	<b>Miscellaneous</b>	0.00	0.00	27.10	27.10
370000	<b>Investment and royalty earnings</b>	0.00	0.00	191.17	191.17
	<b>Total revenues</b>	82,700.00	117,200.00	117,149.45	(50.55)

**CITY OF COLUMBIA FALLS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FISCAL YEAR ENDED JUNE 30, 2015**

		FUND#2394			
		Building Code Enforcement			
		BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL	ACTUAL AMOUNTS	
	<b>EXPENDITURES</b>				
	<b>Current:</b>				
410000	<b>General Government:</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
420000	<b>Public Safety</b>				
100	Personal services	15,827.00	15,827.00	16,119.30	(292.30)
200-800	Supplies/services/materials, etc	55,155.00	79,655.00	78,800.28	854.72
430000	<b>Public Works</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
440000	<b>Public Health</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
450000	<b>Social and Economic Services</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
460000	<b>Culture and Recreation</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
470000	<b>Housing and Community Development</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
480000	<b>Conservation of Natural Resources</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	<b>Capital expenditures</b>				0.00
490000	<b>Debt Service</b>				
610	Principal				0.00
620	Interest				0.00
510000	<b>Miscellaneous</b>	462.00	462.00	461.97	0.03
	<b>Total expenditures</b>	71,444.00	95,944.00	95,381.55	562.45
	<b>Excess of revenues over expenditures</b>	11,256.00	21,256.00	21,767.90	511.90
	<b>OTHER FINANCING SOURCES (USES)</b>				
381000	Bonds issued				0.00
381000	Discount on bonds issued				0.00
381050	Inception of capital lease				0.00
381070	Notes/loans/intercap issued				0.00
382010	Sale of assets				0.00
383000	Transfers In				0.00
520000	Transfers out (enter as a negative)				0.00
384000	Special items - revenue				0.00
385000	Extraordinary items - revenue				0.00
524000	Special items - expenditure (enter as negative)				0.00
525000	Extraordinary items - expenditure(enter as negative)				0.00
	<b>Total other financing sources (uses)</b>	0.00	0.00	0.00	0.00
	<b>Net change in fund balance</b>	11,256.00	21,256.00	21,767.90	511.90
	<b>Fund balances - July 1, 2014 as previously reported</b>			18,617.05	
	<b>Prior period adjustments</b>				
	<b>Fund balances - July 1, 2014 as restated</b>			18,617.05	
	<b>Fund balances - June 30, 2015</b>			40,384.95	

**CITY OF COLUMBIA FALLS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FISCAL YEAR ENDED JUNE 30, 2015**

		FUND#2400			
		Special Lighting District			
		BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL	ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
	<b>REVENUES</b>				
	<b>Taxes:</b>				
311000/312000	Property taxes				0.00
314140	Local option taxes				0.00
	<b>Licenses and permits</b>				
322010	Alcoholic beverage licenses				0.00
322020	General business licenses				0.00
323010	Building permits				0.00
323030	Animal licenses				0.00
323050	Other permits				0.00
	<b>Intergovernmental revenue (See supplemental section for detail)</b>				
331000	Federal grants				0.00
332000/333	Federal shared revenues				0.00
334000	State grants				0.00
335000/336	State shared revenues				0.00
337000	Local grants				0.00
338000	Local shared revenues				0.00
	<b>Charges for services</b>				
341000	General government				0.00
342000	Public safety				0.00
343000	Public works				0.00
344000	Public health				0.00
345000	Social/economic services				0.00
346000	Culture and recreation				0.00
	<b>Fines and forfeitures</b>				
351010	Justice court				0.00
351020	District court				0.00
351030	City court				0.00
360000	<b>Miscellaneous</b>	40,100.00	40,100.00	41,411.80	1,311.80
370000	<b>Investment and royalty earnings</b>	100.00	100.00	186.33	86.33
	<b>Total revenues</b>	40,200.00	40,200.00	41,598.13	1,398.13

**CITY OF COLUMBIA FALLS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FISCAL YEAR ENDED JUNE 30, 2015**

		FUND#2400			
		Special Lighting District			
		BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL	ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
	<b>EXPENDITURES</b>				
	<b>Current:</b>				
410000	<b>General Government:</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
420000	<b>Public Safety</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
430000	<b>Public Works</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc	58,430.00	58,430.00	37,187.70	21,242.30
440000	<b>Public Health</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
450000	<b>Social and Economic Services</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
460000	<b>Culture and Recreation</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
470000	<b>Housing and Community Development</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
480000	<b>Conservation of Natural Resources</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	<b>Capital expenditures</b>				0.00
490000	<b>Debt Service</b>				
610	Principal				0.00
620	Interest				0.00
510000	<b>Miscellaneous</b>				0.00
	<b>Total expenditures</b>	58,430.00	58,430.00	37,187.70	21,242.30
	<b>Excess of revenues over expenditures</b>	(18,230.00)	(18,230.00)	4,410.43	22,640.43
	<b>OTHER FINANCING SOURCES (USES)</b>				
381000	Bonds issued				0.00
381000	Discount on bonds issued				0.00
381050	Inception of capital lease				0.00
381070	Notes/loans/intercap issued				0.00
382010	Sale of assets				0.00
383000	Transfers In				0.00
520000	Transfers out (enter as a negative)				0.00
384000	Special items - revenue				0.00
385000	Extraordinary items - revenue				0.00
524000	Special items - expenditure (enter as negative)				0.00
525000	Extraordinary items - expenditure(enter as negative)				0.00
	<b>Total other financing sources (uses)</b>	0.00	0.00	0.00	0.00
	<b>Net change in fund balance</b>	(18,230.00)	(18,230.00)	4,410.43	22,640.43
	<b>Fund balances - July 1, 2014 as previously reported</b>			37,617.61	
	<b>Prior period adjustments</b>				
	<b>Fund balances - July 1, 2014 as restated</b>			37,617.61	
	<b>Fund balances - June 30, 2015</b>			42,028.04	

**CITY OF COLUMBIA FALLS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FISCAL YEAR ENDED JUNE 30, 2015**

		FUND#2700 Cedar Creek Trust			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
		BUDGETED AMOUNTS		ACTUAL AMOUNTS	
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL		
	<b>REVENUES</b>				
	<b>Taxes:</b>				
311000/312000	Property taxes				0.00
314140	Local option taxes				0.00
	<b>Licenses and permits</b>				
322010	Alcoholic beverage licenses				0.00
322020	General business licenses				0.00
323010	Building permits				0.00
323030	Animal licenses				0.00
323050	Other permits				0.00
	<b>Intergovernmental revenue (See supplemental section for detail)</b>				
331000	Federal grants				0.00
332000/333	Federal shared revenues				0.00
334000	State grants				0.00
335000/336	State shared revenues				0.00
337000	Local grants				0.00
338000	Local shared revenues				0.00
	<b>Charges for services</b>				
341000	General government				0.00
342000	Public safety				0.00
343000	Public works				0.00
344000	Public health				0.00
345000	Social/economic services				0.00
346000	Culture and recreation				0.00
	<b>Fines and forfeitures</b>				
351010	Justice court				0.00
351020	District court				0.00
351030	City court				0.00
360000	<b>Miscellaneous</b>				0.00
370000	<b>Investment and royalty earnings</b>	49,399.00	49,399.00	3,510.59	(45,888.41)
	<b>Total revenues</b>	49,399.00	49,399.00	3,510.59	(45,888.41)

**CITY OF COLUMBIA FALLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUNDS  
FISCAL YEAR ENDED JUNE 30, 2015**

		FUND#2700 Cedar Creek Trust			
		BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL	ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
	<b>EXPENDITURES</b>				
	<b>Current:</b>				
410000	<b>General Government:</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
420000	<b>Public Safety</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
430000	<b>Public Works</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
440000	<b>Public Health</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
450000	<b>Social and Economic Services</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
460000	<b>Culture and Recreation</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
470000	<b>Housing and Community Development</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
480000	<b>Conservation of Natural Resources</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	<b>Capital expenditures</b>	34,800.00	34,800.00	1,370.00	33,430.00
490000	<b>Debt Service</b>				
610	Principal				0.00
620	Interest				0.00
510000	<b>Miscellaneous</b>				0.00
	<b>Total expenditures</b>	34,800.00	34,800.00	1,370.00	33,430.00
	<b>Excess of revenues over expenditures</b>	14,599.00	14,599.00	2,140.59	(12,458.41)
	<b>OTHER FINANCING SOURCES (USES)</b>				
381000	Bonds issued				0.00
381000	Discount on bonds issued				0.00
381050	Inception of capital lease				0.00
381070	Notes/loans/intercap issued				0.00
382010	Sale of assets	54,200.00	54,200.00	54,214.59	14.59
383000	Transfers In				0.00
520000	Transfers out (enter as a negative)				0.00
384000	Special items - revenue				0.00
385000	Extraordinary items - revenue				0.00
524000	Special items - expenditure (enter as negative)				0.00
525000	Extraordinary items - expenditure(enter as negative)				0.00
	<b>Total other financing sources (uses)</b>	54,200.00	54,200.00	54,214.59	14.59
	<b>Net change in fund balance</b>	68,799.00	68,799.00	56,355.18	(12,443.82)
	<b>Fund balances - July 1, 2014 as previously reported</b>			733,084.08	
	<b>Prior period adjustments</b>				
	<b>Fund balances - July 1, 2014 as restated</b>			733,084.08	
	<b>Fund balances - June 30, 2015</b>			789,439.26	



**CITY OF COLUMBIA FALLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

		FUND#2820			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
		Gas Tax Fund			
ACCOUNT NUMBER	DESCRIPTION	BUDGETED AMOUNTS		ACTUAL AMOUNTS	
		ORIGINAL	FINAL		
<b>REVENUES</b>					
<b>Taxes:</b>					
311000/312000	Property taxes				0.00
314140	Local option taxes				0.00
<b>Licenses and permits</b>					
322010	Alcoholic beverage licenses				0.00
322020	General business licenses				0.00
323010	Building permits				0.00
323030	Animal licenses				0.00
323050	Other permits				0.00
<b>Intergovernmental revenue (See supplemental section for detail)</b>					
331000	Federal grants				0.00
332000/333	Federal shared revenues				0.00
334000	State grants				0.00
335000/336	State shared revenues	89,734.00	89,734.00	89,734.03	0.03
337000	Local grants				0.00
338000	Local shared revenues				0.00
<b>Charges for services</b>					
341000	General government				0.00
342000	Public safety				0.00
343000	Public works				0.00
344000	Public health				0.00
345000	Social/economic services				0.00
346000	Culture and recreation				0.00
<b>Fines and forfeitures</b>					
351010	Justice court				0.00
351020	District court				0.00
351030	City court				0.00
360000	<b>Miscellaneous</b>				0.00
370000	<b>Investment and royalty earnings</b>			316.23	316.23
<b>Total revenues</b>		89,734.00	89,734.00	90,050.26	316.26

**CITY OF COLUMBIA FALLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

		FUND#2820			
		Gas Tax Fund			
		BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL	ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
	<b>EXPENDITURES</b>				
	<b>Current:</b>				
410000	<b>General Government:</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
420000	<b>Public Safety</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
430000	<b>Public Works</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc	149,121.00	149,121.00	125,166.54	23,954.46
440000	<b>Public Health</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
450000	<b>Social and Economic Services</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
460000	<b>Culture and Recreation</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
470000	<b>Housing and Community Development</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
480000	<b>Conservation of Natural Resources</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	<b>Capital expenditures</b>	30,000.00	30,000.00	24,545.24	5,454.76
490000	<b>Debt Service</b>				
610	Principal				0.00
620	Interest				0.00
510000	<b>Miscellaneous</b>				0.00
	<b>Total expenditures</b>	179,121.00	179,121.00	149,711.78	29,409.22
	<b>Excess of revenues over expenditures</b>	(89,387.00)	(89,387.00)	(59,661.52)	29,725.48
	<b>OTHER FINANCING SOURCES (USES)</b>				
381000	Bonds issued				0.00
381000	Discount on bonds issued				0.00
381050	Inception of capital lease				0.00
381070	Notes/loans/intercap issued				0.00
382010	Sale of assets				0.00
383000	Transfers In				0.00
520000	Transfers out (enter as a negative)				0.00
384000	Special items - revenue				0.00
385000	Extraordinary items - revenue				0.00
524000	Special items - expenditure (enter as negative)				0.00
525000	Extraordinary items - expenditure(enter as negative)				0.00
	<b>Total other financing sources (uses)</b>	0.00	0.00	0.00	0.00
	<b>Net change in fund balance</b>	(89,387.00)	(89,387.00)	(59,661.52)	29,725.48
	<b>Fund balances - July 1, 2014 as previously reported</b>			89,386.89	
	<b>Prior period adjustments</b>				
	<b>Fund balances - July 1, 2014 as restated</b>			89,386.89	
	<b>Fund balances - June 30, 2015</b>			29,725.37	

**CITY OF COLUMBIA FALLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

		<b>FUND#2917</b>			
		<b>Crime Victims Assistance</b>			
		<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE</b>
<b>ACCOUNT</b>	<b>DESCRIPTION</b>	<b>ORIGINAL</b>	<b>FINAL</b>	<b>AMOUNTS</b>	<b>WITH FINAL</b>
<b>NUMBER</b>					<b>BUDGET</b>
					<b>POSITIVE</b>
					<b>(NEGATIVE)</b>
	<b>REVENUES</b>				
	<b>Taxes:</b>				
311000/312000	Property taxes				0.00
314140	Local option taxes				0.00
	<b>Licenses and permits</b>				
322010	Alcoholic beverage licenses				0.00
322020	General business licenses				0.00
323010	Building permits				0.00
323030	Animal licenses				0.00
323050	Other permits				0.00
	<b>Intergovernmental revenue (See supplemental section for detail)</b>				
331000	Federal grants				0.00
332000/333	Federal shared revenues				0.00
334000	State grants				0.00
335000/336	State shared revenues				0.00
337000	Local grants				0.00
338000	Local shared revenues				0.00
	<b>Charges for services</b>				
341000	General government				0.00
342000	Public safety				0.00
343000	Public works				0.00
344000	Public health				0.00
345000	Social/economic services				0.00
346000	Culture and recreation				0.00
	<b>Fines and forfeitures</b>				
351010	Justice court				0.00
351020	District court				0.00
351030	City court	5,000.00	5,000.00	4,116.00	(884.00)
360000	<b>Miscellaneous</b>				0.00
370000	<b>Investment and royalty earnings</b>				0.00
	<b>Total revenues</b>	5,000.00	5,000.00	4,116.00	(884.00)



**CITY OF COLUMBIA FALLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

		FUND#2940			
		CDBG Home Investment			
		BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL	ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
	<b>REVENUES</b>				
	<b>Taxes:</b>				
311000/312000	Property taxes				0.00
314140	Local option taxes				0.00
	<b>Licenses and permits</b>				
322010	Alcoholic beverage licenses				0.00
322020	General business licenses				0.00
323010	Building permits				0.00
323030	Animal licenses				0.00
323050	Other permits				0.00
	<b>Intergovernmental revenue (See supplemental section for detail)</b>				
331000	Federal grants	262,373.00	262,373.00	258,532.90	(3,840.10)
332000/333	Federal shared revenues				0.00
334000	State grants				0.00
335000/336	State shared revenues				0.00
337000	Local grants				0.00
338000	Local shared revenues				0.00
	<b>Charges for services</b>				
341000	General government				0.00
342000	Public safety				0.00
343000	Public works				0.00
344000	Public health				0.00
345000	Social/economic services				0.00
346000	Culture and recreation				0.00
	<b>Fines and forfeitures</b>				
351010	Justice court				0.00
351020	District court				0.00
351030	City court				0.00
360000	<b>Miscellaneous</b>			7,627.00	7,627.00
370000	<b>Investment and royalty earnings</b>				0.00
	<b>Total revenues</b>	262,373.00	262,373.00	266,159.90	3,786.90

**CITY OF COLUMBIA FALLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

		FUND#2940			
		CDBG Home Investment			
		BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL	ACTUAL AMOUNTS	
	<b>EXPENDITURES</b>				
	<b>Current:</b>				
410000	<b>General Government:</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
420000	<b>Public Safety</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
430000	<b>Public Works</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
440000	<b>Public Health</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
450000	<b>Social and Economic Services</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
460000	<b>Culture and Recreation</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
470000	<b>Housing and Community Development</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc	270,000.00	270,000.00	266,159.90	3,840.10
480000	<b>Conservation of Natural Resources</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	<b>Capital expenditures</b>				0.00
490000	<b>Debt Service</b>				
610	Principal				0.00
620	Interest				0.00
510000	<b>Miscellaneous</b>				0.00
	<b>Total expenditures</b>	270,000.00	270,000.00	266,159.90	3,840.10
	<b>Excess of revenues over expenditures</b>	(7,627.00)	(7,627.00)	0.00	7,627.00
	<b>OTHER FINANCING SOURCES (USES)</b>				
381000	Bonds issued				0.00
381000	Discount on bonds issued				0.00
381050	Inception of capital lease				0.00
381070	Notes/loans/intercap issued				0.00
382010	Sale of assets				0.00
383000	Transfers In				0.00
520000	Transfers out (enter as a negative)				0.00
384000	Special items - revenue				0.00
385000	Extraordinary items - revenue				0.00
524000	Special items - expenditure (enter as negative)				0.00
525000	Extraordinary items - expenditure(enter as negative)				0.00
	<b>Total other financing sources (uses)</b>	0.00	0.00	0.00	0.00
	<b>Net change in fund balance</b>	(7,627.00)	(7,627.00)	0.00	7,627.00
	<b>Fund balances - July 1, 2014 as previously reported</b>			7,627.00	
	<b>Prior period adjustments</b>				
	<b>Fund balances - July 1, 2014 as restated</b>			7,627.00	
	<b>Fund balances - June 30, 2015</b>			7,627.00	

**CITY OF COLUMBIA FALLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

		FUND#2942			
		CDBG EC Development Grant			
		BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
	<b>REVENUES</b>				
	<b>Taxes:</b>				
311000/312000	Property taxes				0.00
314140	Local option taxes				0.00
	<b>Licenses and permits</b>				
322010	Alcoholic beverage licenses				0.00
322020	General business licenses				0.00
323010	Building permits				0.00
323030	Animal licenses				0.00
323050	Other permits				0.00
	<b>Intergovernmental revenue (See supplemental section for detail)</b>				
331000	Federal grants	13,170.00	13,170.00	13,169.90	(0.10)
332000/333	Federal shared revenues				0.00
334000	State grants				0.00
335000/336	State shared revenues				0.00
337000	Local grants				0.00
338000	Local shared revenues				0.00
	<b>Charges for services</b>				
341000	General government				0.00
342000	Public safety				0.00
343000	Public works				0.00
344000	Public health				0.00
345000	Social/economic services				0.00
346000	Culture and recreation				0.00
	<b>Fines and forfeitures</b>				
351010	Justice court				0.00
351020	District court				0.00
351030	City court				0.00
360000	<b>Miscellaneous</b>				0.00
370000	<b>Investment and royalty earnings</b>				0.00
	<b>Total revenues</b>	13,170.00	13,170.00	13,169.90	(0.10)

**CITY OF COLUMBIA FALLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

		FUND#2942			
		CDBG EC Development Grant			
		BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL	ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
	<b>EXPENDITURES</b>				
	<b>Current:</b>				
410000	<b>General Government:</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
420000	<b>Public Safety</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
430000	<b>Public Works</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
440000	<b>Public Health</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
450000	<b>Social and Economic Services</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
460000	<b>Culture and Recreation</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
470000	<b>Housing and Community Development</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc	13,170.00	13,170.00	13,169.90	0.10
480000	<b>Conservation of Natural Resources</b>				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	<b>Capital expenditures</b>				0.00
490000	<b>Debt Service</b>				
610	Principal				0.00
620	Interest				0.00
510000	<b>Miscellaneous</b>				0.00
	<b>Total expenditures</b>	13,170.00	13,170.00	13,169.90	0.10
	<b>Excess of revenues over expenditures</b>	0.00	0.00	0.00	0.00
	<b>OTHER FINANCING SOURCES (USES)</b>				
381000	Bonds issued				0.00
381000	Discount on bonds issued				0.00
381050	Inception of capital lease				0.00
381070	Notes/loans/intercap issued				0.00
382010	Sale of assets				0.00
383000	Transfers In				0.00
520000	Transfers out (enter as a negative)				0.00
384000	Special items - revenue				0.00
385000	Extraordinary items - revenue				0.00
524000	Special items - expenditure (enter as negative)				0.00
525000	Extraordinary items - expenditure(enter as negative)				0.00
	<b>Total other financing sources (uses)</b>	0.00	0.00	0.00	0.00
	<b>Net change in fund balance</b>	0.00	0.00	0.00	0.00
	<b>Fund balances - July 1, 2014 as previously reported</b>				
	<b>Prior period adjustments</b>				
	<b>Fund balances - July 1, 2014 as restated</b>			0.00	
	<b>Fund balances - June 30, 2015</b>			0.00	



**CITY OF COLUMBIA FALLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

ACCOUNT NUMBER	DESCRIPTION	TOTALS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
		BUDGETED AMOUNTS		ACTUAL AMOUNTS	
		ORIGINAL	FINAL		
<b>REVENUES</b>					
<b>Taxes:</b>					
311000/312000	Property taxes	127,284.00	127,284.00	132,980.67	5,696.67
314140	Local option taxes	0.00	0.00	0.00	0.00
<b>Licenses and permits</b>					
322010	Alcoholic beverage licenses	0.00	0.00	0.00	0.00
322020	General business licenses	0.00	0.00	0.00	0.00
323010	Building permits	74,300.00	108,800.00	105,394.75	(3,405.25)
323030	Animal licenses	0.00	0.00	0.00	0.00
323050	Other permits	8,400.00	8,400.00	11,536.43	3,136.43
<b>Intergovernmental revenue (See supplemental section for detail)</b>					
331000	Federal grants	275,543.00	275,543.00	271,702.80	(3,840.20)
332000/333	Federal shared revenues	0.00	0.00	0.00	0.00
334000	State grants	0.00	0.00	0.00	0.00
335000/336	State shared revenues	90,900.00	90,900.00	91,615.95	715.95
337000	Local grants	0.00	0.00	0.00	0.00
338000	Local shared revenues	0.00	0.00	0.00	0.00
<b>Charges for services</b>					
341000	General government	0.00	0.00	0.00	0.00
342000	Public safety	0.00	0.00	0.00	0.00
343000	Public works	0.00	0.00	0.00	0.00
344000	Public health	0.00	0.00	0.00	0.00
345000	Social/economic services	0.00	0.00	0.00	0.00
346000	Culture and recreation	0.00	0.00	0.00	0.00
<b>Fines and forfeitures</b>					
351010	Justice court	0.00	0.00	0.00	0.00
351020	District court	0.00	0.00	0.00	0.00
351030	City court	5,000.00	5,000.00	4,116.00	(884.00)
360000	<b>Miscellaneous</b>	40,100.00	40,100.00	49,065.90	8,965.90
370000	<b>Investment and royalty earnings</b>	49,499.00	49,499.00	4,288.10	(45,210.90)
<b>Total revenues</b>		<b>671,026.00</b>	<b>705,526.00</b>	<b>670,700.60</b>	<b>(34,825.40)</b>

**CITY OF COLUMBIA FALLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

ACCOUNT NUMBER	DESCRIPTION	TOTALS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
		BUDGETED AMOUNTS		ACTUAL AMOUNTS	
		ORIGINAL	FINAL		
	<b>EXPENDITURES</b>				
	<b>Current:</b>				
410000	<b>General Government:</b>				
100	Personal services	0.00	0.00	0.00	0.00
200-800	Supplies/services/materials, etc	11,000.00	11,000.00	6,389.24	4,610.76
420000	<b>Public Safety</b>				
100	Personal services	15,827.00	15,827.00	16,119.30	(292.30)
200-800	Supplies/services/materials, etc	55,155.00	79,655.00	78,800.28	854.72
430000	<b>Public Works</b>				
100	Personal services	0.00	0.00	0.00	0.00
200-800	Supplies/services/materials, etc	207,551.00	207,551.00	162,354.24	45,196.76
440000	<b>Public Health</b>				
100	Personal services	0.00	0.00	0.00	0.00
200-800	Supplies/services/materials, etc	0.00	0.00	0.00	0.00
450000	<b>Social and Economic Services</b>				
100	Personal services	0.00	0.00	0.00	0.00
200-800	Supplies/services/materials, etc	0.00	0.00	0.00	0.00
460000	<b>Culture and Recreation</b>				
100	Personal services	0.00	0.00	0.00	0.00
200-800	Supplies/services/materials, etc	0.00	0.00	0.00	0.00
470000	<b>Housing and Community Development</b>				
100	Personal services	0.00	0.00	0.00	0.00
200-800	Supplies/services/materials, etc	283,170.00	283,170.00	279,329.80	3,840.20
480000	<b>Conservation of Natural Resources</b>				
100	Personal services	0.00	0.00	0.00	0.00
200-800	Supplies/services/materials, etc	0.00	0.00	0.00	0.00
900	<b>Capital expenditures</b>	64,800.00	64,800.00	25,915.24	38,884.76
490000	<b>Debt Service</b>				
610	Principal	0.00	0.00	0.00	0.00
620	Interest	0.00	0.00	0.00	0.00
510000	<b>Miscellaneous</b>	462.00	462.00	461.97	0.03
	<b>Total expenditures</b>	637,965.00	662,465.00	569,370.07	93,094.93
	<b>Excess of revenues over expenditures</b>	33,061.00	43,061.00	101,330.53	58,269.53
	<b>OTHER FINANCING SOURCES (USES)</b>				
381000	Bonds issued	0.00	0.00	0.00	0.00
381000	Discount on bonds issued	0.00	0.00	0.00	0.00
381050	Inception of capital lease	0.00	0.00	0.00	0.00
381070	Notes/loans/intercap issued	0.00	0.00	0.00	0.00
382010	Sale of assets	54,200.00	54,200.00	54,214.59	14.59
383000	Transfers In	0.00	0.00	0.00	0.00
520000	Transfers out (enter as a negative)	(122,730.00)	(122,730.00)	(125,667.82)	(2,937.82)
384000	Special items - revenue	0.00	0.00	0.00	0.00
385000	Extraordinary items - revenue	0.00	0.00	0.00	0.00
524000	Special items - expenditure (enter as negative)	0.00	0.00	0.00	0.00
525000	Extraordinary items - expenditure(enter as negative)	0.00	0.00	0.00	0.00
	<b>Total other financing sources (uses)</b>	(68,530.00)	(68,530.00)	(71,453.23)	(2,923.23)
	<b>Net change in fund balance</b>	(35,469.00)	(25,469.00)	29,877.30	55,346.30
	<b>Fund balances - July 1, 2014 as previously reported</b>			896,612.13	
	<b>Prior period adjustments</b>			0.00	
	<b>Fund balances - July 1, 2014 as restated</b>			896,612.13	
	<b>Fund balances - June 30, 2015</b>			926,489.43	

**CITY OF COLUMBIA FALLS  
COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
JUNE 30, 2015**

		FUND#3010 GO Bond Pool	FUND#3020 GO Street Improvements	FUND#3534 SID 34
ACCOUNT NUMBER	DESCRIPTION			
	<b>ASSETS</b>			
101000	Cash and cash equivalents			
103000	Petty cash			
101100	Investments			
102000	Cash and cash equivalents - restricted	19,526.58	37,545.10	
102300	Investments - restricted			
106000	Valuation of investments to fair value			
	Taxes receivable:			
111000	Mobiles			
113000	Real estate	1,185.85	1,336.94	
114000	Net proceeds			
115000	Personal	1,714.65	1,934.12	
116000	Protested			
118000	Special assessments			44,541.69
120000	Accounts/other receivables (net of allowance for uncollectibles)			
131000	Due from other funds			
132000	Due from other governments	7,237.55	8,163.88	995.12
133000	Advances to other funds			
140000	Prepaid expense			
150000	Inventories			
170000	Other debits			
	<b>Total Assets</b>	<b>29,664.63</b>	<b>48,980.04</b>	<b>45,536.81</b>
	<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
190000	Deferred Outflows of Resources			
19xxxx	Deferred Outflows of Resources			
	<b>Total Deferred Outflows of Resources</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>LIABILITIES</b>			
201000	Warrants payable			
202100	Accounts payable			
203100	Judgments payable			
204000	Contracts/loans/notes payable			
205200	Matured interest payable			
206100	Other accrued payables			
211000	Due to other funds			671.59
212000	Due to other governments			
214000	Deposits payable			
216000	Revenues collected in advance			
233000	Advances from other funds			
	<b>Total Liabilities</b>	<b>0.00</b>	<b>0.00</b>	<b>671.59</b>
	<b>DEFERRED INFLOWS OF RESOURCES</b>			
220000	Deferred Inflows of Resources			
223000	Deferred Inflows of Tax Revenues	2,900.50	3,271.06	44,541.69
	<b>Total Deferred Inflows of Resources</b>	<b>2,900.50</b>	<b>3,271.06</b>	<b>44,541.69</b>
	<b>FUND BALANCE</b>			
250100	Non-spendable			
250200	Restricted	26,764.13	45,708.98	323.53
260100	Committed			
260200	Assigned			
271000	Unassigned <i>(Negative balance only)</i>	0.00	0.00	0.00
	<b>Total Fund Balances</b>	<b>26,764.13</b>	<b>45,708.98</b>	<b>323.53</b>
	<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>29,664.63</b>	<b>48,980.04</b>	<b>45,536.81</b>
		-99-		

**CITY OF COLUMBIA FALLS  
COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
JUNE 30, 2015**

		FUND#3536 SID 36	NONMAJOR DEBT
ACCOUNT NUMBER	DESCRIPTION		SERVICE FUNDS
<b>ASSETS</b>			
101000	Cash and cash equivalents	76.89	76.89
103000	Petty cash		0.00
101100	Investments		0.00
102000	Cash and cash equivalents - restricted		57,071.68
102300	Investments - restricted		0.00
106000	Valuation of investments to fair value		0.00
	Taxes receivable:		
111000	Mobiles		0.00
113000	Real estate		2,522.79
114000	Net proceeds		0.00
115000	Personal		3,648.77
116000	Protested		0.00
118000	Special assessments	29,828.68	74,370.37
120000	Accounts/other receivables (net of allowance for uncollectibles)		0.00
131000	Due from other funds		0.00
132000	Due from other governments	1,215.99	17,612.54
133000	Advances to other funds		0.00
140000	Prepaid expense		0.00
150000	Inventories		0.00
170000	Other debits		0.00
	<b>Total Assets</b>	<b>31,121.56</b>	<b>155,303.04</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
190000	Deferred Outflows of Resources		0.00
19xxxx	Deferred Outflows of Resources		0.00
	<b>Total Deferred Outflows of Resources</b>	<b>0.00</b>	<b>0.00</b>
<b>LIABILITIES</b>			
201000	Warrants payable		0.00
202100	Accounts payable		0.00
203100	Judgments payable		0.00
204000	Contracts/loans/notes payable		0.00
205200	Matured interest payable		0.00
206100	Other accrued payables		0.00
211000	Due to other funds		671.59
212000	Due to other governments		0.00
214000	Deposits payable		0.00
216000	Revenues collected in advance		0.00
233000	Advances from other funds		0.00
	<b>Total Liabilities</b>	<b>0.00</b>	<b>671.59</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
220000	Deferred Inflows of Resources		0.00
223000	Deferred Inflows of Tax Revenues	29,828.68	80,541.93
	<b>Total Deferred Inflows of Resources</b>	<b>29,828.68</b>	<b>80,541.93</b>
<b>FUND BALANCE</b>			
250100	Non-spendable		0.00
250200	Restricted	1,292.88	74,089.52
260100	Committed		0.00
260200	Assigned		0.00
271000	Unassigned (Negative balance only)	0.00	0.00
	<b>Total Fund Balances</b>	<b>1,292.88</b>	<b>74,089.52</b>
	<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>31,121.56</b>	<b>155,303.04</b>
		<b>-100-</b>	

**CITY OF COLUMBIA FALLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NONMAJOR DEBT SERVICE FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

		FUND#3010			
		GO Bond Pool			
		BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL	ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
	<b>REVENUES</b>				
	<b>Taxes:</b>				
311000/312000	Property taxes	69,535.00	69,535.00	74,593.10	5,058.10
314140	Local option taxes				0.00
	<b>Licenses and permits</b>				0.00
					0.00
	<b>Intergovernmental revenue (See supplemental section for detail)</b>				
331000	Federal grants				0.00
332000/333	Federal shared revenues				0.00
334000	State grants				
335000/336	State shared revenues				0.00
	<b>Charges for services</b>				
340000	Miscellaneous				0.00
	<b>Fines and forfeitures</b>				0.00
					0.00
360000	Miscellaneous				0.00
370000	Investment and royalty earnings	150.00	150.00	210.69	60.69
	<b>Total revenues</b>	69,685.00	69,685.00	74,803.79	5,118.79
	<b>EXPENDITURES</b>				
490000	<b>Debt Service</b>				
610	Principal	55,000.00	55,000.00	55,000.00	0.00
620	Interest	14,335.00	14,335.00	14,335.00	0.00
510000	Miscellaneous	350.00	350.00	350.00	0.00
	<b>Total expenditures</b>	69,685.00	69,685.00	69,685.00	0.00
	<b>Excess of revenues over (under) expenditures</b>	0.00	0.00	5,118.79	5,118.79
	<b>OTHER FINANCING SOURCES (USES)</b>				
382010	Sale of assets				0.00
383000	Transfers In				0.00
520000	Transfers out (enter as negative)				0.00
384000	Special items - revenue				0.00
385000	Extraordinary items - revenue				0.00
524000	Special items - expenditure (enter as negative)				0.00
525000	Extraordinary items - expenditure(enter as negative)				0.00
	<b>Total other financing sources (uses)</b>	0.00	0.00	0.00	0.00
	<b>Net change in fund balance</b>	0.00	0.00	5,118.79	5,118.79
	<b>Fund balances - July 1, 2014 as previously reported</b>			21,645.34	
	<b>Prior period adjustments</b>				
	<b>Fund balances - July 1, 2014 as restated</b>			21,645.34	
	<b>Fund balances - June 30, 2015</b>			26,764.13	

**CITY OF COLUMBIA FALLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NONMAJOR DEBT SERVICE FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

		FUND#3020			
		GO Street Improvements			VARIANCE
		BUDGETED AMOUNTS			WITH FINAL
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL	ACTUAL AMOUNTS	BUDGET POSITIVE (NEGATIVE)
	<b>REVENUES</b>				
	<b>Taxes:</b>				
311000/312000	Property taxes	78,466.00	78,466.00	84,077.59	5,611.59
314140	Local option taxes				0.00
	<b>Licenses and permits</b>				0.00
					0.00
	<b>Intergovernmental revenue (See supplemental section for detail)</b>				
331000	Federal grants				0.00
332000/333	Federal shared revenues				0.00
334000	State grants				
335000/336	State shared revenues				0.00
	<b>Charges for services</b>				
340000	Miscellaneous				0.00
	<b>Fines and forfeitures</b>				0.00
360000	Miscellaneous				0.00
370000	Investment and royalty earnings	150.00	150.00	187.60	37.60
	<b>Total revenues</b>	78,616.00	78,616.00	84,265.19	5,649.19
	<b>EXPENDITURES</b>				
490000	<b>Debt Service</b>				
610	Principal	75,914.00	75,914.00	75,913.61	0.39
620	Interest	4,203.00	4,203.00	4,202.51	0.49
510000	<b>Miscellaneous</b>				0.00
	<b>Total expenditures</b>	80,117.00	80,117.00	80,116.12	0.88
	<b>Excess of revenues over (under) expenditures</b>	(1,501.00)	(1,501.00)	4,149.07	5,650.07
	<b>OTHER FINANCING SOURCES (USES)</b>				
382010	Sale of assets				0.00
383000	Transfers In				0.00
520000	Transfers out (enter as negative)				0.00
384000	Special items - revenue				0.00
385000	Extraordinary items - revenue				0.00
524000	Special items - expenditure (enter as negative)				0.00
525000	Extraordinary items - expenditure (enter as negative)				0.00
	<b>Total other financing sources (uses)</b>	0.00	0.00	0.00	0.00
	<b>Net change in fund balance</b>	(1,501.00)	(1,501.00)	4,149.07	5,650.07
	<b>Fund balances - July 1, 2014 as previously reported</b>			41,559.91	
	<b>Prior period adjustments</b>				
	<b>Fund balances - July 1, 2014 as restated</b>			41,559.91	
	<b>Fund balances - June 30, 2015</b>			45,708.98	

**CITY OF COLUMBIA FALLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NONMAJOR DEBT SERVICE FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

		FUND#3534			
		SID 34			
		BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL	ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
	<b>REVENUES</b>				
	<b>Taxes:</b>				
311000/312000	Property taxes				0.00
314140	Local option taxes				0.00
	<b>Licenses and permits</b>				
					0.00
					0.00
	<b>Intergovernmental revenue (See supplemental section for detail)</b>				
331000	Federal grants				0.00
332000/333	Federal shared revenues				0.00
334000	State grants				
335000/336	State shared revenues				0.00
	<b>Charges for services</b>				
340000	Miscellaneous				0.00
	<b>Fines and forfeitures</b>				
					0.00
360000	<b>Miscellaneous</b>	5,715.00	5,715.00	5,866.12	151.12
370000	<b>Investment and royalty earnings</b>			14.45	14.45
	<b>Total revenues</b>	5,715.00	5,715.00	5,880.57	165.57
	<b>EXPENDITURES</b>				
490000	<b>Debt Service</b>				
610	Principal	3,430.00	3,430.00	3,429.80	0.20
620	Interest	2,285.00	2,285.00	2,284.44	0.56
510000	<b>Miscellaneous</b>				0.00
	<b>Total expenditures</b>	5,715.00	5,715.00	5,714.24	0.76
	<b>Excess of revenues over (under) expenditures</b>	0.00	0.00	166.33	166.33
	<b>OTHER FINANCING SOURCES (USES)</b>				
382010	Sale of assets				0.00
383000	Transfers In				0.00
520000	Transfers out (enter as negative)				0.00
384000	Special items - revenue				0.00
385000	Extraordinary items - revenue				0.00
524000	Special items - expenditure (enter as negative)				0.00
525000	Extraordinary items - expenditure (enter as negative)				0.00
	<b>Total other financing sources (uses)</b>	0.00	0.00	0.00	0.00
	<b>Net change in fund balance</b>	0.00	0.00	166.33	166.33
	<b>Fund balances - July 1, 2014 as previously reported</b>			157.20	
	<b>Prior period adjustments</b>				
	<b>Fund balances - July 1, 2014 as restated</b>			157.20	
	<b>Fund balances - June 30, 2015</b>			323.53	

**CITY OF COLUMBIA FALLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NONMAJOR DEBT SERVICE FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

		FUND#3636 SID 36			
		BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL		
	<b>REVENUES</b>				
	<b>Taxes:</b>				
311000/312000	Property taxes				0.00
314140	Local option taxes				0.00
	<b>Licenses and permits</b>				
					0.00
					0.00
	<b>Intergovernmental revenue (See supplemental section for detail)</b>				
331000	Federal grants				0.00
332000/333	Federal shared revenues				0.00
334000	State grants				
335000/336	State shared revenues				0.00
	<b>Charges for services</b>				
340000	Miscellaneous				0.00
	<b>Fines and forfeitures</b>				
					0.00
360000	Miscellaneous	3,801.00	3,801.00	4,027.64	226.64
370000	Investment and royalty earnings			13.49	13.49
	<b>Total revenues</b>	3,801.00	3,801.00	4,041.13	240.13
	<b>EXPENDITURES</b>				
490000	<b>Debt Service</b>				
610	Principal	2,282.00	2,282.00	2,281.16	0.84
620	Interest	1,520.00	1,520.00	1,519.42	0.58
510000	Miscellaneous				0.00
	<b>Total expenditures</b>	3,802.00	3,802.00	3,800.58	1.42
	<b>Excess of revenues over (under) expenditures</b>	(1.00)	(1.00)	240.55	241.55
	<b>OTHER FINANCING SOURCES (USES)</b>				
382010	Sale of assets				0.00
383000	Transfers In				0.00
520000	Transfers out (enter as negative)				0.00
384000	Special items - revenue				0.00
385000	Extraordinary items - revenue				0.00
524000	Special items - expenditure (enter as negative)				0.00
525000	Extraordinary items - expenditure (enter as negative)				0.00
	<b>Total other financing sources (uses)</b>	0.00	0.00	0.00	0.00
	<b>Net change in fund balance</b>	(1.00)	(1.00)	240.55	241.55
	<b>Fund balances - July 1, 2014 as previously reported</b>			1,052.33	
	<b>Prior period adjustments</b>				
	<b>Fund balances - July 1, 2014 as restated</b>			1,052.33	
	<b>Fund balances - June 30, 2015</b>			1,292.88	



**CITY OF COLUMBIA FALLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NONMAJOR DEBT SERVICE FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

ACCOUNT NUMBER	DESCRIPTION	TOTALS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
		BUDGETED AMOUNTS		ACTUAL AMOUNTS	
		ORIGINAL	FINAL		
	<b>REVENUES</b>				
	<b>Taxes:</b>				
311000/312000	Property taxes	148,001.00	148,001.00	158,670.69	10,669.69
314140	Local option taxes	0.00	0.00	0.00	0.00
	<b>Licenses and permits</b>				
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
	<b>Intergovernmental revenue (See supplemental section for detail)</b>				
331000	Federal grants	0.00	0.00	0.00	0.00
332000/333	Federal shared revenues	0.00	0.00	0.00	0.00
334000	State grants	0.00	0.00	0.00	0.00
335000/336	State shared revenues	0.00	0.00	0.00	0.00
	<b>Charges for services</b>				
340000	Miscellaneous	0.00	0.00	0.00	0.00
	<b>Fines and forfeitures</b>				
		0.00	0.00	0.00	0.00
360000	Miscellaneous	9,516.00	9,516.00	9,893.76	377.76
370000	Investment and royalty earnings	300.00	300.00	426.23	126.23
	<b>Total revenues</b>	<b>157,817.00</b>	<b>157,817.00</b>	<b>168,990.68</b>	<b>11,173.68</b>
	<b>EXPENDITURES</b>				
490000	<b>Debt Service</b>				
610	Principal	136,626.00	136,626.00	136,624.57	1.43
620	Interest	22,343.00	22,343.00	22,341.37	1.63
510000	Miscellaneous	350.00	350.00	350.00	0.00
	<b>Total expenditures</b>	<b>159,319.00</b>	<b>159,319.00</b>	<b>159,315.94</b>	<b>3.06</b>
	<b>Excess of revenues over (under) expenditures</b>	<b>(1,502.00)</b>	<b>(1,502.00)</b>	<b>9,674.74</b>	<b>11,176.74</b>
	<b>OTHER FINANCING SOURCES (USES)</b>				
382010	Sale of assets	0.00	0.00	0.00	0.00
383000	Transfers In	0.00	0.00	0.00	0.00
520000	Transfers out (enter as negative)	0.00	0.00	0.00	0.00
384000	Special items - revenue	0.00	0.00	0.00	0.00
385000	Extraordinary items - revenue	0.00	0.00	0.00	0.00
524000	Special items - expenditure (enter as negative)	0.00	0.00	0.00	0.00
525000	Extraordinary items - expenditure (enter as negative)	0.00	0.00	0.00	0.00
	<b>Total other financing sources (uses)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>Net change in fund balance</b>	<b>(1,502.00)</b>	<b>(1,502.00)</b>	<b>9,674.74</b>	<b>11,176.74</b>
	<b>Fund balances - July 1, 2014 as previously reported</b>			<b>64,414.78</b>	
	<b>Prior period adjustments</b>			<b>0.00</b>	
	<b>Fund balances - July 1, 2014 as restated</b>			<b>64,414.78</b>	
	<b>Fund balances - June 30, 2015</b>			<b>74,089.52</b>	

**CITY OF COLUMBIA FALLS  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2015**

ACCOUNT NUMBER	DESCRIPTION	FUND#4000 Building Improvements	FUND#4010 Parks Improvements	FUND#4020 General Equipment	FUND#4040 Street Construction
	<b>ASSETS</b>				
101000	Cash and cash equivalents	35,177.27	1,498.73	53,343.65	218,946.32
103000	Petty cash				
101100	Investments				
102000	Cash and cash equivalents - restricted	18,364.00	385,387.00	139,067.00	
102300	Investments - restricted				
106000	Valuation of investments to fair value				
	Taxes receivable:				
111000	Mobiles				
113000	Real estate				
114000	Net proceeds				
115000	Personal				
116000	Protested				
118000	Special assessments				
120000	Accounts/other receivables (net of allowance for uncollectibles)				
131000	Due from other funds				
132000	Due from other governments				
133000	Advances to other funds				
140000	Prepaid expense				
150000	Inventories				
170000	Other debits				
	<b>TOTAL ASSETS</b>	53,541.27	386,885.73	192,410.65	218,946.32
	<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
190000	Deferred Outflows of Resources				
19xxxx	Deferred Outflows of Resources				
	<b>Total Deferred Outflows of Resources</b>	0.00	0.00	0.00	0.00
	<b>LIABILITIES</b>				
201000	Warrants payable				
202100	Accounts payable				
203100	Judgments payable				
204000	Contracts/loans/notes payable				
205200	Matured interest payable				
206100	Other accrued payables				
211000	Due to other funds				
212000	Due to other funds/governments				
214000	Deposits payable				
216000	Revenues collected in advance				
233000	Advances from other funds				
	<b>TOTAL LIABILITIES</b>	0.00	0.00	0.00	0.00
	<b>DEFERRED INFLOWS OF RESOURCES</b>				
220000	Deferred Inflows of Resources				
223000	Deferred Inflows of Tax Revenues				
	<b>Total Deferred Inflows of Resources</b>	0.00	0.00	0.00	0.00
	<b>FUND BALANCE</b>				
250100	Non-spendable				
250200	Restricted		122,189.00		
260100	Committed	53,541.27	264,696.73	192,410.65	218,946.32
260200	Assigned				
271000	Unassigned (Negative balance only)				
	<b>Total Fund Balances</b>	53,541.27	386,885.73	192,410.65	218,946.32
	<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	53,541.27	386,885.73	192,410.65	218,946.32
			-106-		

**CITY OF COLUMBIA FALLS  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2015**

ACCOUNT NUMBER	DESCRIPTION	NONMAJOR CAPITAL PROJECTS FUNDS
<b>ASSETS</b>		
101000	Cash and cash equivalents	308,965.97
103000	Petty cash	0.00
101100	Investments	0.00
102000	Cash and cash equivalents - restricted	542,818.00
102300	Investments - restricted	0.00
106000	Valuation of investments to fair value	0.00
Taxes receivable:		
111000	Mobiles	0.00
113000	Real estate	0.00
114000	Net proceeds	0.00
115000	Personal	0.00
116000	Protested	0.00
118000	Special assessments	0.00
120000	Accounts/other receivables (net of allowance for uncollectibles)	0.00
131000	Due from other funds	0.00
132000	Due from other governments	0.00
133000	Advances to other funds	0.00
140000	Prepaid expense	0.00
150000	Inventories	0.00
170000	Other debits	0.00
<b>TOTAL ASSETS</b>		<b>851,783.97</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
190000	Deferred Outflows of Resources	0.00
19xxxx	Deferred Outflows of Resources	0.00
<b>Total Deferred Outflows of Resources</b>		<b>0.00</b>
<b>LIABILITIES</b>		
201000	Warrants payable	0.00
202100	Accounts payable	0.00
203100	Judgments payable	0.00
204000	Contracts/loans/notes payable	0.00
205200	Matured interest payable	0.00
206100	Other accrued payables	0.00
211000	Due to other funds	0.00
212000	Due to other funds/governments	0.00
214000	Deposits payable	0.00
216000	Revenues collected in advance	0.00
233000	Advances from other funds	0.00
<b>TOTAL LIABILITIES</b>		<b>0.00</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
220000	Deferred Inflows of Resources	0.00
223000	Deferred Inflows of Tax Revenues	0.00
<b>Total Deferred Inflows of Resources</b>		<b>0.00</b>
<b>FUND BALANCE</b>		
250100	Non-spendable	0.00
250200	Restricted	122,189.00
260100	Committed	729,594.97
260200	Assigned	0.00
271000	Unassigned <i>(Negative balance only)</i>	0.00
<b>Total Fund Balances</b>		<b>851,783.97</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>		<b>851,783.97</b>

**CITY OF COLUMBIA FALLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

		FUND#4000			
		Building Improvements			
		BUDGETED AMOUNTS		ACTUAL	VARIANCE
ACCOUNT	DESCRIPTION	ORIGINAL	FINAL	AMOUNTS	WITH FINAL
NUMBER					BUDGET
					POSITIVE
					(NEGATIVE)
	<b>REVENUES</b>				
	<b>Taxes:</b>				
311000/312000	Property taxes				0.00
314140	Local option taxes				0.00
	<b>Intergovernmental revenue (See supplemental section for detail)</b>				
331000	Federal grants				0.00
					0.00
332000	Federal shared revenues				0.00
334000	State grants				0.00
					0.00
335000	State shared revenues				0.00
	<b>Charges for services</b>				
341010	Miscellaneous collections				0.00
341070	Planning fees				0.00
343000	Public works charges				0.00
360000	<b>Miscellaneous</b>				
361000	Rents and leases				0.00
362000	Other miscellaneous revenue				0.00
365000	Contributions/donations				0.00
370000	<b>Investment and royalty earnings</b>	100.00	100.00	277.58	177.58
	<b>Total revenues</b>	100.00	100.00	277.58	177.58
	<b>EXPENDITURES</b>				
510000	<b>Miscellaneous</b>				0.00
900-950	<b>Capital expenditures</b>	35,000.00	35,000.00	0.00	35,000.00
	<b>Total expenditures</b>	35,000.00	35,000.00	0.00	35,000.00
	<b>Excess of revenues over (under) expenditures</b>	(34,900.00)	(34,900.00)	277.58	35,177.58
	<b>OTHER FINANCING SOURCES (USES)</b>				
381000	Bonds issued				0.00
381000	Discount on bonds issued				0.00
381070	Notes/loans/intercap issued				0.00
382010	Sale of assets				0.00
383000	Transfers In				0.00
520000	Transfers out (enter as negative)				0.00
384000	Special items - revenue				0.00
385000	Extraordinary items - revenue				0.00
524000	Special items - expenditure (enter as negative)				0.00
525000	Extraordinary items - expenditure (enter as negative)				0.00
	<b>Total other financing sources (uses)</b>	0.00	0.00	0.00	0.00
	<b>Net change in fund balance</b>	(34,900.00)	(34,900.00)	277.58	35,177.58
	<b>Fund balances - July 1, 2014 as previously reported</b>			53,263.69	
	<b>Prior period adjustments</b>				
	<b>Fund balances - July 1, 2014 as restated</b>			53,263.69	
	<b>Fund balances - June 30, 2015</b>			53,541.27	

**CITY OF COLUMBIA FALLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

		FUND#4010			
		Parks Improvements			
		BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL	AMOUNTS	POSITIVE (NEGATIVE)
	<b>REVENUES</b>				
	<b>Taxes:</b>				
311000/312000	Property taxes				0.00
314140	Local option taxes				0.00
	<b>Intergovernmental revenue (See supplemental section for detail)</b>				
331000	Federal grants				0.00
					0.00
332000	Federal shared revenues				0.00
334000	State grants				0.00
					0.00
335000	State shared revenues				0.00
	<b>Charges for services</b>				
341010	Miscellaneous collections				0.00
341070	Planning fees				0.00
343000	Public works charges				0.00
360000	<b>Miscellaneous</b>				
361000	Rents and leases				0.00
362000	Other miscellaneous revenue				0.00
365000	Contributions/donations			2,000.00	2,000.00
370000	<b>Investment and royalty earnings</b>	1,000.00	1,000.00	2,073.91	1,073.91
	<b>Total revenues</b>	1,000.00	1,000.00	4,073.91	3,073.91
	<b>EXPENDITURES</b>				
510000	<b>Miscellaneous</b>				0.00
900-950	<b>Capital expenditures</b>	0.00	16,576.00	16,575.26	0.74
	<b>Total expenditures</b>	0.00	16,576.00	16,575.26	0.74
	<b>Excess of revenues over (under) expenditures</b>	1,000.00	(15,576.00)	(12,501.35)	3,074.65
	<b>OTHER FINANCING SOURCES (USES)</b>				
381000	Bonds issued				0.00
381000	Discount on bonds issued				0.00
381070	Notes/loans/intercap issued				0.00
382010	Sale of assets				0.00
383000	Transfers In				0.00
520000	Transfers out (enter as negative)				0.00
384000	Special items - revenue				0.00
385000	Extraordinary items - revenue				0.00
524000	Special items - expenditure (enter as negative)				0.00
525000	Extraordinary items - expenditure(enter as negative)				0.00
	<b>Total other financing sources (uses)</b>	0.00	0.00	0.00	0.00
	<b>Net change in fund balance</b>	1,000.00	(15,576.00)	(12,501.35)	3,074.65
	<b>Fund balances - July 1, 2014 as previously reported</b>			399,387.08	
	<b>Prior period adjustments</b>				
	<b>Fund balances - July 1, 2014 as restated</b>			399,387.08	
	<b>Fund balances - June 30, 2015</b>			386,885.73	

**CITY OF COLUMBIA FALLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

		FUND#4020			
		General Equipment			
		BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL	ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
	<b>REVENUES</b>				
	<b>Taxes:</b>				
311000/312000	Property taxes				0.00
314140	Local option taxes				0.00
	<b>Intergovernmental revenue (See supplemental section for detail)</b>				
331000	Federal grants				0.00
					0.00
332000	Federal shared revenues				0.00
334000	State grants				0.00
					0.00
335000	State shared revenues				0.00
	<b>Charges for services</b>				
341010	Miscellaneous collections				0.00
341070	Planning fees				0.00
343000	Public works charges				0.00
	<b>Miscellaneous</b>				
361000	Rents and leases				0.00
362000	Other miscellaneous revenue				0.00
365000	Contributions/donations	31,100.00	31,100.00	61,782.59	30,682.59
370000	<b>Investment and royalty earnings</b>			972.09	972.09
	<b>Total revenues</b>	31,100.00	31,100.00	62,754.68	31,654.68
	<b>EXPENDITURES</b>				
510000	<b>Miscellaneous</b>				0.00
900-950	<b>Capital expenditures</b>	105,100.00	105,100.00	84,911.01	20,188.99
	<b>Total expenditures</b>	105,100.00	105,100.00	84,911.01	20,188.99
	<b>Excess of revenues over (under) expenditures</b>	(74,000.00)	(74,000.00)	(22,156.33)	51,843.67
	<b>OTHER FINANCING SOURCES (USES)</b>				
381000	Bonds issued				0.00
381000	Discount on bonds issued				0.00
381070	Notes/loans/intercap issued				0.00
382010	Sale of assets			1,500.00	1,500.00
383000	Transfers In				0.00
520000	Transfers out (enter as negative)				0.00
384000	Special items - revenue				0.00
385000	Extraordinary items - revenue				0.00
524000	Special items - expenditure (enter as negative)				0.00
525000	Extraordinary items - expenditure (enter as negative)				0.00
	<b>Total other financing sources (uses)</b>	0.00	0.00	1,500.00	1,500.00
	<b>Net change in fund balance</b>	(74,000.00)	(74,000.00)	(20,656.33)	53,343.67
	<b>Fund balances - July 1, 2014 as previously reported</b>			213,066.98	
	<b>Prior period adjustments</b>				
	<b>Fund balances - July 1, 2014 as restated</b>			213,066.98	
	<b>Fund balances - June 30, 2015</b>			192,410.65	

**CITY OF COLUMBIA FALLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

		<b>FUND#4040</b>			
		<b>Street Construction</b>			
		<b>BUDGETED AMOUNTS</b>			<b>VARIANCE WITH FINAL BUDGET</b>
<b>ACCOUNT NUMBER</b>	<b>DESCRIPTION</b>	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL AMOUNTS</b>	<b>POSITIVE (NEGATIVE)</b>
	<b>REVENUES</b>				
	<b>Taxes:</b>				
311000/312000	Property taxes				0.00
314140	Local option taxes				0.00
	<b>Intergovernmental revenue (See supplemental section for detail)</b>				
331000	Federal grants				0.00
					0.00
332000	Federal shared revenues				0.00
334000	State grants				0.00
					0.00
335000	State shared revenues				0.00
	<b>Charges for services</b>				
341010	Miscellaneous collections				0.00
341070	Planning fees				0.00
343000	Public works charges				0.00
360000	<b>Miscellaneous</b>				
361000	Rents and leases				0.00
362000	Other miscellaneous revenue				0.00
365000	Contributions/donations				0.00
370000	<b>Investment and royalty earnings</b>	100.00	100.00	720.39	620.39
	<b>Total revenues</b>	100.00	100.00	720.39	620.39
	<b>EXPENDITURES</b>				
510000	<b>Miscellaneous</b>				0.00
900-950	<b>Capital expenditures</b>	218,326.00	218,326.00	0.00	218,326.00
	<b>Total expenditures</b>	218,326.00	218,326.00	0.00	218,326.00
	<b>Excess of revenues over (under) expenditures</b>	(218,226.00)	(218,226.00)	720.39	218,946.39
	<b>OTHER FINANCING SOURCES (USES)</b>				
381000	Bonds issued				0.00
381000	Discount on bonds issued				0.00
381070	Notes/loans/intercap issued				0.00
382010	Sale of assets				0.00
383000	Transfers In	122,814.00	122,814.00	122,814.00	0.00
520000	Transfers out (enter as negative)				0.00
384000	Special items - revenue				0.00
385000	Extraordinary items - revenue				0.00
524000	Special items - expenditure (enter as negative)				0.00
525000	Extraordinary items - expenditure(enter as negative)				0.00
	<b>Total other financing sources (uses)</b>	122,814.00	122,814.00	122,814.00	0.00
	<b>Net change in fund balance</b>	(95,412.00)	(95,412.00)	123,534.39	218,946.39
	<b>Fund balances - July 1, 2014 as previously reported</b>			95,411.93	
	<b>Prior period adjustments</b>				
	<b>Fund balances - July 1, 2014 as restated</b>			95,411.93	
	<b>Fund balances - June 30, 2015</b>			218,946.32	

**CITY OF COLUMBIA FALLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

ACCOUNT NUMBER	DESCRIPTION	TOTALS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
		BUDGETED AMOUNTS		ACTUAL AMOUNTS	
		ORIGINAL	FINAL		
	<b>REVENUES</b>				
	<b>Taxes:</b>				
311000/312000	Property taxes	0.00	0.00	0.00	0.00
314140	Local option taxes	0.00	0.00	0.00	0.00
	<b>Intergovernmental revenue (See supplemental section for detail)</b>				
331000	Federal grants	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
332000	Federal shared revenues	0.00	0.00	0.00	0.00
334000	State grants	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
335000	State shared revenues	0.00	0.00	0.00	0.00
	<b>Charges for services</b>				
341010	Miscellaneous collections	0.00	0.00	0.00	0.00
341070	Planning fees	0.00	0.00	0.00	0.00
343000	Public works charges	0.00	0.00	0.00	0.00
360000	<b>Miscellaneous</b>				
361000	Rents and leases	0.00	0.00	0.00	0.00
362000	Other miscellaneous revenue	0.00	0.00	0.00	0.00
365000	Contributions/donations	31,100.00	31,100.00	63,782.59	32,682.59
370000	<b>Investment and royalty earnings</b>	1,200.00	1,200.00	4,043.97	2,843.97
	<b>Total revenues</b>	<b>32,300.00</b>	<b>32,300.00</b>	<b>67,826.56</b>	<b>35,526.56</b>
	<b>EXPENDITURES</b>				
510000	<b>Miscellaneous</b>	0.00	0.00	0.00	0.00
900-950	<b>Capital expenditures</b>	358,426.00	375,002.00	101,486.27	273,515.73
	<b>Total expenditures</b>	<b>358,426.00</b>	<b>375,002.00</b>	<b>101,486.27</b>	<b>273,515.73</b>
	<b>Excess of revenues over (under) expenditures</b>	<b>(326,126.00)</b>	<b>(342,702.00)</b>	<b>(33,659.71)</b>	<b>309,042.29</b>
	<b>OTHER FINANCING SOURCES (USES)</b>				
381000	Bonds issued	0.00	0.00	0.00	0.00
381000	Discount on bonds issued	0.00	0.00	0.00	0.00
381070	Notes/loans/intercap issued	0.00	0.00	0.00	0.00
382010	Sale of assets	0.00	0.00	1,500.00	1,500.00
383000	Transfers In	122,814.00	122,814.00	122,814.00	0.00
520000	Transfers out (enter as negative)	0.00	0.00	0.00	0.00
384000	Special items - revenue	0.00	0.00	0.00	0.00
385000	Extraordinary items - revenue	0.00	0.00	0.00	0.00
524000	Special items - expenditure (enter as negative)	0.00	0.00	0.00	0.00
525000	Extraordinary items - expenditure(enter as negative)	0.00	0.00	0.00	0.00
	<b>Total other financing sources (uses)</b>	<b>122,814.00</b>	<b>122,814.00</b>	<b>124,314.00</b>	<b>1,500.00</b>
	<b>Net change in fund balance</b>	<b>(203,312.00)</b>	<b>(219,888.00)</b>	<b>90,654.29</b>	<b>310,542.29</b>
	<b>Fund balances - July 1, 2014 as previously reported</b>			<b>761,129.68</b>	
	<b>Prior period adjustments</b>			<b>0.00</b>	
	<b>Fund balances - July 1, 2014 as restated</b>			<b>761,129.68</b>	
	<b>Fund balances - June 30, 2015</b>			<b>851,783.97</b>	



**CITY OF COLUMBIA FALLS  
STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
FISCAL YEAR ENDING JUNE 30, 2015**

Account Number	Description	NonMajor Enterprise Funds		Totals
		FUND #5211	FUND #5311	
		Water Capital	Sewer Capital	
<b>ASSETS</b>				
<b>Current Assets</b>				
101000	Cash and cash equivalents			0.00
103000	Petty cash			0.00
101100	Investments (at fair value)			0.00
110000	Tax/assessment receivable (net of allowance for uncollectibles)			0.00
120000	Accounts/other receivables (net of allowance for uncollectibles)	6,955.78	9,469.88	16,425.66
131000	Due from other funds			0.00
132000	Due from other governments			0.00
141000	Prepaid expense			0.00
150000	Inventories			0.00
	<b>Total Current Assets</b>	<b>6,955.78</b>	<b>9,469.88</b>	<b>16,425.66</b>
<b>Noncurrent Assets</b>				
<b>Restricted Assets:</b>				
102200	Cash and cash equivalents	968,435.38	475,323.21	1,443,758.59
102300	Investments			0.00
133000	Advances to other funds			0.00
170000	Other debits			0.00
180000	<b>Capital assets:</b>			
	Land			0.00
	Construction in progress			0.00
	Buildings			0.00
	Improvements other than buildings			0.00
	Machinery and equipment			0.00
	Infrastructure			0.00
	Less: accumulated depreciation			0.00
	Capital assets - net of accumulated depreciation	0.00	0.00	0.00
	<b>Total Noncurrent Assets</b>	<b>968,435.38</b>	<b>475,323.21</b>	<b>1,443,758.59</b>
	<b>Total Assets</b>	<b>975,391.16</b>	<b>484,793.09</b>	<b>1,460,184.25</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
190000	Deferred Outflows of Resources			0.00
19xxxx	Deferred Outflows of Resources			0.00
	<b>Total Deferred Outflows of Resources</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
202100	Accounts payable			0.00
203100	Judgments payable			0.00
204000	Contracts/loans/notes payable			0.00
205200	Matured interest payable			0.00
208100	Other accrued payables			0.00
209100	Compensated absences			0.00
211000	Due to other funds			0.00
212000	Due to other governments			0.00
214000	Deposits payable			0.00
216000	Revenues collected in advance			0.00
	<b>Total Current Liabilities</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Noncurrent Liabilities</b>				
231000	Bonds payable			0.00
233000	Advance from other funds			0.00
234000	Judgments payable			0.00
235000	Contracts/loans/notes payable			0.00
236000	Closure/postclosure care costs			0.00
237000	Net Pension Liability			0.00
238000	OPEB Liability			0.00
239000	Compensated absences			0.00
	<b>Total Noncurrent Liabilities</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Liabilities</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
220000	Deferred Inflows of Resources			0.00
223000	Deferred Inflows of Resources			0.00
	<b>Total Deferred Inflows of Resources</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>NET POSITION</b>				
	Net Investment in capital assets	0.00	0.00	0.00
	Restricted for:			0.00
				0.00
				0.00
	System Expansion	975,391.16	484,793.09	1,460,184.25
	Unrestricted	0.00	0.00	0.00
	<b>Total Net Position</b>	<b>975,391.16</b>	<b>484,793.09</b>	<b>1,460,184.25</b>

**CITY OF COLUMBIA FALLS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**FISCAL YEAR ENDING JUNE 30, 2015**

Account Number	Description	NonMajor Enterprise Funds		Totals
		FUND #5211 Water Capital	FUND #5311 Sewer Capital	
<b>OPERATING REVENUES</b>				
340000	Charges for services	122,211.32	112,803.42	235,014.74
360000	Miscellaneous revenues			0.00
363000	Special assessments			0.00
	<b>Total Operating Revenues</b>	<b>122,211.32</b>	<b>112,803.42</b>	<b>235,014.74</b>
<b>OPERATING EXPENSES</b>				
100	Personal services			0.00
200	Supplies			0.00
300	Purchased services			0.00
400	Building materials			0.00
500	Fixed charges			0.00
810	Loss/Bad debt expense			0.00
830	Depreciation			0.00
	<b>Total Operating Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	Operating Income (Loss)	122,211.32	112,803.42	235,014.74
<b>NONOPERATING REVENUES (EXPENSES)</b>				
310000	Taxes/assessment revenue			0.00
320000	Licenses/permits revenue			0.00
330000	Intergovernmental revenue			0.00
371000	Interest revenue	4,893.97	3,181.69	8,075.66
382030	Gain or Loss on sale of capital assets			0.00
490000	Debt service interest expense (enter as negative)			0.00
384000	Special items - revenue			0.00
385000	Extraordinary items - revenue			0.00
524000	Special items - expense (enter as negative)			0.00
525000	Extraordinary items - expense (enter as negative)			0.00
	<b>Total Non-Operating Revenues (Expenses)</b>	<b>4,893.97</b>	<b>3,181.69</b>	<b>8,075.66</b>
	Income (Loss) before contributions and transfers	127,105.29	115,985.11	243,090.40
	Capital contributions			0.00
	Transfers in (out)		(120,028.70)	(120,028.70)
	Change in net position	127,105.29	(4,043.59)	123,061.70
	Total net position - July 1, 2014 as previously reported	848,285.87	488,836.68	1,337,122.55
	Prior period adjustments			0.00
	Total net position - July 1, 2014 as restated	848,285.87	488,836.68	1,337,122.55
	Total net position - June 30, 2015	975,391.16	484,793.09	1,460,184.25

**CITY OF COLUMBIA FALLS  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FISCAL YEAR ENDING JUNE 30, 2015**

Description	FUND #5211 Water Capital	FUND #5311 Sewer Capital	TOTALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	122,949.08	113,899.03	236,848.11
Cash paid to suppliers	0.00	0.00	0.00
Cash paid to employees	0.00	0.00	0.00
Cash received from interfund services provided			0.00
Cash paid for interfund services used			0.00
Net cash provided (used) by operating activities	122,949.08	113,899.03	236,848.11
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from (to) other funds	0.00	(120,028.70)	(120,028.70)
Advances from (to) other funds			0.00
Subsidies from taxes and other governments	0.00	0.00	0.00
Net cash provided (used) by capital and related financing activities	0.00	(120,028.70)	(120,028.70)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from debt			0.00
Capital contributions	0.00	0.00	0.00
Purchases/acquisition/construction of capital assets			0.00
Principal on debt			0.00
Interest paid on debt	0.00	0.00	0.00
Capital lease down payment			0.00
Proceeds from sales of capital assets			0.00
Net cash provided (used) by capital and related financing activities	0.00	0.00	0.00
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sales of investments			0.00
Purchase of investments			0.00
Interest earnings	4,893.97	3,181.69	8,075.66
Net cash provided (used) by investing activities	4,893.97	3,181.69	8,075.66
Net increase (decrease) in cash and cash equivalents	127,843.05	(2,947.98)	124,895.07
Cash and cash equivalents - July 1, 2014	840,592.33	478,271.19	1,318,863.52
Cash and cash equivalents - June 30, 2015	968,435.38	475,323.21	1,443,758.59
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Operating income	122,211.32	112,803.42	235,014.74
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation expense	0.00	0.00	0.00
(Increase) decrease in accounts receivable	737.76	1,095.61	1,833.37
(Increase) decrease in intergovernmental receivables			0.00
(Increase) decrease in due from other funds			0.00
Increase in allowance for uncollectible accounts			0.00
(Increase) decrease in inventories			0.00
(Increase) decrease in prepaid items			0.00
Increase (decrease) in customer deposits			0.00
Increase (decrease) in accounts payable			0.00
Increase (decrease) in compensated absences pay.			0.00
Increase (decrease) in intergovernmental payables			0.00
Increase (decrease) in due to other funds			0.00
Total adjustments	737.76	1,095.61	1,833.37
Net cash provided (used) by operating activities	122,949.08	113,899.03	236,848.11
<b>Noncash investing, capital, and financing activities:</b>			
Borrowing under capital lease			0.00
Contributions of capital assets from government			0.00
Purchase of equipment on account			0.00
Increase in fair value of investments			0.00
Capital asset trade-ins			0.00

**CITY OF COLUMBIA FALLS  
SCHEDULE OF FEDERAL/STATE GRANTS,  
ENTITLEMENTS, AND SHARED REVENUES  
FISCAL YEAR ENDING JUNE 30, 2015**

	REVENUE CODE	RECEIVING FUND	AMOUNT
<b>FEDERAL GRANTS/ENTITLEMENTS - (LIST)</b>			
DOT/National Highway Safety Traffic Admin. CFDA 20.607	334000	1000-General	12,583.10
Forest Service Recovery Act CFDA 10.688	331082	1000-General	2,218.50
CDBG Home Grant	331010	2940-CDBG Home	258,532.90
CDBG Economic Development Grant	331030	2942-CDBG Ec Dev	13,169.90
<b>Total Federal Grants/Entitlements</b>			286,504.40
<b>FEDERAL SHARED REVENUES - (LIST)</b>			
<b>Total Federal Shared Revenues</b>			0.00
<b>STATE GRANTS/ENTITLEMENTS - (LIST)</b>			
DNRC - Urban & Community Forestry Program Grant	334122	1000-General	750.00
<b>Total State Grants/Entitlements</b>			750.00
<b>STATE SHARED REVENUES - (LIST)</b>			
Alcohol Rehab Apportionment	335005	1000-General	591.08
Gambling License and Permits	335120	1000-General	18,975.00
State Entitlement Share	335230	1000-General	659,215.72
State on Behalf Payments (Retirement System)	336020	1000-General	156,314.13
Gas Tax Apportionment	335040	2820-Gas Tax	89,734.03
State Entitlement Share	335230	2372-Perm Med Levy	1,881.92
<b>Total State Shared Revenues</b>			926,711.88
<b>LOCAL GRANTS - (LIST)</b>			
Flathead County EMS \$5,127 SRO \$25,000			30,127.00
SD #6 SRO			7,000.00
<b>Total Local Revenues</b>			37,127.00
<b>TOTAL</b>			<b>1,251,093.28</b>

**ALL FUNDS  
CASH RECONCILIATION  
FISCAL YEAR ENDING JUNE 30, 2015**

Account Description (not full acct #)	BANK NAME				Cash in all depositories
	Glacier Bank	STIP	MBS	Allegiance	
<b>BALANCE PER STATEMENTS</b>	4,686,227.87				4,686,227.87
<b>ADD</b>					
Deposits in transit	35,921.68				35,921.68
Service charges					0.00
Other					0.00
					0.00
					0.00
<b>Total to add</b>	35,921.68	0.00	0.00	0.00	35,921.68
<b>SUBTRACT</b>					
Outstanding checks					0.00
Other					0.00
					0.00
					0.00
					0.00
<b>Total to subtract</b>	0.00	0.00	0.00	0.00	0.00
<b>TOTAL CASH IN DEPOSITS</b>	4,722,149.55	0.00	0.00	0.00	4,722,149.55
<b>ADD</b>					
Investments			2,095,000.00		2,095,000.00
STIP		41.37			41.37
Allegiance Flex				5,073.67	5,073.67
					0.00
					0.00
					0.00
					0.00
					0.00
<b>Total to add</b>	0.00	41.37	2,095,000.00	5,073.67	2,100,115.04
<b>TOTAL IN DEPOSITORIES</b>	4,722,149.55	41.37	2,095,000.00	5,073.67	6,822,264.59
<b>ADD</b>					
Cash and cash items on hand	525.00				525.00
					0.00
					0.00
					0.00
					0.00
					0.00
<b>Total to add</b>	525.00	0.00	0.00	0.00	525.00
<b>**TOTAL ACCOUNTED FOR</b>	4,722,674.55	41.37	2,095,000.00	5,073.67	6,822,789.59

\*Total cash must agree with total cash reported within report

Cash reconciles  **XX** Cash does not reconcile

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**GENERAL  
INFORMATION  
SECTION**



**ALL FUNDS**  
**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUNDS**  
**FISCAL YEAR ENDING JUNE 30, 2015**

Account number	Description	Cash balance 7/1/2014	Receipts	Transfers in	Disbursements	Transfers Out	Cash balance 6/30/2015
1000	<b>GENERAL</b>	996,973.17	2,393,408.81	1,421.30	245,718.55	2,068,910.10	1,077,174.63
2000	<b>SPECIAL REVENUE FUNDS</b>						
2350	Local Government Review	0.00	5,211.06	0.00	2,937.82	2,273.24	0.00
2372	Permissive Medical Levy	510.07	139,504.74	0.00	135,851.36		4,163.45
2394	Building Code Enforcement	23,366.74	149,585.45	0.42	30,072.00	91,038.87	51,841.74
2400	Special Lighting District	35,955.09	47,877.43	0.00	5,203.77	37,827.48	40,801.27
2500	Special Street Maintenance District	164,783.64	392,149.80	572.16	50,226.49	348,775.12	158,503.99
2700	Cedar Creek Trust	341,336.31	98,630.22	0.00	0.00	1,370.00	438,596.53
2820	Gas tax	89,386.89	97,528.10	0.00	7,477.84	149,711.78	29,725.37
2917	Crime Victims Assistance	612.00	4,116.00	0.00	0.00	4,483.00	245.00
2940	CDBG Home Investment	7,627.00	266,159.90	0.00	176,159.90	90,000.00	7,627.00
	<b>TOTAL SPECIAL REVENUE</b>	663,577.74	1,200,762.70	572.58	407,929.18	725,479.49	731,504.35
3000	<b>DEBT SERVICE FUNDS (list)</b>						
3010	GO Bonds Pool	14,250.66	83,179.47	0.00	8,218.55	69,685.00	19,526.58
3020	GO Bonds Street Improvement	33,055.67	95,605.43	0.00	53,398.74	37,717.26	37,545.10
3534	SID 34	0.00	6,112.47	0.00	6,112.47	0.00	0.00
3536	SID 36	0.00	5,485.59	0.00	5,408.70	0.00	76.89
	<b>TOTAL DEBT SERVICE FUNDS</b>	47,306.33	190,382.96	0.00	73,138.46	107,402.26	57,148.57
4000	<b>CAPITAL PROJECTS FUNDS (list)</b>						
4000	Building Improvements	53,263.69	5,141.58	0.00	4,864.00	0.00	53,541.27
4010	Parks Improvements	399,387.08	17,427.91	0.00	13,354.00	16,575.26	386,885.73
4020	General Equipment	213,066.98	101,036.68	0.00	36,782.00	84,911.01	192,410.65
4040	Street Construction	95,411.93	218,736.39	0.00	95,202.00	0.00	218,946.32
	<b>TOTAL CAPITAL PROJECTS FUNDS</b>	761,129.68	342,342.56	0.00	150,202.00	101,486.27	851,783.97
5000	<b>ENTERPRISE FUNDS (list)</b>						
5210	Water	1,019,902.34	713,272.97	108.71	396.89	709,410.96	1,023,476.17
5211	Water Capital Expansion	840,592.33	128,043.05	0.00	200.00	0.00	968,435.38
5310	Sewer	1,431,943.91	1,197,610.46	22,114.35	118,007.80	1,040,462.01	1,493,198.91
5311	Sewer Capital Expansion	478,271.19	117,195.19	0.00	120,143.17	0.00	475,323.21
	<b>TOTAL ENTERPRISE FUNDS</b>	3,770,709.77	2,156,121.67	22,223.06	238,747.86	1,749,872.97	3,960,433.67
7000	<b>TRUST FUNDS (list)</b>						
7120	Fire disability	101.08	106,010.27	0.00	7,788.75	98,322.60	0.00
7900	<b>AGENCY - OTHER</b>						
7910	Payroll fund	30,984.14	32,869.20	1,984,203.85	2,033,190.52	39.45	14,827.22
7930	Claims fund	45,896.99	0.00	2,843,092.35	2,759,072.16	0.00	129,917.18
	<b>TOTAL TRUST AND AGENCY FUNDS</b>	76,982.21	138,879.47	4,827,296.20	4,800,051.43	98,362.05	144,744.40
	<b>TOTALS (to be accounted for)</b>	6,316,678.90	6,421,898.17	4,851,513.14	5,915,787.48	4,851,513.14	6,822,789.59



**CITY OF COLUMBIA FALLS**

**GASB NO. 34 ENTITY-WIDE STATEMENT COMPOSITION SPREADSHEET**

**ENTITY-WIDE STATEMENT OF NET POSITION - BALANCE SHEET CONVERSION WORKSHEET**

**FISCAL YEAR ENDING JUNE 30, 2015**

	Remove Current Year Deferred Inflows of Tax Revenue & other Deferred Inflows; NEW: Add Deferred Inflows & Outflows related to GASB 68	Add Principal balance of long-term loans, contracts, and bonds	Add Long-term portion of compensated absences, OPEB & Net Pension Liability	Add Capital assets	Add Accumulated Depreciation on Capital Assets	Remove interfund receivables and payables (governmental funds only)	Add net position of the internal service funds applicable to governmental funds	Reclassify short-term portion of long-term liabilities	ADJUSTED AMOUNT FOR ENTITY-WIDE STATEMENTS
<b>ASSETS</b>									
101000 Cash and cash equivalents	970,918.74								970,918.74
103000 Petty cash	225.00								225.00
101100 Investments	0.00								0.00
<b>Restricted Assets:</b>									
102200 Cash and cash equivalents	1,746,467.78								1,746,467.78
102300 Investments	0.00								0.00
106000 Valuation of investments to fair value	0.00								0.00
Tax/assessment receivable (net of allowance for uncollectibles)	132,457.41								132,457.41
Accounts/other receivables - (net of allowance for uncollectibles)	396,696.23								396,696.23
131000 Due from other funds	0.00								0.00
132000 Due from other governments	170,006.10								170,006.10
133000 Advances to other funds	0.00								0.00
140000 Prepaid expenses	0.00								0.00
150000 Inventories	0.00								0.00
170000 Other debits	0.00								0.00
180000 Capital assets (net of accumulated depreciation)				17,234,367.29	(7,086,024.50)				10,148,342.79
<b>Total Assets</b>	3,416,771.26	0.00	0.00	17,234,367.29	(7,086,024.50)	0.00	0.00	0.00	13,965,114.05
190000 Deferred Outflows of Resources including GASB 68	0.00								0.00
190xxx Deferred Outflows of Resources	97,203.10								97,203.10
<b>Total Deferred Outflows of Resources</b>	0.00	97,203.10	0.00	0.00	0.00	0.00	0.00	0.00	97,203.10
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
201000 Warrants payable	0.00								0.00
202100 Accounts payable	47,162.46								47,162.46
204000 Contracts/loans/notes payable	0.00								0.00
211000 Due to other funds	671.59								671.59
212000 Due to other governments	0.00								0.00
216000 Revenues collected in advance	0.00								0.00
205200 Maturity Interest payable	0.00								0.00
205100 Other accrued payables	67,230.16								67,230.16
230000 Advances from other funds	0.00								0.00
Noncurrent liabilities:									
Due within one year									
Due in more than one year									
237000 Net Pension Liability		692,661.52	188,298.00					217,566.00	217,566.00
<b>Total Liabilities</b>	115,064.21	992,661.52	1,126,166.88	0.00	0.00	0.00	0.00	(217,566.00)	937,668.88
220000 Deferred Inflows of Resources including GASB 68	48,920.50								48,920.50
223000 Deferred Inflows of Tax Revenues	132,457.41								132,457.41
<b>Total Fund Balances (Net Position)</b>	181,377.91	14,791.05	0.00	0.00	0.00	0.00	0.00	0.00	196,168.96
<b>Fund balances (Net Position)</b>									
Net investment in Capital assets		(992,661.52)		17,234,367.29	(7,086,024.50)				9,155,681.27
<b>Reserved (Restricted) for:</b>									
250100 Non-spendable	350,842.73								350,842.73
250200 Restricted	913,658.25								913,658.25
<b>Unrestricted, reported in:</b>									
271000 All unrestricted governmental funds	1,655,628.16	82,412.05	(1,126,166.88)						811,873.33
<b>Total fund balances</b>	3,120,328.14	82,412.05	(992,661.52)	17,234,367.29	(7,086,024.50)	0.00	0.00	0.00	11,232,255.56
<b>Total liabilities, Deferred Inflows of Resources and fund balances (Net Position)</b>	3,416,771.26	97,203.10	0.00	17,234,367.29	(7,086,024.50)	0.00	0.00	0.00	13,662,317.15



**CITY OF COLUMBIA FALLS**  
**GASB NO. 34 ENTITY-WIDE STATEMENT COMPOSITION SPREADSHEET**  
**REVENUE ANALYSIS WORKSHEET**  
**FISCAL YEAR ENDING JUNE 30, 2015**

Functional Activity	Intergovernmental										Special/ Extra- ordinary Items	TOTAL
	Taxes and Assessments	Licenses/Permits	Operating Grants and Contributions	Capital Grants and Contributions	State and Federal Shared Revenues	Charges for Services	Fines and Forfeitures	Miscellaneous	Investment Earnings	Gain (Loss) on Sale of Capital Assets		
From OP Conversion Spreadsheet	1,535,513.56	183,605.07		1,251,093.28		138,114.30	158,441.84	124,938.57	14,076.35	55,714.59	0.00	3,461,497.56
<b>PROGRAM REVENUES</b>												
General Government					1,881.92	16,861.59						18,543.51
Public Safety			49,710.10		156,314.13	89,428.00	158,441.84					453,894.07
Public Works	345,580.32		750.00		89,734.03	1,438.95						437,503.30
Public Health												0.00
Social/Economic Services												0.00
Culture/Recreation			2,218.50			30,585.76						32,804.26
Housing/Community Development			271,702.80									271,702.80
Conservation of Natural Resources												0.00
Interest on long-term debt												0.00
Miscellaneous												0.00
<b>TOTAL PROGRAM REVENUES</b>	345,580.32	0.00	324,381.40	0.00	247,930.08	138,114.30	158,441.84	0.00	0.00	0.00	0.00	1,214,447.84
<b>GENERAL REVENUES</b>												
Property taxes	1,189,933.24											1,189,933.24
Local option taxes												0.00
Licenses and permits		183,605.07										183,605.07
Unrestricted Federal/State shared revenues												0.00
Unrestricted grants and contributions												0.00
Unrestricted investment earnings									14,076.35			14,076.35
Miscellaneous								124,938.57				124,938.57
Gain on sale of capital assets									55,714.59			55,714.59
Transfers										0.00		0.00
Special/Extraordinary items											0.00	0.00
<b>TOTAL GENERAL REVENUES</b>	1,189,933.24	183,605.07	0.00	0.00	678,781.80	0.00	0.00	124,938.57	14,076.35	55,714.59	0.00	2,247,049.82
<b>TOTAL ALL REVENUES</b>	1,535,513.56	183,605.07		1,251,093.28		138,114.30	158,441.84	124,938.57	14,076.35	55,714.59	0.00	3,461,497.56
												0.00
												0.00

Balance check ( should equal zero)

**CITY OF COLUMBIA FALLS  
GOVERNMENTAL FUNDS CAPITAL ASSETS  
FISCAL YEAR ENDING JUNE 30, 2015**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	BALANCE July 1, 2014	DEBITS	CREDIT	Adjustments for inventory/prior year depreciation	BALANCE June 30, 2015
181000	LAND	1,802,336.52				1,802,336.52
188000	CONSTRUCTION IN PROGRESS	5,874.24				5,874.24
182000	BUILDINGS	2,643,573.49				2,643,573.49
182100	ALLOWANCE FOR DEPRECIATION	(1,416,839.10)		100,669.33		(1,517,508.43)
183000	INTANGIBLES/WORKS OF ART					0.00
183100	AMORTIZATION/ALLOW. FOR DEPRECIATION					0.00
184000	IMPROVEMENTS OTHER THAN BUILDINGS	807,674.30	157,413.47			965,087.77
184100	ALLOWANCE FOR DEPRECIATION	(153,235.87)		41,143.20		(194,379.07)
186000	MACHINERY & EQUIPMENT	2,259,172.11	158,225.13	30,147.08		2,387,250.16
186100	ALLOWANCE FOR DEPRECIATION	(1,307,460.99)	30,147.08	131,050.87		(1,408,364.78)
187000	INFRASTRUCTURE	9,430,245.11				9,430,245.11
187100	ALLOWANCE FOR DEPRECIATION	(3,493,577.85)		472,194.37		(3,965,772.22)
	<b>TOTAL ASSETS</b>	<b>10,577,761.96</b>	<b>345,785.68</b>	<b>775,204.85</b>	<b>0.00</b>	<b>10,148,342.79</b>
	<b>DEPRECIATION EXPENSE:</b>					
410000830	GENERAL GOVERNMENT	0.00	41,992.63			41,992.63
420000830	PUBLIC SAFETY	0.00	66,756.79			66,756.79
430000830	PUBLIC WORKS	0.00	553,824.49			553,824.49
440000830	PUBLIC HEALTH	0.00				0.00
450000830	SOCIAL/ECONOMIC SERVICES	0.00				0.00
460000830	CULTURE AND RECREATION	0.00	82,483.86			82,483.86
470000830	HOUSING/COMMUNITY DEVELOPMENT	0.00				0.00
480000830	CONSERVATION OF NATURAL RESOURCES	0.00				0.00
	UNALLOCATED DEPRECIATION	0.00				0.00
	<b>TOTAL DEPRECIATION EXPENSE</b>	<b>0.00</b>	<b>745,057.77</b>	<b>0.00</b>	<b>0.00</b>	<b>745,057.77</b>
280000	INVESTMENT IN GENERAL CAPITAL ASSETS	10,577,761.96	775,204.85	345,785.68	0.00	10,148,342.79
	<b>TOTAL</b>	<b>10,577,761.96</b>	<b>775,204.85</b>	<b>345,785.68</b>	<b>0.00</b>	<b>10,148,342.79</b>

NOTE: At year end, the depreciation expense would be closed into the equity account (280000 Investment in General Capital Assets) and new purchases/acquisitions and/or sales/disposals would be recorded.

**LONG-TERM DEBT (9500)**  
**STATEMENT OF CHANGES IN GOVERNMENTAL FUNDS LONG-TERM DEBT**  
**FISCAL YEAR ENDING JUNE 30, 2015**

Account number	Description	Balance July 1, 2014	Debits	Credits	Balance June 30, 2015
	<b>ASSETS</b>				
173100	Amount available G.O.debt				0.00
173200	Amount available S.I.D.debt				0.00
					0.00
174100	Amount to be provided G.O. debt	290,000.00		55,000.00	235,000.00
174200	Amount to be provided S.I.D. debt	80,081.35		5,710.96	74,370.39
174300	Amount to be provided - other	961,897.88		90,308.75	871,589.13
					0.00
	<b>*TOTAL ASSETS</b>	1,331,979.23	0.00	151,019.71	1,180,959.52
	<b>DEBT PAYABLE</b>				
231100	G.O. bonds payable	290,000.00	55,000.00		235,000.00
	Current = \$ 55,000				0.00
233052	Advance from Water SID 34 & 36	50,370.97	3,583.84		46,787.13
	Current = \$ 3,754				0.00
233053	Advance from Sewer SID 34 & 36	29,710.38	2,127.12		27,583.26
	Current = \$ 2,228				0.00
					0.00
					0.00
					0.00
233054	G.O. Bonds Street Construction	671,408.81	75,913.61		595,495.20
	Current - \$ 70,754				0.00
233060	Loan Payable Fire Truck	98,903.07	11,107.14		87,795.93
	Current - \$ 11,247				0.00
					0.00
					0.00
					0.00
					0.00
237000	Net Pension Liability			937,868.88	937,868.88
					0.00
239000	Compensated absences payable	191,586.00	3,288.00		188,298.00
	Current - \$ 74,583				0.00
	<b>TOTAL DEBT PAYABLE</b>	1,331,979.23	151,019.71	937,868.88	2,118,828.40

\*Total assets must equal total debt payable.

Beginning balance should equal with the ending balance of the previous fiscal year annual report and/or audit report. The ending debt payable balances should equal the long-term debt balances reported in the "Notes to the Financial Statements" other than the debt of any Enterprise Funds.