



STATE FINANCIAL SERVICES DIVISION
LOCAL GOVERNMENT SERVICES BUREAU
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[Local Government Services Bureau Portal](#)

ENTITY # 021501
MONTANA
CITY OF COLUMBIA FALLS
130 6th St W
Columbia Falls, MT 59912

ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDING JUNE 30, 2020

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA
ANNUAL FINANCIAL REPORT
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June 30, 2020

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INTRODUCTORY

SECTION



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

PHONE (406) 892-4391
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TRANSMITTAL LETTER

November 25, 2020

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

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, 2020. 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, 2020 is hereby submitted as required by state law.

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 is currently completing 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, 2020 are free of material misstatement. The independent auditor 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, increased by \$487,804, a 1.9% increase for fiscal year ended June 30, 2020, compared to an increase of \$470,699 in the prior year. 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

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

OFFICE	NAME OF CITY/TOWN OFFICIALS/OFFICERS	DATE TERM EXPIRES
Mayor	Donald W. Barnhart	12/31/2021
Councilperson	Darin Fisher	12/31/2023
Councilperson	Doug Karper	12/31/2023
Councilperson	Jenny Lovering	12/31/2021
Councilperson	John Piper	12/31/2023
Councilperson	Paula Robinson	12/31/2021
Councilperson	Mike Shepard	12/31/2021
City manager	Susan Nicosia, CPA, MPA	Appointed
Attorney	Jusin Breck	12/31/2021
Chief of police	Clint Peters	Appointed
City Clerk	Barb Staaland	Appointed
Finance Director	Sandy Carlson	Appointed
City Judge	Kristi L. Curtis	Appointed
Fire Chief	Karl Weeks	Appointed
Public Works Director	Tyler Bradshaw	Appointed

CONSISTENT WITH STATE LAW, I HEREBY TRANSMIT THE
CITY OF COLUMBIA FALLS
ANNUAL FINANCIAL REPORT FOR THE
FISCAL YEAR ENDING JUNE 30, 2020

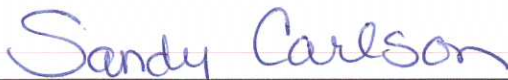
Submitted by;



Susan Nicosia, City Manager

11/25/2020

Date



Sandy Carlson, Finance Director

11/23/20

Date

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FINANCIAL

SECTION

**MANAGEMENT'S
DISCUSSION
AND
ANALYSIS**



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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, 2020. 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 \$26,216,492 (net position). Of this amount, \$1,157,463 or approximately 4.4% may be used to meet the City's ongoing obligations to citizens and creditors. The remainder includes \$17,746,198 in capital assets, net of related debt and \$7,312,831 restricted for future debt payments and future use.
- Total net position increased by \$487,804. Of this amount, net position in governmental activities increased by \$187,871 and net position in business-type activities increased by \$299,933. There was one restatement of net position for the year ending June 30, 2020. The restatement was a result of a debt adjustment.
- As of June 30 the City's governmental funds reported a combined ending fund balance of \$4,898,773, an increase of \$767,688 over the prior year. Approximately 9.7% of this amount, \$473,738 is available for spending at the government's discretion (unassigned fund balance).
- The City invested in a total of \$778,606 in Capital Assets during the 2020 fiscal year including \$201,822 Capital in Progress. Of this amount, \$184,496 was invested in General Assets and \$594,110 in Enterprise Fund Assets.
- The City purchased 7 Self-Contained Breathing Apparatus for the firemen at a total cost of \$54,901, with \$24,198 each from Firehouse Subs Foundation Grant and Columbia Falls Rural Fire District and \$6,505 from the General Fund.
- The City continued the River's Edge Park Pond Project improvements with \$4,181 for an informational kiosk that was in progress as of June 30, 2020, funding in part with a \$4,000 grant from the NW Montana Realtor's Association.
- The City utilized the sidewalk cost-share program to install a new sidewalk adjacent to a new commercial building on 12th Ave West in the amount of \$9,525 with shared funding from the owner and the Cedar Creek Trust.
- The City installed irrigation at the Railroad Street Baseball Park in the amount of \$14,646.

Management's Discussion and Analysis (continued)

- The City purchased a 2020 Dodge Durango for the police department, in the amount of \$46,914, fully equipped, in accordance with the replacement schedule.
- The City purchased a Mini-Excavator to be used by the Public Works Department including parks, streets, and water. Accordingly, the purchase price of \$50,295 was split between General Assets (\$13,495) and Enterprise Assets (\$36,800).
- The Street Department purchased a Ford F-250 from the Water Enterprise Fund in the amount of \$19,564. The Water Enterprise Fund purchased a more fuel efficient replacement, a 2019 Dodge Ram 1500, in the amount of \$25,769.
- The City also purchased a plow blade for the loader in the amount of \$21,269.
- The City has started progress on the 3rd Well Project before year ending, including the test well and engineering costs totaling \$197,641.
- The Sewer Fund acquired General Plant equipment, an effluent sampler, in the amount of \$6,815 and installed a new sludge pump in the amount of \$13,131.
- The Sewer Fund Lift Station #2 Improvements were completed during the 2020 FY for a total completion cost of \$313,954. The project began in the prior fiscal year
- The Water Fund Operating income (loss) was (\$2,160) compared to \$18,936 for the prior year. Water debt was reduced by \$28,000. Water revenues include \$83,732 in settlement proceeds for a lawsuit due to an improperly placed City water main. The Water Fund's net position increased by \$97,890 for the 2020 fiscal year.
- Operating income (loss) for the Sewer Fund was (\$213,054) compared to operating income (loss) of (\$169,854) for the prior year. Sewer debt was reduced by \$205,000. The Sewer Fund's net position decreased by \$81,852 for the 2020 fiscal year.
- The City received \$138,289 from the CARES Funding Act passed through the State of Montana Department of Administration as of June 30, 2020. The City will continue to receive CARES Act Funding reimbursements for allowable expenditures through December 31, 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The 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.

Management's Discussion and Analysis (continued)

The *statement of net position* (page 14) 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 15) presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in the 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*). 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 the *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 financial 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 reconciliation between *governmental funds* and *governmental activities* view of financial position. These statements are found on pages 16 – 19.

The City of Columbia Falls maintains 20 individual governmental funds. Information is presented separately for the General Fund, Tax Increment Financing District Fund, Street Maintenance Fund, Cedar Creek Trust Fund, and Riverwood Debt Service Fund (SID #38) as

Management's Discussion and Analysis (continued)

they are major funds. Data from the other 15 funds are combined into a single aggregated presentation.

The City of Columbia Falls adopts annual appropriated budget for its governmental and proprietary funds. Schedules providing budgetary comparison for the General Fund and Major Funds are included as required supplementary information 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 two funds, Water Capital Expansion and Sewer Capital Expansion, are combined into a single aggregated presentation.

The basic proprietary fund financial statements can be found on pages 20 through 22 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 three administrative clearing funds for payroll, claims and flex funds that are included as agency funds in the basic fiduciary fund financial statement.

The basic fiduciary fund financial statement can be found on page 23 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.

4. Other Information. "Required Supplementary Information," includes Pension funding schedules, and the General and major Special Revenue Fund budgetary comparison schedules.

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 \$26,216,492 June 30. The following table provides a summary comparison of the City's governmental and business-type net assets for fiscal years 2019 and 2020.

Management’s Discussion and Analysis (continued)

**City of Columbia Falls
Net Position**

	Governmental Activities		Business-type Activities		Total	
	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019
Assets:						
Current and other assets	\$ 5,437,587	\$ 4,710,811	\$ 4,971,376	\$ 4,662,916	\$ 10,408,963	\$ 9,373,727
Capital assets	8,440,118	8,959,377	10,447,871	10,646,819	18,887,989	19,606,196
Total Assets	13,877,705	13,670,188	15,419,247	15,309,735	29,296,952	28,979,923
Deferred outflows of resources	336,945	267,301	98,792	116,774	435,737	384,075
Liabilities						
Current and other liabilities	319,956	340,061	173,889	345,663	493,845	685,724
Long-term liabilities	1,866,283	1,742,642	1,082,718	1,089,733	2,949,001	2,832,375
Total Liabilities	2,186,239	2,082,703	1,256,607	1,435,396	3,442,846	3,518,099
Deferred inflows of resources	43,077	105,725	30,274	59,888	73,351	165,613
Net Position						
Invested in capital assets net of related debt	7,851,327	8,280,536	9,894,871	10,107,083	17,746,198	18,387,619
Restricted	2,947,040	2,488,670	4,365,791	4,264,242	7,312,831	6,752,912
Unrestricted	1,186,967	979,855	(29,504)	(440,100)	1,157,463	539,755
Total Net Position	\$ 11,985,334	\$ 11,749,061	\$ 14,231,158	\$ 13,931,225	\$ 26,216,492	\$ 25,680,286

A significant portion of the City’s net position (67.7%) 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 \$7,312,831 of the City’s net assets (27.9%) represents resources that are subject to external restrictions on how they may be used. Included in this category is a reserve for \$376,809 in the G. O. bond and SID debt service funds, \$171,230 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 \$35,308 and \$256,051, respectively. Additional Water and Sewer reserves are for Replacement and Depreciation and System Improvements, as required by bond indenture requirements. These reserves total \$386,754 in Water and \$200,000 in Sewer. The City also sets aside funds for future capital projects in Water and Sewer. As of June 30, 2020, these amounts were \$261,733 and \$795,628, respectively. The Water and Sewer Capital Expansion Fund Net Assets are restricted to fund expansion of the applicable systems. Those restricted net assets total \$3,094,397. The remaining balance of unrestricted assets, \$1,157,463 (4.4%) 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 activities.

Changes in Net Position. Governmental and Business-type activities increased the City’s net position by \$487,804 in 2020. The table below indicates the changes in net assets for governmental and business-type activities in 2020 and compares to prior year.

Management’s Discussion and Analysis (continued)

**City of Columbia Falls
Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019
Revenues						
<u>Program revenues</u>						
Charges for services	\$ 890,023	\$ 740,268	\$ 2,174,990	\$ 2,194,056	\$ 3,065,013	\$ 2,934,324
Operating grants and contributions	472,330	332,741	6,569	13,674	478,899	346,415
Capital grants and contributions	117,761	399,422			117,761	399,422
<u>General revenues</u>						
Property taxes	1,987,538	1,782,848			1,987,538	1,782,848
Intergovernmental revenue	747,416	709,077			747,416	709,077
Other revenues	200,308	192,298	167,909	88,841	368,217	281,139
Total revenues	4,415,376	4,156,654	2,349,468	2,296,571	6,764,844	6,453,225
Expenses						
General government	744,991	691,633			744,991	691,633
Public safety	1,919,674	1,725,233			1,919,674	1,725,233
Public works	1,160,002	966,788			1,160,002	966,788
Public health	4,250	4,250			4,250	4,250
Culture and recreation	269,019	297,089			269,019	297,089
Housing/Community Development	-	167,070			-	167,070
Interest on long term debt	22,245	28,786			22,245	28,786
Miscellaneous	107,324	125,876			107,324	125,876
Water			741,083	764,790	741,083	764,790
Sewer			1,308,452	1,259,021	1,308,452	1,259,021
Total expenses	4,227,505	4,006,725	2,049,535	2,023,811	6,277,040	6,030,536
Change in Net Position	187,871	149,929	299,933	272,760	487,804	422,689
Net Position-Beginning	11,797,072	11,599,132	13,931,225	13,658,465	25,728,297	25,257,597
Restatement	391	-	-	-	391	-
Net Position-Ending	\$ 11,985,334	\$ 11,749,061	\$ 14,231,158	\$ 13,931,225	\$ 26,216,492	\$ 25,680,286

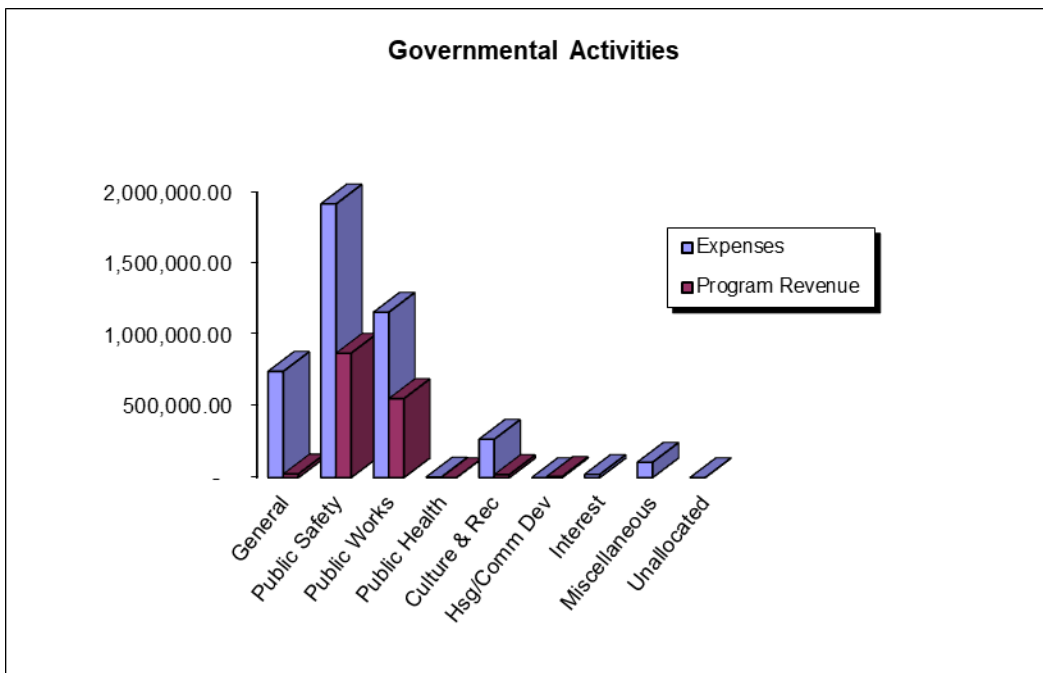
Governmental Activities. Governmental activities in fiscal year 2020 increased the City’s net position by \$187,871 with revenues totaling \$4.4 million and expenditures totaling \$4.2 million. The key elements of the variance between the years are:

- The property tax revenue increased by \$204,690 primarily due to the third year of the tax increment district, Fund 2310 that generated an additional \$166,751 in new tax revenue for the 2020 FY and the statutory permitted increase for newly taxable revenue newly taxable and inflation increase of \$37,182, needed increase of \$44,992 to properly fund the Permissive Medical Levy. These increases are offset by a \$43,471 decrease in the levy for Fund 3010 as the General Obligation Pool Bond was paid in full in the 2019 fiscal year.
- Charges for services revenue increased by almost \$150,000. Despite the beginning of the pandemic, both Planning and Building Permit Fee revenues increased by \$12,000 and \$75,000 respectively. The City increased the Street Maintenance Assessment by \$15,000 but reduced the Lighting Assessment by \$3,000. Not surprising due to the onset of the pandemic, the Parks and Pool fees decreased by about \$15,000 and Fines and Forfeits decreased \$8,000.
- Operating grant revenue increased by \$139,000 due to the CARES Act funding received in June, 2020.

Management's Discussion and Analysis (continued)

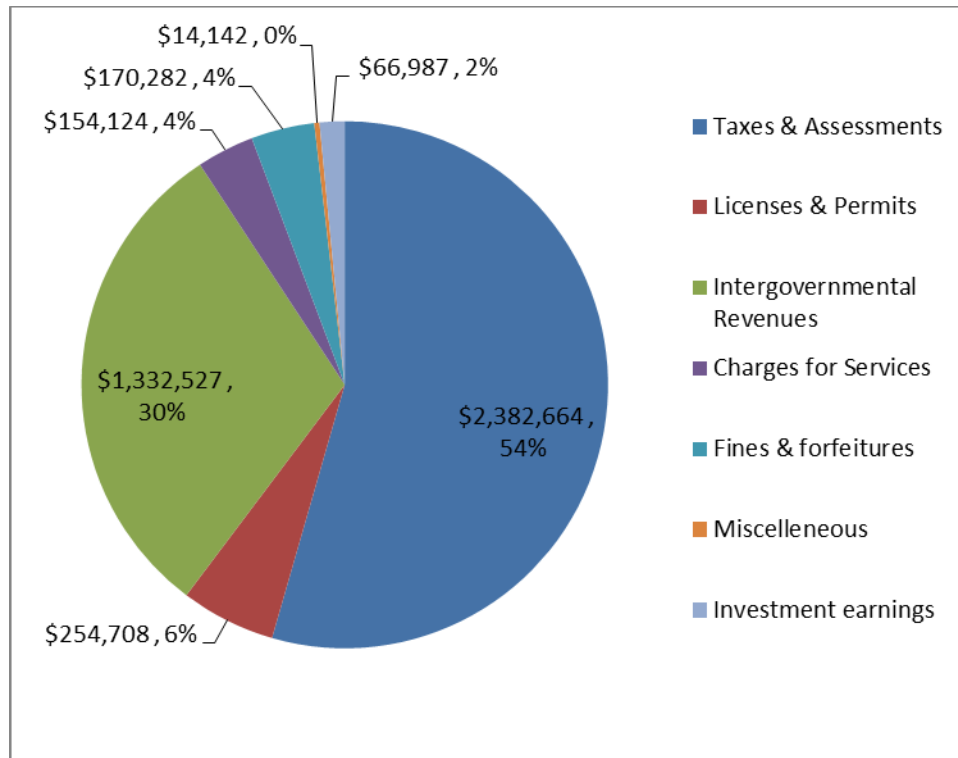
- Public Safety expenditures increased by \$194,441 including \$103,184 in the Police Department for personnel and operational costs and approximately \$66,000 in the Building Inspection program.

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 as reflected on the Statement of Activities on page 15.



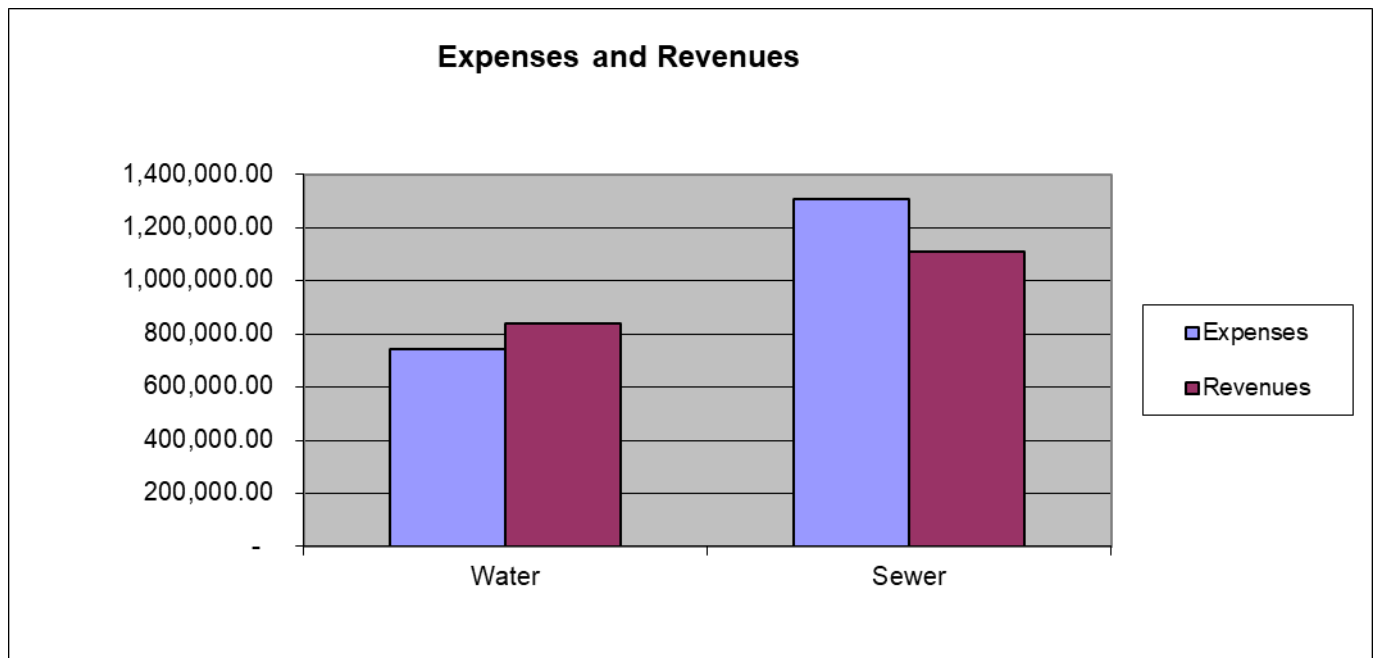
Management's Discussion and Analysis (continued)

This chart shows the Revenues by Source for the Governmental Funds as reported on the Statement of Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds, page 18.



Total Governmental activity revenues increased by \$280,578 or 6.85%. Taxes & Assessments revenues experienced a 10.4% increase over the prior year of \$223,858 as noted above. Licenses and Permits Revenue increased \$89,465, primarily due to the increase in planning and building permit fees as also reported earlier. Intergovernmental Revenues increased a net of \$38,000 primarily due to the CARES ACT funding received in June, 2020. Last year's intergovernmental grants included a \$240,000 MACI Grant from the State of MT. The City's revenue fluctuations are significantly impacted by one time grants.

Business-type Activities. The City's business-type activities, Water and Sewer, increased the City's net position in 2020 by \$299,933, compared to \$272,760 in 2019. Due to the increase in building activity, the City also saw a slight increase in the Plant Investment Fees of \$8,000. Metered Water Sales decreased \$49,000 due to wet summer/fall as well as the impact of the pandemic.



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 2020, the combined ending fund balances of City governmental funds was \$4,898,773, an increase of \$767,688 (10%) over the prior year. Of this amount, \$171,230 or 3.5% is not in spendable form because it represents a long-term receivable in the Cedar Creek Trust Fund. \$2,392,999, 48%, 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. \$119,439, 2.5%, represents the portion of the Cedar Creek Trust that is assigned by the City Council. \$684,484, 14%, represents a cash reserve in the General fund to provide liquidity until tax revenue is received in December. Additionally, \$1,056,883, 22%, represents funds committed to future capital projects. The unassigned fund balance is \$473,738, 10% all within the General Fund.

The General Fund is the chief operating fund of the City. At June 30, the unassigned fund balance was \$473,738 and the committed fund balance was \$684,484 for a total fund balance of \$1,158,222. 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 16.5% of the total General Fund expenditures and other financing uses, \$2,879,840 while total fund balance represents approximately 40% of that same amount.

Management's Discussion and Analysis (continued)

The City of Columbia Falls has five major governmental funds: the General Fund, Street Maintenance Fund, Tax Increment Financing Fund, Cedar Creek Trust Fund, Riverwood Debt Service Fund (SID #38):

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.
3. **Tax Increment Financing Fund.** This special revenue fund accounts for the funds generated from the incremental value generated by new and improved property values within the designated Urban Renewal District. This district was created as an economic development tool to provide funding for much-needed improvements within the defined boundary.
4. **Cedar Creek Trust Fund.** This special revenue fund was created by Resolution adopted by the City of Columbia Falls Council. Per the trust document, funds can be used for land or building purchases benefiting the citizens of Columbia Falls, as well as loans of the principal or interest where a benefit would be realized by the citizens. Principal can only be spent on land or buildings by the Council by consent of a minimum of five of the seven members. Loans can be approved by the Council in compliance with the trust document provisions.
5. **Riverwood Debt Service Fund (SID #38).** This debt service fund accounts for all financial transactions related to the debt on the Riverwood Special Improvement District (SID). Improvements included connecting water and sewer to the City system and improving the street to City standards.

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 (\$16,505) as of June 30, 2020. Investment in capital, net of related debt is \$3,801,209 or 85% 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 \$758,641 from customers. Total operations resulted in a cash increase of \$48,887. 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 (\$195,345) as of June 30, 2020. Investment in capital, net of related debt is \$6,039,662 or 85% of total net position. These assets are typically acquired through the purchase of equipment, city construction and the donation of constructed infrastructure by

Management's Discussion and Analysis (continued)

subdivision developers. The Sewer Fund received \$1,090,268 from its customers. Total operations resulted in a cash increase for the year of \$5,530. 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 2019, the City Council appropriated \$3,255,384 for General Fund expenditures. The budget anticipated using \$367,888 of fund balance.

2019-2020 General Fund Budget

	Final Budget	Actual
Fund Balance Carryover for appropriation	\$ 367,888	
Revenue and other financing sources	\$2,887,496	2,991,664
Expenditures and other financing uses	(3,255,384)	(2,879,840)
Available for fiscal year 2019-2020	0	111,824

Actual revenues and other financing sources difference was only \$104,168, 3%; and actual expenditures were \$375,544, 11%, due to savings on contracted services for special planning, litigation services, facility repairs, and termination pay savings and planned projects that were not completed in the 2020 FY. The operating cash increased by \$68,331.

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, 2020 totals \$18,887,989 (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 \$184,496 as detailed above.

Long-term debt. Voters approved the \$1.1 million Street Construction Project in June 2007 to be repaid with a 20-year debt service levy. The City borrowed \$703,287 from the Cedar Creek Trust and \$364,449 from the Intercap Program to pay for the Street Construction projects. The outstanding balance of this debt is \$199,445. The City borrowed \$115,365 from Intercap in 2013 to pay for the City's share of the Fire Apparatus. The outstanding balance as of June 30, 2020 is \$30,136. In fiscal year 2019 the City Council approved a loan from the Cedar Creek Trust in the amount of \$34,000 to pay for a portion of the City's share of the 2002 Quint. The outstanding balance as of June 30, 2020 is \$30,832. Revenue bond long term debt issues as of the end of the fiscal year are reflected in the Water and Sewer Fund. The Water and Sewer revenue bonds were refunded in November 2012 primarily to

Management's Discussion and Analysis (continued)

reduce the interest rate on the outstanding issues. Following the statutory procedures, the City approved the issuance of \$340,000 of tax-exempt bonds for the homeowners' share of the Riverwood SID Project. This debt will be paid with a 20 year assessment on the subdivision homeowners. The remaining balance as of June 30, 2020 is \$288,888. The City retired a total of \$347,463 of governmental and business-type in the 2020 FY. This included the final payment on Series 2001 Sewer Revenue Refunding bond. Additional information on The City of Columbia Falls' long-term debt can be found in the Notes to the Financial Statements.

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 financial operations. The GASB (Governmental Accounting Standards Board) promulgates rules regulating reporting standards with the competing goals of fully informing the reader and making the information easily understood by the readers of the financial statements. The Management's Discussion and Analysis report has required elements to meet the GASB standards and is intended to summarize the report for the reader. We sincerely hope that the reader finds this summary useful. City staff prepares the Annual Financial Report according to the required standards but are doubtful that either of the GASB goals are truly met. If the reader has any questions concerning any of the information provided in this report or would like additional financial information, requests should be addressed to Susan M. Nicosia, City Manager, 130 6th Street West, Room A, Columbia Falls, MT 59912.

BASIC

FINANCIAL

STATEMENTS

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

STATEMENT OF NET POSITION
June 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Fire Department Relief Association
<u>Assets</u>				
Current assets				
Cash and Cash Equivalents	\$ 1,855,567	\$ 233,961	\$ 2,089,528	\$ 604,184
Taxes and Assessments Receivable	431,193	-	431,193	-
Accounts/Other Receivables	60,685	315,135	375,820	-
Current portion of loans receivable	76,436	-	76,436	-
Internal Balances	(56,490)	56,490	-	-
Current portion of contracts receivable	-	-	-	-
Due from Other Governments	259,484	-	259,484	-
Total Current Assets	<u>2,626,875</u>	<u>605,586</u>	<u>3,232,461</u>	<u>604,184</u>
Non-current Assets				
Restricted Cash	2,715,918	4,365,790	7,081,708	-
Non-current Loan Receivable	94,794	-	94,794	-
Capital assets-land	1,802,337	17,402	1,819,739	-
Capital assets-construction in progress	4,181	197,641	201,822	-
Capital assets-net of depreciation	6,633,600	10,232,828	16,866,428	-
Total Non-current Assets	<u>11,250,830</u>	<u>14,813,661</u>	<u>26,064,491</u>	<u>-</u>
Total Assets	<u>13,877,705</u>	<u>15,419,247</u>	<u>29,296,952</u>	<u>604,184</u>
<u>Deferred Outflows of Resources</u>				
Contributions to Pension Plans	336,945	98,792	435,737	80,704
Total Assets and Deferred Outflows	<u>14,214,650</u>	<u>15,518,039</u>	<u>29,732,689</u>	<u>684,888</u>
<u>Liabilities</u>				
Current Liabilities				
Accounts Payable and Accrued Expenses	\$ 85,873	\$ 50,196	\$ 136,069	\$ -
Compensated Absences due within one year	125,233	57,693	182,926	-
Current Portion of Long-Term Debt	108,850	66,000	174,850	-
Total Current Liabilities	<u>319,956</u>	<u>173,889</u>	<u>493,845</u>	<u>-</u>
Non-current Liabilities				
Deposits Payable	-	19,500	19,500	-
Compensated Absences	71,771	27,305	99,076	-
Long-Term Debt	440,451	487,000	927,451	-
Net Pension Liability	1,354,061	548,913	1,902,974	787,274
Total Non-current Liabilities	<u>1,866,283</u>	<u>1,082,718</u>	<u>2,949,001</u>	<u>787,274</u>
Total Liabilities	<u>2,186,239</u>	<u>1,256,607</u>	<u>3,442,846</u>	<u>787,274</u>
<u>Deferred Inflows of Resources</u>				
Pension Deferrals	43,077	30,274	73,351	63,270
Total Liabilities and Deferred Inflows	<u>2,229,316</u>	<u>1,286,881</u>	<u>3,516,197</u>	<u>850,544</u>
<u>Net Position</u>				
Net Investment in Capital Assets	\$ 7,851,327	\$ 9,894,871	\$ 17,746,198	\$ -
Restricted for:				
General government	1,391,566	-	1,391,566	-
Public works	292,267	2,912,051	3,204,318	-
Housing & community development	833,145	-	833,145	-
Culture & Recreation	53,253	-	53,253	-
Bond indenture requirements	-	1,162,381	1,162,381	-
Debt Service	376,809	291,359	668,168	-
Unrestricted	1,186,967	(29,504)	1,157,463	(165,656)
Total Net Position	<u>\$ 11,985,334</u>	<u>\$ 14,231,158</u>	<u>\$ 26,216,492</u>	<u>\$ (165,656)</u>

See accompanying notes to the financial statements

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

STATEMENT OF ACTIVITIES
FISCAL YEAR ENDING JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 744,991	\$ 24,780	\$ 396	\$ -	\$ (719,815)	\$ -	\$ (719,815)	\$ -
Public safety	1,919,674	457,334	400,215	14,991	(1,047,134)	-	(1,047,134)	-
Public works	1,160,002	385,520	70,969	97,416	(606,097)	-	(606,097)	-
Public Health	4,250	-	-	-	(4,250)	-	(4,250)	-
Culture and recreation	269,019	14,762	750	5,354	(248,153)	-	(248,153)	-
Housing/Community Development	-	7,627	-	-	7,627	-	7,627	-
Interest expense	22,245	-	-	-	(22,245)	-	(22,245)	-
Miscellaneous expense	107,324	-	-	-	(107,324)	-	(107,324)	-
Total governmental activities	<u>4,227,505</u>	<u>890,023</u>	<u>472,330</u>	<u>117,761</u>	<u>(2,747,391)</u>	<u>-</u>	<u>(2,747,391)</u>	<u>-</u>
Business-type activities:								
Water	741,083	732,344	2,799	-	-	(5,940)	(5,940)	-
Water Capital Expansion	-	182,856	-	-	-	182,856	182,856	-
Sewer	1,308,452	1,080,144	3,770	-	-	(224,538)	(224,538)	-
Sewer Capital Expansion	-	179,646	-	-	-	179,646	179,646	-
Total business-type activities	<u>2,049,535</u>	<u>2,174,990</u>	<u>6,569</u>	<u>-</u>	<u>-</u>	<u>132,024</u>	<u>132,024</u>	<u>-</u>
Total primary government	<u>\$ 6,277,040</u>	<u>\$ 3,065,013</u>	<u>\$ 478,899</u>	<u>\$ 117,761</u>	<u>(2,747,391)</u>	<u>132,024</u>	<u>(2,615,367)</u>	<u>-</u>
Component Unit:								
Fire Department Relief Association	<u>\$ 88,858</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>(88,858)</u>
General revenues:								
Property taxes					1,987,538	-	1,987,538	50,667
License and permits					73,647	-	73,647	-
Unrestricted Federal/State shared revenues					747,416	12,472	759,888	18,014
Unrestricted investment earnings					66,987	71,705	138,692	8,567
Miscellaneous					59,674	83,732	143,406	-
Transfers in (out)					-	-	-	-
Total general revenues					<u>2,935,262</u>	<u>167,909</u>	<u>3,103,171</u>	<u>77,248</u>
Change in net position					187,871	299,933	487,804	(11,610)
Total net position-July 1, 2019 as previously reported					11,797,072	13,931,225	25,728,297	(154,046)
Prior period adjustment					391	-	391	-
Total net position-June 30, 2020					<u>\$ 11,985,334</u>	<u>\$ 14,231,158</u>	<u>\$ 26,216,492</u>	<u>\$ (165,656)</u>

See accompanying notes to the financial statements

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	General Fund	2310 Tax Increment Financing District	2500 Special Street Maintenance District	2700 Cedar Creek Trust	3538 Riverwood Debt Service	Other Governmental Funds	Total Governmental Funds
Assets							
Current assets:							
Cash and Cash Equivalents	\$ 426,215	\$ 369,985	\$ 82,624	\$ 119,439	\$ -	\$ 857,304	\$ 1,855,567
Taxes and assessments receivable, net	48,382	31,478	12,352	-	288,888	50,093	431,193
Accounts Receivable, net	1,410	-	-	-	-	4,000	5,410
Current portion of loans receivable	-	-	-	47,636	-	-	47,636
Current portion of contracts receivable	55,275	-	-	-	-	-	55,275
Due from other governments	112,247	71,224	45,651	-	4,420	25,942	259,484
Total Current Assets	<u>643,529</u>	<u>472,687</u>	<u>140,627</u>	<u>167,075</u>	<u>293,308</u>	<u>937,339</u>	<u>2,654,565</u>
Non-current assets:							
Restricted Cash and cash equivalents	684,484	226,638	86,109	1,050,976	13,630	654,081	2,715,918
Noncurrent portion of loans receivable	-	-	-	123,594	-	-	123,594
Total Noncurrent Assets	<u>684,484</u>	<u>226,638</u>	<u>86,109</u>	<u>1,174,570</u>	<u>13,630</u>	<u>654,081</u>	<u>2,839,512</u>
Total Assets	<u>\$ 1,328,013</u>	<u>\$ 699,325</u>	<u>\$ 226,736</u>	<u>\$ 1,341,645</u>	<u>\$ 306,938</u>	<u>\$ 1,591,420</u>	<u>\$ 5,494,077</u>
Liabilities							
Current Liabilities:							
Accounts payable	60,171	-	6,347	-	-	19,355	85,873
Due to other funds	-	-	-	-	17,000	-	17,000
Total Current Liabilities	<u>60,171</u>	<u>-</u>	<u>6,347</u>	<u>-</u>	<u>17,000</u>	<u>19,355</u>	<u>102,873</u>
Total Liabilities	<u>60,171</u>	<u>-</u>	<u>6,347</u>	<u>-</u>	<u>17,000</u>	<u>19,355</u>	<u>102,873</u>
Deferred Inflows of Resources							
Deferred property tax/special assmt rev	48,382	31,478	12,352	-	288,888	50,093	431,193
Deferred Contracts	55,275	-	-	-	-	-	55,275
Deferred Licenses/Fees	5,963	-	-	-	-	-	5,963
Total Deferred Inflows of Resources	<u>109,620</u>	<u>31,478</u>	<u>12,352</u>	<u>-</u>	<u>288,888</u>	<u>50,093</u>	<u>492,431</u>
Fund Balance							
Non-Spendable loan receivable	\$ -	\$ -	\$ -	\$ 171,230	\$ -	\$ -	\$ 171,230
Restricted for:							
General government	-	667,847	-	1,050,976	-	143,223	1,862,046
Public Safety	-	-	-	-	-	147,826	147,826
Public Works	-	-	208,037	-	-	71,165	279,202
Housing & community development	-	-	-	-	-	5,641	5,641
Culture & Recreation	-	-	-	-	-	53,253	53,253
Debt service	-	-	-	-	1,050	43,981	45,031
Committed for:							
General government	684,484	-	-	-	-	-	684,484
Capital projects	-	-	-	-	-	1,056,883	1,056,883
Assigned to:							
General government	-	-	-	119,439	-	-	119,439
Unassigned	473,738	-	-	-	-	-	473,738
Total Fund Balance	<u>1,158,222</u>	<u>667,847</u>	<u>208,037</u>	<u>1,341,645</u>	<u>1,050</u>	<u>1,521,972</u>	<u>4,898,773</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,328,013</u>	<u>\$ 699,325</u>	<u>\$ 226,736</u>	<u>\$ 1,341,645</u>	<u>\$ 306,938</u>	<u>\$ 1,591,420</u>	<u>\$ 5,494,077</u>

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

RECONCILIATION OF BALANCE SHEET GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2020

Fund balance as reported in the governmental fund statement		\$ 4,898,773
Add assets not reported in the governmental funds statements:		
Capital assets (net of depreciation)		8,440,118
Less liabilities not reported in the governmental fund statements:		
Bond and notes payable	(549,301)	
Advance from other Funds	(39,490)	
Compensated absences	(197,004)	
Net Pension Liability	<u>(1,354,061)</u>	(2,139,856)
Deferred inflows for City Court contracts receivable recognized as revenue in the government-wide statements		55,275
Deferred inflows for property taxes and special assessments recognized as revenue in the government-wide statements		431,193
Deferred inflows for City licenses and fees recognized as revenue in the government-wide statements		5,963
Deferred outflows and inflows related to pension liabilities which are not receivable or payable in the current period, therefore not reported in the fund financial statements		
Deferred Outflows		336,945
Deferred Inflows		(43,077)
Net position as reported in the government-wide statement of net position		<u>\$ 11,985,334</u>

See accompanying notes to the financial statements

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FISCAL YEAR ENDING JUNE 30, 2020

	General Fund	2310 Tax Increment Financing District	2500 Special Street Maintenance District	2700 Cedar Creek Trust	3538 Riverwood Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:							
Property Taxes/Assessments	\$ 1,271,389	\$ 468,375	\$ 314,951	\$ -	\$ 29,778	\$ 298,171	\$ 2,382,664
License and Permits	73,858	-	-	-	-	180,850	254,708
Intergovernmental	1,162,042	-	-	-	-	170,485	1,332,527
Charges for Services	152,724	-	1,400	-	-	-	154,124
Fines and Forfeitures	165,378	-	-	-	-	4,904	170,282
Miscellaneous	1,401	-	33	-	-	12,708	14,142
Investment Earnings	16,615	5,335	2,376	22,123	307	20,231	66,987
Total Revenues	\$ 2,843,407	\$ 473,710	\$ 318,760	\$ 22,123	\$ 30,085	\$ 687,349	\$ 4,375,434
Expenditures:							
General Government	673,322	-	-	-	-	4,904	678,226
Public Safety	1,629,700	-	-	-	-	154,130	1,783,830
Public Works	8,817	-	344,585	-	-	219,653	573,055
Public Health	4,250	-	-	-	-	-	4,250
Culture and Recreation	183,826	-	-	-	-	-	183,826
Debt Service	14,990	-	-	-	17,155	91,508	123,653
Principal Interest	1,829	-	-	-	12,433	7,983	22,245
Capital Outlay	10,686	-	-	4,763	-	115,888	131,337
Miscellaneous	88,494	-	-	-	-	18,830	107,324
Total Expenditures	2,615,914	-	344,585	4,763	29,588	612,896	3,607,746
Excess (Deficiency) Revenues over Expenditures	227,493	473,710	(25,825)	17,360	497	74,453	767,688
Other Financing Sources (Uses):							
Bonds/Notes Issued	-	-	-	-	-	-	-
Transfers in	148,257	-	42,351	-	-	291,270	481,878
Transfers (Out)	(263,926)	-	(3,688)	-	-	(214,264)	(481,878)
Proceeds from the sale of capital assets	-	-	-	-	-	-	-
Total other financing sources and (uses)	(115,669)	-	38,663	-	-	77,006	-
Change in Fund Balance	111,824	473,710	12,838	17,360	497	151,459	767,688
Fund Balance:							
Beginning of the Year	\$ 1,046,398	\$ 194,137	\$ 195,199	\$ 1,324,285	\$ 553	\$ 1,370,513	\$ 4,131,085
Prior Period Adjustment	-	-	-	-	-	-	-
End of the Year	\$ 1,158,222	\$ 667,847	\$ 208,037	\$ 1,341,645	\$ 1,050	\$ 1,521,972	\$ 4,898,773

See accompanying notes to the financial statements

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FISCAL YEAR ENDING JUNE 30, 2020

Changes in fund balances as reported in the governmental funds statement	\$	767,688
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		131,337
Depreciation expense		(785,762)
Contributions of capital assets are not recognized in the governmental fund statements but are recognized in the government wide statement of activities.		
		53,159
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
Taxes and assessments receivable (change in deferred revenues)		(9,606)
City Court contracts (change in deferred revenues)		(8,379)
City license fees (change in deferred revenues)		(212)
Pension contributions from State of Montana		4,980
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the Statement of Net Position:		
Long-term debt principal payments		123,653
Debt Issuance		-
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 fund financial statements:		
Change in accrued compensated absences		(21,700)
Change in pension accruals		(67,287)
Changes in net position on the statement of activities	\$	<u>187,871</u>

See accompanying notes to the financial statements

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 June 30, 2020

	Major Enterprise Funds			Nonmajor Enterprise Funds	Totals
	Water-5210	Water Capital- 5211	Sewer-5310	Sewer Capital- 5311	
Assets					
Current assets:					
Cash and Cash Equivalents	\$ 209,831	\$ -	\$ 24,130	\$ -	\$ 233,961
Accounts Receivable	43,176	90,661	89,613	91,685	315,135
Due from other funds	-	-	17,000	-	17,000
Current portion of loans receivable	4,372	-	2,810	-	7,182
Total Current Assets	<u>257,379</u>	<u>90,661</u>	<u>133,553</u>	<u>91,685</u>	<u>573,278</u>
Non-current assets:					
Restricted Cash and cash equivalents	683,795	1,557,482	1,251,679	872,834	4,365,790
Loan Receivable	19,783	-	12,525	-	32,308
Capital assets - land	17,402	-	-	-	17,402
Capital assets - construction in progress	197,641	-	-	-	197,641
Capital assets (net of accumulated depreciation)	3,733,166	-	6,499,662	-	10,232,828
Total Noncurrent Assets	<u>4,651,787</u>	<u>1,557,482</u>	<u>7,763,866</u>	<u>872,834</u>	<u>14,845,969</u>
Total Assets	<u>4,909,166</u>	<u>1,648,143</u>	<u>7,897,419</u>	<u>964,519</u>	<u>15,419,247</u>
Deferred Outflows of Resources					
Pension deferrals	45,087	-	53,705	-	98,792
Total Deferred Outflows of Resources	<u>45,087</u>	<u>-</u>	<u>53,705</u>	<u>-</u>	<u>98,792</u>
Total Assets and Deferred Outflows	<u>4,954,253</u>	<u>1,648,143</u>	<u>7,951,124</u>	<u>964,519</u>	<u>15,518,039</u>
Liabilities					
Current Liabilities:					
Accounts payable	22,695	-	27,501	-	50,196
Current portion of long-term liabilities	28,000	-	38,000	-	66,000
Current portion of compensated absences payable	22,281	-	35,412	-	57,693
Total Current Liabilities	<u>72,976</u>	<u>-</u>	<u>100,913</u>	<u>-</u>	<u>173,889</u>
Non-current Liabilities					
Deposits payable	19,500	-	-	-	19,500
Noncurrent portion of long-term liabilities	119,000	-	368,000	-	487,000
Noncurrent portion of compensated absences	9,948	-	17,357	-	27,305
Noncurrent portion of net pension liability	250,514	-	298,399	-	548,913
Total Noncurrent Liabilities	<u>398,962</u>	<u>-</u>	<u>683,756</u>	<u>-</u>	<u>1,082,718</u>
Total Liabilities	<u>471,938</u>	<u>-</u>	<u>784,669</u>	<u>-</u>	<u>1,256,607</u>
Deferred Inflows of Resources					
Pension deferrals	13,816	-	16,458	-	30,274
Total Deferred Inflows of Resources	<u>13,816</u>	<u>-</u>	<u>16,458</u>	<u>-</u>	<u>30,274</u>
Net Position					
Net investment in Capital Assets	\$ 3,801,209	\$ -	\$ 6,093,662	\$ -	\$ 9,894,871
Restricted for Bond indenture requirements	648,487	-	513,894	-	1,162,381
Restricted for Public Works-Syst Expansion/Improv	-	1,648,143	481,735	964,519	3,094,397
Restricted for Debt Service	35,308	-	256,051	-	291,359
Unrestricted	(16,505)	-	(195,345)	-	(211,850)
Total Net Position	<u>\$ 4,468,499</u>	<u>\$ 1,648,143</u>	<u>\$ 7,149,997</u>	<u>\$ 964,519</u>	<u>\$ 14,231,158</u>

See accompanying notes to the financial statements

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FISCAL YEAR ENDING JUNE 30, 2020

	Major Enterprise Funds			Nonmajor Enterprise Funds	Totals
	Water-5210	Water Capital- 5211	Sewer-5310	Sewer Capital- 5311	
Operating Revenues					
Charges for services	\$ 732,344	\$ 182,856	\$ 1,080,144	\$ 179,646	\$ 2,174,990
Miscellaneous revenues	1,348	-	2,909	-	4,257
Special assessments	1,451	-	861	-	2,312
Total Operating Revenues	<u>735,143</u>	<u>182,856</u>	<u>1,083,914</u>	<u>179,646</u>	<u>2,181,559</u>
Operating Expenses					
Personal services	365,591	-	443,924	-	809,515
Supplies	51,934	-	77,242	-	129,176
Purchased services	124,581	-	221,563	-	346,144
Fixed charges	12,327	-	28,866	-	41,193
Bad debt expense	96	-	153	-	249
Depreciation	182,774	-	525,220	-	707,994
Total Operating Expenses	<u>737,303</u>	<u>-</u>	<u>1,296,968</u>	<u>-</u>	<u>2,034,271</u>
Operating Income (Loss)	<u>(2,160)</u>	<u>182,856</u>	<u>(213,054)</u>	<u>179,646</u>	<u>147,288</u>
Nonoperating Revenues (Expenses)					
Intergovernmental revenue	5,572	-	6,900	-	12,472
Settlement proceeds	83,732	-	-	-	83,732
Interest revenue	14,526	22,720	21,486	12,973	71,705
Debt service interest expense	(3,780)	-	(11,484)	-	(15,264)
Total Nonoperating Revenues (Expenses)	<u>100,050</u>	<u>22,720</u>	<u>16,902</u>	<u>12,973</u>	<u>152,645</u>
Change in Net Position before Transfers & Capital Contributions	<u>97,890</u>	<u>205,576</u>	<u>(196,152)</u>	<u>192,619</u>	<u>299,933</u>
Transfers in	-	-	114,300	(114,300)	-
Transfer (out)	-	-	-	-	-
Transfers (net) & Capital Contributions	<u>-</u>	<u>-</u>	<u>114,300</u>	<u>(114,300)</u>	<u>-</u>
Change in Net Position	97,890	205,576	(81,852)	78,319	299,933
Net Position - Beginning of the year	\$ 4,370,609	\$ 1,442,567	\$ 7,231,849	\$ 886,200	\$ 13,931,225
Restatements	-	-	-	-	-
Total Net Position - End of the year	<u>\$ 4,468,499</u>	<u>\$ 1,648,143</u>	<u>\$ 7,149,997</u>	<u>\$ 964,519</u>	<u>\$ 14,231,158</u>

See accompanying notes to the financial statements

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUNDS
FISCAL YEAR ENDING JUNE 30, 2020

	Major Enterprise Funds			Nonmajor Enterprise Funds	Totals
	Water-5210	Water Capital- 5211	Sewer-5310	Sewer Capital- 5311	
Cash flows from operating activities:					
Cash received from customers	\$ 758,641	\$ 183,812	\$ 1,090,268	\$ 181,049	\$ 2,213,770
Cash paid to suppliers	(197,338)	-	(337,792)	-	(535,130)
Cash paid to employees	(344,120)	-	(404,750)	-	(748,870)
Cash received (paid) from customer deposits	300	-	-	-	300
Net cash provided by operating activities	<u>217,483</u>	<u>183,812</u>	<u>347,726</u>	<u>181,049</u>	<u>930,070</u>
Cash flows from noncapital financing activities:					
Advances from (to) other funds	-	-	-	-	-
Transfers from (to) other funds	-	-	114,300	(114,300)	-
Subsidies from taxes and other governments	5,572	-	6,900	-	12,472
Net cash (used for) provided by non capital financing activities	<u>5,572</u>	<u>-</u>	<u>121,200</u>	<u>(114,300)</u>	<u>12,472</u>
Cash flows from capital and related financing activities:					
Settlement Proceeds	83,732	-	-	-	83,732
Purchases/construction of capital assets	(240,646)	-	(268,400)	-	(509,046)
Principal paid on capital debt	(28,000)	-	(205,000)	-	(233,000)
Interest paid on capital debt	(3,780)	-	(11,482)	-	(15,262)
Net cash used for capital and related financing activities	<u>(188,694)</u>	<u>-</u>	<u>(484,882)</u>	<u>-</u>	<u>(673,576)</u>
Cash flows from investing activities:					
Interest earnings	14,526	22,720	21,486	12,973	71,705
Net cash provided by investing activities	<u>14,526</u>	<u>22,720</u>	<u>21,486</u>	<u>12,973</u>	<u>71,705</u>
Net (decrease) increase in cash and cash equivalents	48,887	206,532	5,530	79,722	340,671
Cash and cash equivalents at July 1, 2018	844,739	1,350,950	1,270,279	793,112	4,259,080
Cash and cash equivalents at June 30, 2019	<u>\$ 893,626</u>	<u>\$ 1,557,482</u>	<u>\$ 1,275,809</u>	<u>\$ 872,834</u>	<u>\$ 4,599,751</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ (2,160)	\$ 182,856	\$ (213,054)	\$ 179,646	\$ 147,288
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	182,774	-	525,220	-	707,994
(Increase) Decrease in accounts receivable	15,981	956	3,671	1,403	22,011
Increase (decrease) in customer deposits	300	-	-	-	300
Increase (decrease) in warrants/accounts payable	(8,400)	-	(9,968)	-	(18,368)
Increase (decrease) in wages payable	5,672	-	7,260	-	12,932
Increase (decrease) in due from other funds	7,516	-	2,683	-	10,199
Increase (decrease) in compensated absences payable	(5,331)	-	2,260	-	(3,071)
Increase (decrease) in net pension liability	26,169	-	36,248	-	62,417
(Increase) Decrease in deferred outflows-pension	8,763	-	9,219	-	17,982
Increase (decrease) in deferred inflows-pension	(13,801)	-	(15,813)	-	(29,614)
Net cash provided (used) by operating activities	<u>\$ 217,483</u>	<u>\$ 183,812</u>	<u>\$ 347,726</u>	<u>\$ 181,049</u>	<u>\$ 930,070</u>

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

June 30, 2020

	<u>Agency Funds</u>
Assets	
Cash and Investments	\$ 184,601
Total Assets	<u>\$ 184,601</u>
Liabilities	
Warrants payable	\$ 184,601
Total Liabilities	<u>\$ 184,601</u>

See accompanying notes to the financial statements

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

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, 2020.

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 have 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

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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 and deferred outflows of resources, the total liabilities and deferred inflows of resources, 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 and deferred outflows of resources, the total liabilities and deferred inflows of resources, 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

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

- 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.

Tax Increment District Fund (2310). This special revenue fund accounts for the funds generated from the incremental value generated by new and improved property values within the designated Urban Renewal District. This district was created as an economic development tool to provide funding for much-needed improvements within the defined boundary.

Street Maintenance Fund (2500). 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.

Cedar Creek Trust Fund (2700). This special revenue fund was created by resolution adopted by the City of Columbia Falls Council. Per the trust document, funds can be used for land or building purchases benefiting the citizens of Columbia Falls, as well as loans of the principal or interest where a benefit would be realized by the citizens. Principal can only be spent or loaned by the Council by consent of a minimum of five of the seven members.

Riverwood Debt Service Fund (3538). This debt service fund accounts for all financial transactions related to the debt on the Riverwood Special Improvement District (SID). Improvements included connecting water and sewer to the City system and improving the street to City standards.

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.

Water Capital Fund. This fund accounts for the collection of plant investment fees. Plant investment fees are collected when a property is first connected to city services. Fees are used to expand the infrastructure of our water distribution system.

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 three agency funds: Payroll, Claims and Flex Funds. Agency funds have no measurement focus.

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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, are 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

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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 reported at fair value in accordance with the provisions of GASB Statement No. 72.

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

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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, licenses/permits 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

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

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

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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.

15. Postemployment Benefits

The City accounts for postemployment benefit obligations in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

As required by state law (MCA 2-18-704), the City allows its employees who retire and their spouses and dependents the option to continue to participate in the City's group health insurance plan.

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
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As calculated using the alternative method for smaller governments and applying the participation rate, the actuarial accrued liability (AAL) for benefits was immaterial to the financial statements. The City will continue to fund benefit costs on a pay-as-you-go basis.

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 position are those that have constraints placed on them either by external parties or imposed by law or enabling legislation. Unrestricted net position represents amounts which are not restricted for any project or other purpose.

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 Council 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.

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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 Council approves and/or modifies the budget. The City Council 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 first Thursday after the first Tuesday in September or within 30 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 Council modified the 2020 budget three times for FY19-20. The first was for the purpose of adopting a budget for the Tax Increment District Fund (Fund 2310) with the adoption of Resolution #1813. The second amendment added building permit revenues and related expenditures, (Fund 2394) with the adoption of Resolution #1821. The last amendment adjusted Special Improvement District receipts (Fund 3536) to account for early payoff of an assessment with the adoption of Resolution #1823. The City Council gave public notice and held public hearings for the purpose of taking public comment on the each amendment.

The City's assessed valuation and mill value as certified by the MT Department of Revenue in August 2019 were \$515,143,562 and \$7,482 respectively. The City's mill levy totaled 212.845 mills including a 171.634 all-purpose levy, 6.746 mills for the Fire Relief Pension Fund, 22.831 for the Permissive Medical Levy and 11.634 mills for a voted levy for general obligation bonds for 2007 Street Improvements.

The City Clerk forwards a copy of the final budget to the State Department of Administration no later than October 1st of each year. A copy of the final budget is available for review in the City Clerk's office located at 130 6th Street West, Columbia Falls, Montana and on the City's website at 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.

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NOTE C - CASH AND INVESTMENTS

A summary of cash and investments at June 30, 2020 was as follows:

	<u>Total</u>
Cash on Hand	\$ 500
Flex Advance	6,624
Demand Deposits	453,556
Government Backed Securities	1,146,000
State Short-term Investment Pool	<u>7,749,157</u>
Total	<u>\$ 9,355,837</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, 2020 was \$799,600 which exceeds the amount required by statute. At June 30, 2020, 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.

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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 invests in the Short-Term Investment Pool (STIP) managed by the State of Montana Board of Investments. 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 pool invests in short-term, highly liquid investments, and as such, the City has reported these investments as cash equivalents. Amounts invested by the City in STIP may be redeemed at any date at the carrying value on that date. Audited financial statements for the State of Montana's Board of Investments are available at 2401 Colonial Drive, 3rd Floor, Helena, MT 59620.

Investments in the pool are reported at fair value. The fair value of pooled investments is determined annually and is based on year-end market prices. The unit value of the pool is fixed at \$1 for both participant redemptions and purchases. Investments in STIP are carried at amortized cost or "book" value. STIP is managed to closely align fair value with amortized cost. STIP income is automatically reinvested in additional units. STIP is not rated by a national rating agency.

The City's investment in STIP amounts to 0.1709% of total STIP assets. The investments managed by the City were 83% invested in STIP. For the year ended June 30, 2020, STIP's average rate of return was 1.5191797%.

The investments managed by the City were 5% invested in an interest bearing account secured as noted above with Glacier Bank. For the year ended June 30, 2020, the average investment return on this account was 0.20%. The remaining 12% of the investment portfolio, \$1,146,000, is invested through Multi-Bank Securities, Inc. in government backed Certificates of Deposit and US Government Bonds with interest rates ranging from 1.16% - 2.0%.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2020:

- U.S. Government Bonds of \$1,146,000 are valued using a matrix pricing model (Level 2 inputs).

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NOTE D - CAPITAL ASSETS

Changes in general capital assets were as follows:

	Balance June 30, 2019	Debits	Credits	Balance June 30, 2020
Cost:				
<u>Capital assets not depreciated:</u>				
Land	\$ 1,802,337	\$ -	\$ -	\$ 1,802,337
Construction in progress	-	4,181	-	4,181
<u>Capital assets depreciated:</u>				
Buildings	2,654,106	-	-	2,654,106
Improvements	1,149,070	14,646	-	1,163,716
Machinery and equipment	3,061,660	156,144	-	3,217,804
Infrastructure	10,395,149	9,525	-	10,404,674
Total	19,062,322	184,496	-	19,246,818
Less: Accumulated Depreciation:	(10,020,938)	(785,762)	-	(10,806,700)
Net Capital Assets	\$ 9,041,384	\$ (601,266)	\$ -	\$ 8,440,118

Changes in proprietary fund capital assets were as follows:

	Balance June 30, 2019	Debits	Credits	Balance June 30, 2020
Cost:				
<u>Capital assets not depreciated:</u>				
Land	\$ 17,402	\$ -	\$ -	\$ 17,402
Construction Work in Progress	65,500	197,641	(65,500)	197,641
<u>Capital assets depreciated:</u>				
Source of Supply	1,758,428	-	-	1,758,428
Pumping Plant	559,889	333,900	-	893,789
Treatment Plant	8,286,265	-	-	8,286,265
Transmission and Distribution	12,662,368	-	-	12,662,368
General Plant	2,732,059	62,569	(27,023)	2,767,605
Total	26,081,911	594,110	(92,523)	26,583,498
Less: Accumulated Depreciation	(15,435,092)	(707,994)	7,459	(16,135,627)
Net Capital Assets	\$ 10,646,819	\$ (113,884)	\$ (85,064)	\$ 10,447,871

Governmental activities depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	\$ 41,873
Public Safety	87,847
Public Works	572,909
Culture and Recreation	83,133
Total governmental activities depreciation	<u>\$ 785,762</u>

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA
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NOTE E - LONG-TERM DEBT

Long-term Debt Supporting Government Activities

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, 2020, the City had drawn down a total of \$703,287 from the Trust, and repaid \$43,737 during the 2020 fiscal year, leaving an outstanding balance of \$140,398.

The loan drawn down for street improvements 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.

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 \$38,579 during 2020, leaving an outstanding balance of \$59,047 as of June 30, 2020. The City will use the Debt Service authorization to repay the Cedar Creek Trust and the Intercap Loan.

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.

In January 2019 the City authorized an internal 10 year loan of \$34,000 from the Cedar Creek Trust to purchase the City's share of a 2002 Quint Fire Truck. The city paid \$3,169 on this loan leaving a balance of \$30,832 as of June 30, 2020.

As of June 30, 2020, the Cedar Creek Trust had a total cash balance of \$1,170,415, consisting of \$119,439 unrestricted and \$1,050,976 restricted funds.

The City purchased a new fire apparatus in July 2012 for a total cost of \$322,762. This purchase was made cooperatively with the Columbia Falls Rural Fire District pursuant to an interlocal agreement with the Rural District contributing \$205,763 or 64%. The City borrowed \$115,365 from

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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 \$11,823 during the 2020 fiscal year, leaving a balance of \$30,136 as of June 30, 2020.

In October, 2017 the City adopted Resolution #1762 approving issuance of Tax Exempt bonds in the amount of \$340,000. The bonds were issued for Riverwood SID#38. The proceeds of the tax exempt bonds were used to finance certain local improvements for the benefit of the properties located within the district. The beginning balance was restated by \$391 to reflect a change in the bank balance. The City repaid \$17,155 during the 2020 fiscal year leaving a balance of \$288,888 as of June 30, 2020.

General obligation bonds and debt outstanding as of June 30, 2020, were as follows:

Purpose:	Issue Date	Interest Rate	Bond Term	Maturity Date	Annual Payment	Bonds/Debt Issued	Balance June 30, 2019
Street Improvements	6/26/2007	Var	20 yrs	7/1/2027	Varies	\$ 703,287	\$ 140,398
Street Improvements-Intercap	8/26/2011	1.0-1.25%	10 yrs	8/15/2021	Varies	\$ 364,449	\$ 59,047
Fire Apparatus-Intercap	8/31/2012	1.0-1.25%	10 yrs	8/15/2022	Varies	\$ 115,365	\$ 30,136
Special Improvement District # 38	11/2/2017	4.16%	20 yrs	7/1/2037	Varies	\$ 340,000	\$ 288,888
2002 Quint Fire Truck-Internal	1/7/2019	Var	10 yrs	1/7/2029	Varies	\$ 34,000	\$ 30,832

Changes in long-term debt were as follows:

	June 30, 2019 as restated	Change	Balance June 30, 2020	Amount due in 2021
Internal Loan from Trust	\$ 34,000	\$ (3,169)	\$ 30,832	\$ 3,218
General Obligation Debt	323,720	(94,139)	229,581	88,631
Special Assessment Debt	306,043	(17,155)	288,888	17,001
Compensated Absences	175,304	21,700	197,004	125,233
Total	\$ 839,067	\$ (92,763)	\$ 746,305	\$ 234,083

Annual requirement to amortize general obligation debt:

Annual requirement to amortize general obligation debt:

	Principal	Interest
2021	\$ 88,631	\$ 4,503
2022	69,616	2,235
2023	44,282	1,063
2024	27,052	502
2025	-	-
Thereafter	-	-
Total	\$ 229,581	\$ 8,303

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Annual requirement to amortize special assessment debt:

For Fiscal Year	Principal	Interest
2021	\$ 17,001	\$ 11,846
2022	17,001	11,139
2023	17,001	10,431
2024	17,001	9,724
2025	17,001	9,017
Thereafter	203,883	53,040
Total	\$ 288,888	\$ 105,197

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)	\$ 515,143,562
General limitation percentage	<u>2.50%</u>
General limit of indebtedness	\$ 12,878,589
Outstanding general obligation bonds at June 30	-
Outstanding loans subject to limitation	<u>229,581</u>
Total Debt subject to limit	<u>229,581</u>
 Remaining Legal Debt Margin	 <u><u>\$ 12,649,008</u></u>

Long-term Debt Supporting Business-type Activities

Changes in long-term debt were as follows:

	Balance June 30, 2019	Change	Balance June 30, 2020	Amount due in 2021
Revenue Bonds	\$ 786,000	\$(233,000)	\$ 553,000	\$ 66,000
Compensated Absences	88,069	(3,071)	84,998	57,693
Total	\$ 874,069	\$(236,071)	\$ 637,998	\$123,693

Revenue Bonds

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

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Revenue bonds outstanding at year-end were as follows:

	Balance June 30, 2019	Change	Balance June 30, 2020	Amount due in 2021
Water (2005)	\$ 175,000	\$ (28,000)	\$ 147,000	\$ 28,000
Sewer (2009C)	259,000	(20,000)	239,000	20,000
Sewer (2009B)	185,000	(18,000)	167,000	18,000
Sewer (2001)	167,000	(167,000)	-	-
	<u>\$ 786,000</u>	<u>\$ (233,000)</u>	<u>\$ 553,000</u>	<u>\$ 66,000</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 refunding's resulted in a savings of \$156,285.

The 2001 series Sewer bond was paid off as of June 30, 2020. The required bond reserve in the amount of \$183,940 was subsequently unrestricted in September 2020. The reduced required reserve is reflected in the debt coverage listed below.

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, 2020, as indicated below:

Debt Service Coverage:	<u>Water</u>	<u>Sewer</u>
Operating Revenues	\$ 917,999	\$ 1,263,560
Operating Expenses	548,975	758,220
Net Revenue	<u>369,024</u>	<u>505,340</u>
Max Debt Service	\$ 31,879	\$ 48,893
Percent Coverage	1157.58%	1033.56%

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Annual requirement to amortize revenue bond and loan debt:

For Fiscal Year	Principal	Interest
2021	66,000	11,389
2022	68,000	10,009
2023	70,000	8,573
2024	70,000	7,103
2025	73,000	5,618
Thereafter	206,000	12,249
Total	\$ 553,000	\$ 54,941

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. PERB issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for these plans. It is available from the Montana Public Employees' Retirement Administration (MPERA) at 100 North Park Avenue, Suite 200, P.O. Box 200131, Helena, MT, 59620-0131 or at their website, <http://mpera.mt.gov>. 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.

The Montana Public Employees 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 pension, pension expense, information about the fiduciary net position and additions to, and 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 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 measureable. Benefits payments and refunds are recognized in the accounting period when due and payable in accordance with the benefit terms. Expenses are recognized the period incurred. Investments are reported at fair value. MPERA adheres to all applicable Governmental Accounting Standards Board (GASB) statements.

Contributions to pension plans are as required by state statute. Information about each plan follows:

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

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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 benefits, annual cost-of-living adjustments 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. Employees with 5 years of service are eligible to retire at ages shown below. Vested (5 years of service) employees are eligible for disability benefits. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits generally equal the balance in the member's vested account or continuing payments under an annuity contract.

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.

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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.

Service Credit

A full month of service credit is earned when 160 hours or more is reported to PERB by the City during any given month. Proportional service credit is awarded unless at least 2080 hours is worked in a year.

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.
- Members hired on or after July 1, 2013:
 - (a) 1.5% for each year PERS is funded at or above 90%;
 - (b) 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
 - (c) 0% whenever the amortization period for PERS is 40 years or more.

PERS-DCRP is a multiple-employer plan established July 1, 2002. A percentage of employer contributions are used to fund various PERS member education programs and a long-term disability plan fund. PERS-DCRP provides for retirement, disability, and death benefits to plan members and their beneficiaries based on the balance in the member's account.

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)

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- 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.

Service Credit

A full month of service credit is earned when at least 160 hours is worked. Proportional service credit is awarded for less than 160 hours.

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

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will again accrue membership service and service credit. The DROP account cannot be distributed until employment is formally terminated.

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

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Service Credit

A full month of service credit is earned when at least 160 hours is worked. Proportional service credit awarded for less than 160 hours.

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.

Contribution Rates and Amounts

	Employee	Employer	State
PERS	7.90%	8.67%	0.10% ¹
MPORS	9.00%	14.41%	29.37%
FURS	10.70%	14.36%	32.61%

	City			State
	2020	2019	2018	2020
PERS	\$ 92,708	\$ 85,938	\$ 72,642	\$ 930
MPORS	83,318	77,303	70,113	162,931
FURS	11,245	10,033	9,841	23,287

¹ The State also contributes from the Coal Tax Severance fund.
 One hundred percent of contributions were paid.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the City reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of the net pension liability, the related State support, and the total portion of net pension liability that was associated with the City were as follows:

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	PERS	MPORS	FURS	Total
City's proportionate share of the net pension liability	\$1,188,831	\$ 667,923	\$ 46,220	\$ 1,902,974
State's proportionate share of the net pension liability associated with the City	386,278	1,360,122	111,782	1,858,182
Total	<u>\$1,575,109</u>	<u>\$ 2,028,045</u>	<u>\$ 158,002</u>	<u>\$ 3,761,156</u>

The basis for the net pension liability was determined by taking the results of the June 30, 2018, actuarial valuation and applying standard roll forward procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, including the State, actuarially determined.

	PERS	MPORS	FURS
Proportionate share of plan's net pension liability	0.0057%	0.0034%	0.0040%

For the year ended June 30, 2020, the City recognized pension expenses of \$325,536 and revenue of \$212,442 for support provided by the State. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources				
	PERS	MPORS	FURS	Total
Expected vs Actual Experience	\$ 56,372	\$ 59,279	\$ 4,155	\$ 119,806
Projected Investment Earnings vs Actual	14,414	12,415	1,540	28,369
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	32,982	-	32,982
Changes in Assumptions	50,469	13,432	3,408	67,309
City contributions subsequent to the measurement date	92,708	83,318	11,245	187,271
Total	<u>\$ 213,963</u>	<u>\$ 201,426</u>	<u>\$ 20,348</u>	<u>\$ 435,737</u>

Deferred Inflows of Resources				
	PERS	MPORS	FURS	Total
Expected vs Actual Experience	\$ 55,939	\$ 4,243	\$ 480	\$ 60,662
Projected Investment Earnings vs Actual	-	-	-	\$ -
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	9,628	-	3,061	12,689
Total	<u>\$ 65,567</u>	<u>\$ 4,243</u>	<u>\$ 3,541</u>	<u>\$ 73,351</u>

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The \$187,271 reported as deferred outflows of resources related to pensions from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Fiscal Year Ending June 30	PERS	MPORS	FURS	Total
2020	\$ 60,226	\$ 49,845	\$2,148	\$112,219
2021	(22,836)	18,517	619	(3,700)
2022	5,362	39,248	1,917	46,527
2023	12,937	6,255	1,275	20,467
2024	-	-	(397)	(397)
Thereafter	-	-	-	-
Total	\$ 55,689	\$ 113,865	\$5,562	\$175,116

Actuarial Assumptions

The total pension liabilities (TPL) used to calculate the net pension liabilities was determined by taking the results of the June 30, 2018, actuarial valuation and applying standard roll forward procedures. The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the last actuarial experience study, dated May 2017, for the six year period July 1, 2010 to June 30, 2016.

Among these assumptions were the following:

Inflation	2.75% percent
Salary Increases	3.5% percent, average, including inflation
Investment rate of return	7.65% percent, net of pension plan investment expense, including inflation

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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Asset Class	Target Allocation	Real Rate of Return	Long-Term Expected Real Rate of Return
Cash Equivalents	3.00%	4.09%	0.12%
Domestic Equity	36.00%	6.05%	2.18%
Foreign Equity	18.00%	7.01%	1.26%
Fixed Income	23.00%	2.17%	0.50%
Private Equity	12.00%	10.53%	1.26%
Real Estate	8.00%	5.65%	0.45%
Total	100.00%		5.78%
Inflation			2.75%
Portfolio Return Expectation			7.65%

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate - The following present the City's proportionate share of the net pension liability calculated using the discount rate of 7.65 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.65 percent) or 1 percentage point higher (8.65 percent) than the current rate:

<u>City's proportionate share of the net pension liability</u>	<u>1% Decrease (6.65%)</u>	<u>Discount Rate (7.65%)</u>	<u>1% Increase (8.65%)</u>
PERS	\$ 1,708,013	\$ 1,188,831	\$ 752,526
MPORS	981,958	667,923	416,539
FURS	80,723	46,220	18,399
	<u>\$ 2,770,694</u>	<u>\$ 1,902,974</u>	<u>\$ 1,187,464</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERB financial report.

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

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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 2020 fiscal year, 6 active employees had elected deferred compensation benefits in lieu of health insurance benefits and 6 active employees elected to defer a portion of their compensation under the provisions of the 457(b) plan. The City contributed \$24,932 on the employees' behalf during the 2020 FY to the 457(b) plan. The City does not manage or control the plan assets.

Fire Relief Association Pension Plan (Discretely Presented Component Unit)

The Columbia Falls Firefighters Relief Association Pension Plan is a single-employer defined benefit pension plan. Montana State law (MCA 19-18-503) requires the City to soundly fund the pension plan for non-paid volunteer firefighters, who are considered employees of the City. The City contributes to the plan annually meeting all the state funding requirements. The discretely presented component unit of the City, Fire Department Relief Association, has been established to administer pension payouts and hold the funded assets. The Relief Association is governed by a separate board of directors made up of active and retired members of the volunteer fire department.

The City implemented GASB 73 –*Accounting and Financial Reporting for Pensions and Related Assets that are not within the scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. One objective of this Statement is to provide information about the effects of pension-related transactions and other events on the elements of the basic financial statements. An additional objective is to improve the information provided in government financial reports about financial support provided by certain non-employer entities for pensions that are provided to the employees of other entities and that are not within the scope of Statement 68. In order to meet these objectives and comply with paragraph 115 and 116 of this Statement, the City has determined it appropriate to show the pension liability within the Fire Relief Association financials. The assets of the Relief Association (non-employer entity) represent the City's contributions made toward pension obligations. The cash is expected to offset the liabilities of the pension plan. The assets and related liability are reported within the discretely presented component unit of the City.

Summary of Benefits:

The eligibility for normal retirement requires 20 years of service with no option for early retirement. The plan also provides a disability pension after 10 years of service (prorated) and eligible surviving spouse benefit for the death of an active member with at least 10 years of service. The normal retirement benefit is \$155 per month with 20 years of service, increased by 10% for each additional year, up to the statutory maximum payment of \$300.

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Actuarial Assumptions:

The actuarial method used is the Projected Unit Credit. Under this method the benefit payable at the assumed retirement age is determined. The accrued benefit used for the accrued liability is the projected benefit multiplied by the ratio of service to date divided by service projected to the retirement date.

Interest rates used were segment rates as published by the IRS for funding under PPA '06 as modified by the Bipartisan Budget Act of 2015 for plan year beginning 07/01/2016.

Mortality tables utilized were tables as published by the IRS for funding under PPA '06 for plan years beginning in 2016 (combined basis).

Spousal age for active participants was assumed to be 3 years younger than participant.

All other assumptions in a group of this size were not considered statistically valid.

Covered Employees:

There are 31 inactive employees currently receiving benefit payments.

Post-Employment Benefits Other than Pensions

The City accounts for postemployment benefit obligations in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

As required by state law (MCA 2-18-704), the City allows its 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 2020, 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, 2020, the City had one retired employee electing to participate in the City's medical insurance plan entirely at their own cost at an actuarially determined rate. There were no former employees under COBRA insurance coverage. In 2020, retirees paid \$5,184 in actuarially determined medical premiums.

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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.

Employees covered by benefit terms as of June 30, 2020:

- Inactive employees or beneficiaries currently receiving benefit payments -1-
- Inactive employees entitled to but not yet receiving benefit payments -0-
- Active employees = 32

Methods and Assumptions: The Montana Municipal Interlocal Authority (MMIA) contracted with Actuaries NW 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, 2018. Actuaries NW used the following assumptions in calculating the subsidy rate:

- Average age of retirement based on historical data - 56.7 years
- Turnover rate – 0%
- Discount rate – 3.50%
- Average salary increase – 4%
- Healthcare cost trend rate

From Year	To Year	Annual % Increase
2019	2020	-6.87%
2020	2021	6.50%
2021	2022	6.00%
2022	2023	5.90%
2023	2024	5.70%
2024	2025	5.60%
2025	2026	5.50%
2026	2027	5.30%
2027	2028	5.20%

Funded Status and Funding Progress: As calculated using the alternative method for smaller governments and applying the participation rate, the actuarial accrued liability (AAL) for benefits was immaterial to the financial statements. The City will continue to fund benefit costs on a pay-as-you-go basis.

NOTE G - INTERFUND TRANSFERS

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The following is an analysis of governmental operating transfers in and out during fiscal year 2020:

	Transfers in:					Total Transfers Out
	General Fund (Major)	Street Maintenance (Major)	Street Construction (Special Revenue Major)	Capital Project Fund-Building Improv (Non- Major)	Capital Project Fund- Equipment (Non Major)	
Transfers out:						
General Fund	\$ -	\$ -	\$ -	\$ 115,500	\$ 148,426	\$ 263,926
Permissive Medical Levy	148,257	42,351	-	-	-	190,608
Gas Tax Fund	-	-	-	-	23,656	23,656
Special Gas Tax Fund	-	-	3,688	-	-	3,688
Total Transfers in:	\$ 148,257	\$ 42,351	\$ 3,688	\$ 115,500	\$ 172,082	\$ 481,878

The following is an analysis of enterprise transfers in and out during fiscal year 2020:

	Sewer (Major)	Total Transfers Out
Transfers out:		
Sewer Capital Expansion	\$ 114,300	\$ 114,300
Total Transfers in:	\$ 114,300	\$ 114,300

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 4th Avenue and 5th 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, 2020, the combined balance of the interfund loans was \$39,490 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 2021 FY is \$7,182, 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,

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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 E 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, 2020 are as follows:

Fund	Fund Type	Description	Amount
1000-General	Major	Reserved by Council/cash flow	\$ 684,484
2310-Tax Increment District Fund	Non-Major	Reserve for new projects	226,638
2311-TEDD	Non-Major	Reserved for new projects	5,369
2372-Permissive Medical Levy	Non-Major	Reserved by Council/cash flow	344
2394-Building Code Enforcement	Non-Major	Reserved by Council/cash flow	131,176
2400-Special Lighting District	Non-Major	Reserved by Council/cash flow	20,772
2500-Special Street Maint District	Major	Reserved by Council/cash flow	86,109
2700-Cedar Creek Trust	Major	Reserved by Trust Document	1,050,976
3020-GO Street Debt Service	Non-Major	Reserved by Council for debt payments	34,817
3538-SID 38 Riverwood	Major	Reserved by Debt covenant	13,630
4000-Capital Projects-Bldg Improv	Non-Major	Reserved by Council for building improv	27,010
4010-Capital Projects-Park Impr	Non-Major	Reserved by Council for improv/cash in lieu	180,279
4020-Capital Projects-Gen EQPT	Non-Major	Reserved by Council for future eqpt	163,194
4040-Capital Projects-Street Const	Non-Major	Reserved by Council for street construction	91,120
5210-Water	Major	Replacement/Depreciation	386,754
5210-Water	Major	Reserved for Future Debt Service	35,308
5210-Water	Major	Reserved for new projects	261,733
5211-Water Expansion	Non-Major	System Expansion	1,557,482
5310-Sewer	Major	Replacement/Depreciation	200,000
5310-Sewer	Major	Reserved for Future Debt Service	256,050
5310-Sewer	Major	Reserved for new projects	313,894
5310-Sewer	Major	Reserved for WWTP Project/Debt	481,735
5311-Sewer Expansion	Non-Major	System Expansion	872,834
			\$ 7,081,708

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 A). 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.

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Fund Balance	General	Tax Increment Fund	Street Maintenance	Cedar Creek Trust	SID 38- Riverwood	Other Governmental	Total Governmental Funds
Non-Spendable:							
Long-Term receivable	\$ -	\$ -	\$ -	\$ 171,230	\$ -	\$ -	\$ 171,230
Restricted:							
Trust Agreement-Gen Govt	-	-	-	1,050,976	-	-	1,050,976
State statute-General Government	-	667,847	-	-	-	148,864	816,711
State statute-Public Safety	-	-	-	-	-	147,826	147,826
State statute-Public Works	-	-	208,037	-	-	71,165	279,202
Grantor or contributors-Culture & Rec	-	-	-	-	-	53,253	53,253
Debt Service	-	-	-	-	1,050	43,981	45,031
Committed:							
Designated by City Mgr/Finance Dir-GG	684,484	-	-	-	-	-	684,484
Capital Projects	-	-	-	-	-	1,056,883	1,056,883
Restricted by state law & grantors	-	-	-	-	-	-	-
Assigned							
Designated by City Mgr/Finance Dir-GG	-	-	-	119,439	-	-	119,439
Un-Assigned	473,738	-	-	-	-	-	473,738
Total Fund Balance	\$ 1,158,222	\$ 667,847	\$ 208,037	\$ 1,341,645	\$ 1,050	\$ 1,521,972	\$ 4,898,773

The Council is 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 council 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 three major special revenue funds, the Tax Increment Financing District Fund, Street Maintenance Fund and the Cedar Creek Trust Fund. The purpose of the Tax Increment Financing District is to provide economic development funding for improvements to our downtown area. The purpose of the Street Maintenance Fund is to finance street repair, maintenance, snow removal and street signage. The purpose of the Cedar Creek Trust Fund is to account for the sale of City-owned land. GASB 54 requires disclosure of revenues for each major special revenue fund. Revenues are as follows:

<u>Tax Increment Financing District:</u>	
Property Tax/Assessments	\$468,375
Interest earnings	<u>5,335</u>
	<u>\$473,710</u>
<u>Street Maintenance:</u>	
Special assessments	\$314,951
Licenses and Permits	1,400
Interest earnings	2,376
Miscellaneous	<u>33</u>
	<u>\$318,760</u>
<u>Cedar Creek Trust:</u>	
Interest earnings	<u>\$22,123</u>

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The City also maintains one major debt service fund, Riverwood Debt Service. This fund is used to account for the accumulation of resources used for the payment of principal and interest on special assessment debt. Revenues for the fund are as follows:

Riverwood Debt Service	
Special assessment	\$29,778
Interest earnings	<u>307</u>
	<u>\$30,085</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 \$10 million each year, with maximum coverage of \$2 Million per incident. The City has no coverage for potential losses from environmental damages once the \$10 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 a \$1,500 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.

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE L - COMMITMENTS

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.

NOTE M - 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 2020 FY operating budget is \$129,563 and for 2021 FY the share is \$135,070.

NOTE N- 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 and Transit Service to the City. Columbia Falls has agreed to pay \$4,250 for Animal Control and \$5,500 for Transit Services.

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

The City of Columbia Falls has entered into an agreement with Columbia Falls School District to provide recreational programs. The City has agreed to pay \$6,000 for those services.

NOTE O – TAX ABATEMENTS

The City enters into property tax abatement agreements with local businesses for New and Expanding Industry and New Industrial Improvements to promote economic development within the City. The taxpayer must ask for some tax relief for expansion. If granted, the tax rate for the first 5 years is 50%. The rate then increases at the rate of 10% per year. At the 10th year, the tax rate is for the full 100%.

For the fiscal year ended June 30, 2020, the tax abatements are immaterial to the financial statements.

NOTE P – PRIOR PERIOD ADJUSTMENTS

The City recorded a prior period adjustment in Fund#3538-SID38 Riverwood (Major Debt Service Fund) in the amount of \$391. This adjustment corrects the beginning balance on Riverwood SID38 special assessment debt.

NOTE Q – SUBSEQUENT EVENTS

On March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic. City operations have remained operational during this time. It is unclear the length or severity of this pandemic, or the extent it may have on our future financial statements.

On June 2, 2020 the Citizens of Columbia Falls voted to approve a new 3% resort tax on luxury items as defined by state law and City ordinance. City Council adopted ordinance 803 on August 3, 2020 formalizing the Resort tax. Fifty five percent will support public safety programs including police and fire. Twenty five percent will rebate back property taxes to those who own property inside the city limits. Fourteen percent will fund infrastructure capital improvements for parks, streets, water and sewer. Five percent will be rebated back to businesses for collecting the tax. The final one percent will be used for administrative costs such as related software and audit. Due to the coronavirus effects on local businesses, City Council voted to delay implementation until October 2021.

On September 8, 2020 the City of Columbia Falls City Council adopted Resolution #1829 approving issuance of Series 2020 Water System Revenue Bond in the amount of \$675,000. The Bond is issued to finance the costs of construction of certain improvements to the water system.

NOTE R – RECENT ACCOUNTING PRONOUNCEMENTS

GASB has issued Statement No. 84, Fiduciary Activities which is effective for the City beginning in FY 2021. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

GASB has issued Statement No 87, Leases, which is effective for the City beginning in FY 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

GASB has issued Statement No 89, Accounting for Interest Cost Incurred before the End of a Construction Period which is effective for the City beginning in FY2021. This standard provides guidance and consistency on accounting for interest costs incurred prior to construction completion of an asset.

GASB has issued Statement No. 90, Major Equity Interests is effective beginning in FY 2021. This statement is an amendment of GASB Statements No. 14 and No. 61 and defines a majority equity interest and how they should be reported.

The City has not fully assessed the impact of Statements No. 84, 87, 89 and 90 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
REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED
June 30, 2020**

**OTHER POST EMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS**

	FY2020	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014	FY2013
Actuarial Valuation Date	6/30/2018	6/30/2017	6/30/2016	6/30/2016	6/30/2016	6/30/2013	6/30/2013	6/30/2013
Actuarial Value of Assets								
Actuarial Accrued Liability								
Unfunded Actuarial Accrued Liability (UAAL)								
Funded Ratio								
Annual Covered Payroll	\$1,834,640	\$1,694,442	\$1,576,860	\$1,498,832	\$1,370,440	\$1,356,071	\$1,217,443	\$1,196,978
Ratio of UAAL to Annual Covered Payroll								

Note: An actuarial valuation was completed effective 6/30/16.
The City of Columbia Falls' actuarial accrued liability is \$0.00 as calculated pursuant to the Alternative Measurement Method. The notes to the Financial Statements provide detailed information on this calculation. The City is required to have a triennial actuarial valuation.

City of Columbia Falls, Flathead County, Montana
Statement of Revenue, Expenditures and Changes in Fund Balance
General Fund (1000) - Budget and Actual
For Fiscal Year Ended June 30, 2020

Description	Budgeted Amounts		Actual	Over (under) Final Budget
	Original	Final		
Revenue				
Property taxes	\$ 1,286,204	\$ 1,286,204	\$ 1,271,389	\$ (14,815)
Licenses and Permits	70,500	70,500	73,858	3,358
Intergovernmental	1,056,605	1,056,605	1,162,042	105,437
Charges for services	139,760	139,760	152,724	12,964
Fines and forfeitures	159,000	159,000	165,378	6,378
Miscellaneous	-	-	1,401	1,401
Investment Earnings	15,000	15,000	16,615	1,615
Total Revenue	2,727,069	2,727,069	2,843,407	116,338
Expenditures				
Current				
General Government				
Personal services	394,760	394,760	397,408	2,648
Supplies/services/materials,etc	427,920	427,920	275,914	(152,006)
Capital outlay	-	-	-	-
Total General Government	822,680	822,680	673,322	(149,358)
Public Safety				
Personal services	1,301,082	1,301,082	1,286,956	(14,126)
Supplies/services/materials,etc	360,928	360,928	342,744	(18,184)
Capital outlay	-	-	6,505	6,505
Total Public Safety	1,662,010	1,662,010	1,636,205	(25,805)
Public Works				
Personal services	-	-	-	-
Supplies/services/materials,etc	5,600	5,600	5,600	-
Capital outlay	-	-	-	-
Total Public Works	5,600	5,600	5,600	-
Public Health				
Personal services	-	-	-	-
Supplies/services/materials,etc	4,250	4,250	4,250	-
Capital outlay	-	-	-	-
Total Public Health	4,250	4,250	4,250	-
Culture and Recreation				
Personal services	125,186	125,186	98,172	(27,014)
Supplies/services/materials,etc	192,864	192,864	88,871	(103,993)
Capital outlay	-	-	4,181	4,181
Total Culture and Recreation	318,050	318,050	191,224	(126,826)
Debt Service				
Principal	14,991	14,991	14,990	(1)
Interest and fiscal charges	1,829	1,829	1,829	-
Total Debt service	16,820	16,820	16,819	(1)
Miscellaneous				
Total Expenditures	2,991,457	2,991,457	2,615,914	(375,543)

(continued)

City of Columbia Falls, Flathead County, Montana
Statement of Revenue, Expenditures and Changes in Fund Balance
General Fund (1000) - Budget and Actual
For Fiscal Year Ended June 30, 2020

Description	Budgeted Amounts		Actual	Over (under) Final Budget
	Original	Final		
Excess (deficiency) of revenue over expenditures	<u>(264,388)</u>	<u>(264,388)</u>	<u>227,493</u>	<u>491,881</u>
Other financing sources (uses)				
Bond Proceeds	-	-	-	-
Transfers in	160,427	160,427	148,257	(12,170)
Transfers (out)	(263,927)	(263,927)	(263,926)	1
Proceeds on sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>(103,500)</u>	<u>(103,500)</u>	<u>(115,669)</u>	<u>(12,169)</u>
Net change in fund balances	<u>\$ (367,888)</u>	<u>\$ (367,888)</u>	111,824	<u>\$ 479,712</u>
Fund balances				
Beginning of year			1,046,398	
Prior Period Adjustment			-	
End of year			<u>\$ 1,158,222</u>	

See accompanying notes to the financial statements

City of Columbia Falls, Flathead County, Montana
Statement of Revenue, Expenditures and Changes in Fund Balance
Tax Increment Financing District (2310) - Major Special Revenue Fund - Budget and Actual
For Fiscal Year Ended June 30, 2020

Description	Budgeted Amounts		Actual	Over (under) Final Budget
	Original	Final		
Revenue				
Property taxes	\$ -	\$ 472,500	\$ 468,375	\$ (4,125)
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	5,335	5,335
Total Revenue	-	472,500	473,710	1,210
Expenditures				
Current				
General Government				
Personal services	-	-	-	-
Supplies/services/materials,etc	194,138	-	-	-
Capital outlay	-	440,000	-	(440,000)
Total General Government	194,138	440,000	-	(440,000)
Debt Service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Debt service	-	-	-	-
Miscellaneous	-	-	-	-
Total Expenditures	194,138	440,000	-	(440,000)
Excess (deficiency) of revenue over expenditures	(194,138)	32,500	473,710	441,210
Other financing sources (uses)				
Notes/loans issued	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ (194,138)	\$ 32,500	473,710	\$ 441,210
Fund balances				
Beginning of year			194,137	
End of year			<u>\$ 667,847</u>	

See accompanying notes to the financial statements

City of Columbia Falls, Flathead County, Montana
Statement of Revenue, Expenditures and Changes in Fund Balance
Special Street Maintenance (2500) - Major Special Revenue Fund - Budget and Actual
For Fiscal Year Ended June 30, 2020

Description	Budgeted Amounts		Actual	Over (under) Final Budget
	Original	Final		
Revenue				
Property taxes	\$ 316,600	\$ 316,600	\$ 314,951	\$ (1,649)
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	1,000	1,000	1,400	400
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	33	33
Investment Earnings	2,200	2,200	2,376	176
Total Revenue	319,800	319,800	318,760	(1,040)
Expenditures				
Current				
Public Works				
Personal services	286,891	286,891	266,937	(19,954)
Supplies/services/materials,etc	169,333	169,333	77,648	(91,685)
Capital outlay	9,000	9,000	-	(9,000)
Total Public Works	465,224	465,224	344,585	(120,639)
Miscellaneous	-	-	-	-
Total Expenditures	465,224	465,224	344,585	(120,639)
Excess (deficiency) of revenue over expenditures	(145,424)	(145,424)	(25,825)	119,599
Other financing sources (uses)				
Transfers in	40,023	40,023	42,351	2,328
Transfers (out)	(3,689)	(3,689)	(3,688)	1
Proceeds on sale of capital assets	-	-	-	-
Total other financing sources (uses)	36,334	36,334	38,663	2,329
Net change in fund balances	\$ (109,090)	\$ (109,090)	12,838	\$ 121,928
Fund balances				
Beginning of year			195,199	
End of year			\$ 208,037	

See accompanying notes to the financial statements

City of Columbia Falls, Flathead County, Montana
Statement of Revenue, Expenditures and Changes in Fund Balance
Cedar Creek Trust (2700) - Major Special Revenue Fund - Budget and Actual
For Fiscal Year Ended June 30, 2020

Description	Budgeted Amounts		Actual	Over (under) Final Budget
	Original	Final		
Revenue				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	141,243	141,243	22,123	(119,120)
Total Revenue	141,243	141,243	22,123	(119,120)
Expenditures				
Current				
Public Works				
Personal services	-	-	-	-
Supplies/services/materials,etc	-	-	-	-
Capital outlay	174,223	174,223	4,763	(169,460)
Total Public Works	174,223	174,223	4,763	(169,460)
Miscellaneous	-	-	-	-
Total Expenditures	174,223	174,223	4,763	(169,460)
Excess (deficiency) of revenue over expenditures	(32,980)	(32,980)	17,360	50,340
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ (32,980)	\$ (32,980)	17,360	\$ 50,340
Fund balances				
Beginning of year			1,324,285	
End of year			\$ 1,341,645	

See accompanying notes to the financial statements

City of Columbia Falls, Flathead County, Montana
Statement of Revenue, Expenditures and Changes in Fund Balance
Riverwood SID (3538) - Major Debt Service Fund - Budget and Actual
For Fiscal Year Ended June 30, 2020

Description	Budgeted Amounts		Actual	Over (under) Final Budget
	Original	Final		
Revenue				
Property taxes	\$ 29,731	\$ 29,731	\$ 29,778	\$ 47
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	307	307
Total Revenue	29,731	29,731	30,085	354
Expenditures				
Debt Service				
Principal	17,428	17,428	17,155	(273)
Interest and fiscal charges	12,303	12,303	12,433	130
Total Debt service	29,731	29,731	29,588	(143)
Miscellaneous	-	-	-	-
Total Expenditures	29,731	29,731	29,588	(143)
Excess (deficiency) of revenue over expenditures	-	-	497	497
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ -	\$ -	497	\$ 497
Fund balances				
Beginning of year			553	
End of year			\$ 1,050	

See accompanying notes to the financial statements

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

NOTES TO THE BUDGET AND ACTUAL SCHEDULES

JUNE 30, 2020

Budget Process – 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.

Budgets are prepared on the modified accrual basis of accounting. Budgeted fund expenditures are limited by State law to the total budgeted amount which may be amended as defined by State law. Amendments to the budget can be made for unanticipated revenue with the approval of the City Council.

The City Council 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, and tax levies set, on or before the first Thursday after the first Tuesday in September or within 30 calendar days after receiving certified taxable values from the State Department of Revenue. The total value of the property within the City as determined by the County Assessor is the assessed valuation.

The City budgets may also include encumbrances, which represent commitments to expend funds under current budget appropriations. All appropriations lapse at the end of the fiscal year except for accounts payable and encumbrances. There were no encumbrances in 2020.

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION

FOR YEAR ENDED JUNE 30, 2020

PUBLIC EMPLOYEES RETIREMENT SYSTEM

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Last 10 Fiscal Years*

As of measurement date:	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability (percentage)	0.0569%	0.0522%	0.0592%	0.0612%	0.0650%	0.0639%
Employer's net pension liability	\$ 1,188,831	\$ 1,088,451	\$ 1,152,441	\$ 1,042,789	\$ 908,287	\$ 796,071
State's net pension liability	386,278	364,164	15,579	12,742	11,157	9,721
Total	\$ 1,575,109	\$ 1,452,615	\$ 1,168,020	\$ 1,055,531	\$ 919,444	\$ 805,792
Employer's covered payroll	\$ 938,403	\$ 857,643	\$ 733,823	\$ 733,308	\$ 758,285	\$ 727,369
Employer's proportionate share as a percentage of covered payroll	126.69%	126.91%	157.05%	142.20%	119.78%	109.45%
Plan fiduciary net position as a percentage of total pension liability	73.75%	73.47%	73.75%	74.71%	78.40%	79.87%

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years*

As of reporting date:	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 92,708	\$ 80,709	\$ 72,642	\$ 61,439	\$ 61,294	\$ 62,486
Plan Choice Rate Required Contributions	-	-	-	-	1,340	2,140
Contributions in relation to the contractually required contribution	92,708	80,709	72,642	61,439	62,634	64,626
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 1,069,293	\$ 938,403	\$ 857,643	\$ 733,823	\$ 733,308	\$ 758,285
Contributions as a percentage of covered payroll	8.67%	8.60%	8.47%	8.37%	8.54%	8.52%

* The requirement is to illustrate information for 10 years. However, until a full 10-year trend is compiled, the schedule(s) present information for those year(s) for which information is available.

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION

PUBLIC EMPLOYEES RETIREMENT 2020

Changes of Benefit Terms

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

2017 Legislative Changes

Working Retiree Limitations – for PERS

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

Refunds

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

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

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

Disabled PERS Defined Contribution (DC) Members

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

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

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

Admin Expense as % of Payroll	0.26%
General Wage Growth*	3.50%
*Includes inflation at	2.75%
Merit increase	0% to 8.47%
Investment rate of return	7.65%
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age Normal
Amortization method	Level percentage of payroll, open

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION

PUBLIC EMPLOYEES RETIREMENT 2020

Remaining amortization period	30 years
Mortality (Healthy members)	For Males and Females: RP2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year
Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table

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

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION

FOR YEAR ENDED JUNE 30, 2020

MUNICIPAL POLICE OFFICERS RETIREMENT SYSTEM (MPORS)

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Last 10 Fiscal Years*

As of measurement date:	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability (percentage)	0.3356%	0.2970%	0.3260%	0.3041%	0.2957%	0.2898%
Employer's net pension liability	\$ 667,923	\$ 508,613	\$ 580,032	\$ 547,337	\$ 489,194	\$ 455,416
State's net pension liability	1,360,122	1,039,704	1,182,200	1,086,487	991,153	919,995
Total	\$ 2,028,045	\$ 1,548,317	\$ 1,762,232	\$ 1,633,824	\$ 1,480,347	\$ 1,375,411
Employer's covered payroll	\$ 553,048	\$ 468,773	\$ 487,536	\$ 429,223	\$ 409,292	\$ 388,866
Employer's proportionate share as a percentage of covered payroll	120.77%	108.50%	118.97%	127.52%	119.52%	117.11%
Plan fiduciary net position as a percentage of total pension liability	68.84%	70.95%	68.34%	65.62%	66.90%	67.01%

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years*

As of reporting date:	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 83,318	\$ 80,012	\$ 70,113	\$ 70,254	\$ 62,876	\$ 59,331
Plan Choice Rate Required Contributions	-	-	-	-	-	-
Contributions in relation to the contractually required contribution	83,318	80,012	70,113	70,254	62,876	59,331
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 578,198	\$ 553,048	\$ 468,773	\$ 487,536	\$ 429,223	\$ 409,292
Contributions as a percentage of covered payroll	14.41%	14.47%	14.96%	14.41%	14.65%	14.50%

* The requirement is to illustrate information for 10 years. However, until a full 10-year trend is compiled, the schedule(s) present information for those year(s) for which information is available.

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION

MUNICIPAL POLICE OFFICERS RETIREMENT SYSTEM (MPORS)

FOR YEAR ENDED JUNE 30, 2020

Changes of Benefit Terms

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

2017 Legislative Changes

General Revisions – House Bill 101, effective July 1, 2017

Working Retiree Limitations – for MPORS

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

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

Second Retirement Benefit – for MPORS

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

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

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION

MUNICIPAL POLICE OFFICERS RETIREMENT SYSTEM (MPORS)

FOR YEAR ENDED JUNE 30, 2020

- i. On the initial retirement benefit in January immediately following second retirement, and
- ii. On the second retirement benefit starting in January after receiving that benefit for at least 12 months.
3. A member who returns to covered service is not eligible for a disability benefit.

Refunds

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

Interest credited to member accounts

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

Lump-sum payouts

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

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following Actuarial Assumptions were adopted from the June 20, 2017 actuarial valuation:

Admin Expense as % of Payroll	0.23%
General Wage Growth*	3.50%
*Includes inflation at	2.75%
Merit increase	0% to 6.6%
Investment rate of return	7.65%
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age Normal
Amortization method	Level percentage of pay, open
Mortality (Healthy members)	For Males and Females: RP2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year
Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table

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

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION

FOR YEAR ENDED JUNE 30, 2020

FIREFIGHTERS UNIFIED RETIREMENT SYSTEM (FURS)

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Last 10 Fiscal Years*

As of measurement date:	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability (percentage)	0.0403%	0.0425%	0.0430%	0.0445%	0.0452%	0.0453%
Employer's net pension liability	\$ 46,220	\$ 48,893	\$ 48,641	\$ 50,782	\$ 46,238	\$ 44,179
State's net pension liability	111,782	111,798	110,459	115,056	102,984	99,666
Total	<u>\$ 158,002</u>	<u>\$ 160,691</u>	<u>\$ 159,100</u>	<u>\$ 165,838</u>	<u>\$ 149,222</u>	<u>\$ 143,845</u>
Employer's covered payroll	\$ 69,868	\$ 66,860	\$ 64,330	\$ 62,611	\$ 60,753	\$ 58,789
Employer's proportionate share as a percentage of covered payroll	66.15%	73.13%	75.61%	81.11%	76.11%	75.15%
Plan fiduciary net position as a percentage of total pension liability	80.08%	79.03%	77.77%	75.48%	76.90%	76.71%

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years*

As of reporting date:	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 11,245	\$ 9,629	\$ 9,841	\$ 9,238	\$ 8,952	\$ 8,894
Plan Choice Rate Required Contributions	-	-	-	-	-	-
Contributions in relation to the contractually required contribution	11,245	9,629	9,841	9,238	8,952	8,894
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 78,310	\$ 69,868	\$ 66,860	\$ 64,330	\$ 62,611	\$ 60,753
Contributions as a percentage of covered payroll	14.36%	13.78%	14.72%	14.36%	14.30%	14.64%

* The requirement is to illustrate information for 10 years. However, until a full 10-year trend is compiled, the schedule(s) present information for those year(s) for which information is available.

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION

FIREFIGHTERS UNIFIED RETIREMENT SYSTEM (FURS)

FOR YEAR ENDED JUNE 30, 2020

Changes of Benefit Terms

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

2017 Legislative Changes

Working Retiree Limitations – for FURS

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

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

Second Retirement Benefit – for FURS

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

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

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION

FIREFIGHTERS UNIFIED RETIREMENT SYSTEM (FURS)

FOR YEAR ENDED JUNE 30, 2020

- ii. On the second retirement benefit starting in January after receiving that benefit for at least 12 months.
3. A member who returns to covered service is not eligible for a disability benefit.

Refunds

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

Interest credited to member accounts

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

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

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

Admin Expense as % of Payroll	0.25%
General Wage Growth*	3.50%
*Includes inflation at	2.75%
Merit increase	0% to 6.3%
Investment rate of return	7.65%
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age Normal
Amortization method	Level percentage of pay, open
Mortality (Healthy members)	For Males and Females: RP2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year
Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table

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

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION

COLUMBIA FALLS FIREFIGHTERS RELIEF ASSOCIATION PENSION PLAN

A component unit of the City of Columbia Falls

FOR YEAR ENDED JUNE 30, 2020

Ten Year Trends:

The following schedules are presented using the City’s reporting date. These schedules represent a 10 year trend, however, until a full 10-year trend is compiled, the schedules present information for those years for which information is available.

Schedule of Total Pension Liability

As of Reporting Date:	2020	2019	2018	2017
Total pension liability	\$787,274	\$769,840	\$736,453	\$786,457
Covered-Employee payroll	-	-	-	-
Total pension liability as a % of covered-employee payroll	N/A	N/A	N/A	N/A

Schedule of Changes in Total Pension Liability

As of Reporting Date:	2020	2019	2018	2017
Beginning balance of Total Pension Liability (TPL)	\$769,840	\$736,453	\$786,457	\$830,221
Service cost	15,938	15,938	13,484	13,484
Interest on total pension liability	(8,567)	(11,053)	(6,585)	(3,899)
Difference between expected and actual experience in measurement of TPL	64,766	83,132	(848)	1,206
Benefit payments	(54,703)	(54,630)	(56,055)	(54,555)
Net change in Total Pension Liability	\$ 17,434	\$ 33,387	\$ (50,004)	\$ (43,764)

Schedule of Contributions to Non-Governmental Pension Plans

As of Reporting Date:	2020	2019	2018	2017
Required contributions per prior year actuary	\$ 69,134	\$ 69,134	\$ 89,839	\$ 91,790

**OTHER
SUPPLEMENTARY
INFORMATION**

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2020

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non-Major Governmental Funds
Assets				
Current assets:				
Cash and Cash Equivalents	\$ 208,335	\$ 703	\$ 648,266	\$ 857,304
Taxes and assessments receivable, net	7,203	42,890	-	50,093
Accounts receivable, net	-	-	4,000	4,000
Due from other governments	17,481	8,461	-	25,942
Total Current Assets	<u>233,019</u>	<u>52,054</u>	<u>652,266</u>	<u>937,339</u>
Non-current assets:				
Restricted Cash and cash equivalents	<u>157,661</u>	<u>34,817</u>	<u>461,603</u>	<u>654,081</u>
Total Noncurrent Assets	<u>157,661</u>	<u>34,817</u>	<u>461,603</u>	<u>654,081</u>
Total Assets	<u>\$ 390,680</u>	<u>\$ 86,871</u>	<u>\$ 1,113,869</u>	<u>\$ 1,591,420</u>
Liabilities				
Current Liabilities:				
Accounts payable	15,622	-	3,733	19,355
Due to other funds	-	-	-	-
Total Current Liabilities	<u>15,622</u>	<u>-</u>	<u>3,733</u>	<u>19,355</u>
Total Liabilities	<u>15,622</u>	<u>-</u>	<u>3,733</u>	<u>19,355</u>
Deferred Inflows of Resources				
Deferred property tax/special assmt rev	<u>7,203</u>	<u>42,890</u>	<u>-</u>	<u>50,093</u>
Total Deferred Inflows of Resources	<u>7,203</u>	<u>42,890</u>	<u>-</u>	<u>50,093</u>
Fund Balance				
Restricted for:				
General Government	143,223	-	-	143,223
Public Safety	147,826	-	-	147,826
Public Works	71,165	-	-	71,165
Culture & Recreation	-	-	53,253	53,253
Housing & community development	5,641	-	-	5,641
Debt Service	-	43,981	-	43,981
Committed for				-
Capital Projects	-	-	1,056,883	1,056,883
Total Fund Balance	<u>367,855</u>	<u>43,981</u>	<u>1,110,136</u>	<u>1,521,972</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 390,680</u>	<u>\$ 86,871</u>	<u>\$ 1,113,869</u>	<u>\$ 1,591,420</u>

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDING JUNE 30, 2020

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non-Major Governmental Funds
Revenues:				
Property Taxes/Assessments	\$ 200,087	\$ 98,084	\$ -	\$ 298,171
License and Permits	180,850	-	-	180,850
Intergovernmental	170,485	-	-	170,485
Charges for Services	-	-	-	-
Fines and Forfeitures	4,904	-	-	4,904
Miscellaneous	8,708	-	4,000	12,708
Investment Earnings	3,628	614	15,989	20,231
Total Revenues	<u>\$ 568,662</u>	<u>\$ 98,698</u>	<u>\$ 19,989</u>	<u>\$ 687,349</u>
Expenditures:				
General Government	4,904	-	-	4,904
Public Safety	154,130	-	-	154,130
Public Works	219,653	-	-	219,653
Housing and Community Development	-	-	-	-
Debt Service	-	91,508	-	91,508
Principal Interest	-	7,983	-	7,983
Capital Outlay	-	-	115,888	115,888
Miscellaneous	1,193	-	17,637	18,830
Total Expenditures	<u>379,880</u>	<u>99,491</u>	<u>133,525</u>	<u>612,896</u>
Excess (Deficiency) Revenues over Expenditures	188,782	(793)	(113,536)	74,453
Other Financing Sources (Uses):				
Transfers in	3,688	-	287,582	291,270
Transfer (Out)	(214,264)	-	-	(214,264)
Proceeds from the sale of capital assets	-	-	-	-
Total other financing sources and (uses)	<u>(210,576)</u>	<u>-</u>	<u>287,582</u>	<u>77,006</u>
Change in Fund Balance	(21,794)	(793)	174,046	151,459
Fund Balance:				
Beginning of the Year	389,649	44,774	936,090	1,370,513
Prior Period Adjustment	-	-	-	-
End of the Year	<u>\$ 367,855</u>	<u>\$ 43,981</u>	<u>\$ 1,110,136</u>	<u>\$ 1,521,972</u>

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

COMBINING BALANCE SHEET
ALL NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2020

	2311	2372	2394	2400	2820	2821	2917	2940	Total Non-Major
	TEDD Industrial Park	Permissive Medical Levy	Building Code Enforcement	Special Lighting District	Gas Tax Fund	Special Gas Tax Fund	Crime Victims Assistance	CDBG_HOME Investment Partnership Program	Special Revenue Funds
Assets									
Current assets:									
Cash and Cash Equivalents	\$ -	\$ -	\$ 29,038	\$ 11,001	\$ 38,920	\$ 517	\$ 724	\$ 128,135	\$ 208,335
Taxes and assessments receivable, net	44	6,446	-	713	-	-	-	-	7,203
Due from other governments	272	14,744	-	2,465	-	-	-	-	17,481
Total Current Assets	<u>316</u>	<u>21,190</u>	<u>29,038</u>	<u>14,179</u>	<u>38,920</u>	<u>517</u>	<u>724</u>	<u>128,135</u>	<u>233,019</u>
Non-current assets:									
Restricted Cash and cash equivalents	5,369	344	131,176	20,772	-	-	-	-	157,661
Total Noncurrent Assets	<u>5,369</u>	<u>344</u>	<u>131,176</u>	<u>20,772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>157,661</u>
Total Assets	<u>\$ 5,685</u>	<u>\$ 21,534</u>	<u>\$ 160,214</u>	<u>\$ 34,951</u>	<u>\$ 38,920</u>	<u>\$ 517</u>	<u>\$ 724</u>	<u>\$ 128,135</u>	<u>\$ 390,680</u>
Liabilities									
Current Liabilities:									
Accounts payable	-	-	12,388	2,510	-	-	724	-	15,622
Accrued payables	-	-	-	-	-	-	-	-	-
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>12,388</u>	<u>2,510</u>	<u>-</u>	<u>-</u>	<u>724</u>	<u>-</u>	<u>15,622</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>12,388</u>	<u>2,510</u>	<u>-</u>	<u>-</u>	<u>724</u>	<u>-</u>	<u>15,622</u>
Deferred Inflows of Resources									
Deferred property tax/special assmt rev	44	6,446	-	713	-	-	-	-	7,203
Total Deferred Inflows of Resources	<u>44</u>	<u>6,446</u>	<u>-</u>	<u>713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,203</u>
Fund Balance									
Restricted for:									
General government	-	15,088	-	-	-	-	-	128,135	143,223
Public Safety	-	-	147,826	-	-	-	-	-	147,826
Public Works	-	-	-	31,728	38,920	517	-	-	71,165
Housing & community development	5,641	-	-	-	-	-	-	-	5,641
Total Fund Balance	<u>5,641</u>	<u>15,088</u>	<u>147,826</u>	<u>31,728</u>	<u>38,920</u>	<u>517</u>	<u>-</u>	<u>128,135</u>	<u>367,855</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 5,685</u>	<u>\$ 21,534</u>	<u>\$ 160,214</u>	<u>\$ 34,951</u>	<u>\$ 38,920</u>	<u>\$ 517</u>	<u>\$ 724</u>	<u>\$ 128,135</u>	<u>\$ 390,680</u>

City of Columbia Falls, Flathead County, Montana
Combining Schedule of Revenue, Expenditures and Changes in Fund Balance
Non-Major Special Revenue Funds - Budget and Actual
For Fiscal Year Ended June 30, 2020

	TEDD Industrial Park (2311)				Permissive Medical (2372)			
	Budgeted Amounts		Actual	Over (under) Final Budget	Budgeted Amounts		Actual	Over (under) Final Budget
	Original	Final			Original	Final		
Revenue								
Taxes and Assessments	\$ -	\$ 1,734	\$ 1,734	\$ -	\$ 170,928	\$ 170,928	\$ 167,710	\$ (3,218)
Intergovernmental	-	-	-	-	1,500	1,500	2,100	600
Other revenue								
Investment Earnings	-	-	72	72	600	600	666	66
Total Revenue	<u>-</u>	<u>1,734</u>	<u>1,806</u>	<u>72</u>	<u>173,028</u>	<u>173,028</u>	<u>170,476</u>	<u>(2,552)</u>
Expenditures								
Current								
Housing and Community Development				-				-
Personal Services	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Internal Services	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	-	1,734	1,806	72	173,028	173,028	170,476	(2,552)
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	(200,450)	(200,450)	(190,608)	9,842
Proceeds of general long term debt	-	-	-	-	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,450)</u>	<u>(200,450)</u>	<u>(190,608)</u>	<u>9,842</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 1,734</u>	<u>1,806</u>	<u>\$ 72</u>	<u>\$ (27,422)</u>	<u>\$ (27,422)</u>	<u>(20,132)</u>	<u>\$ 7,290</u>
Fund balances								
Beginning of year			3,835				35,220	
End of year			<u>\$ 5,641</u>				<u>\$ 15,088</u>	

(continued)

City of Columbia Falls, Flathead County, Montana
Combining Schedule of Revenue, Expenditures and Changes in Fund Balance
Non-Major Special Revenue Funds - Budget and Actual
For Fiscal Year Ended June 30, 2020

	Building Code Enforcement (2394)				Special Lighting (2400)			
	Budgeted Amounts		Actual	Over (under) Final Budget	Budgeted Amounts		Actual	Over (under) Final Budget
	Original	Final			Original	Final		
Revenue								
Taxes and Assessments	\$ -	\$ -	\$ -	\$ -	\$ 30,119	\$ 30,119	\$ 30,643	\$ 524
Licenses and Permits	140,500	184,500	180,850	(3,650)	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Other revenue								
Miscellaneous	-	-	43	43	-	-	1,038	1,038
Investment Earnings	1,500	1,500	2,284	784	500	500	606	106
Total Revenue	142,000	186,000	183,177	(2,823)	30,619	30,619	32,287	1,668
Expenditures								
Current								
Public Safety								
Personal Services	34,482	34,482	34,407	(75)	-	-	-	-
Operations	95,120	123,720	119,723	(3,997)	-	-	-	-
Public Works								
Personal Services	-	-	-	-	-	-	-	-
Operations	-	-	-	-	49,883	49,883	40,595	(9,288)
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Internal Services	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Miscellaneous	1,194	1,194	1,193	(1)	-	-	-	-
Total Expenditures	130,796	159,396	155,323	(4,073)	49,883	49,883	40,595	(9,288)
Excess (deficiency) of revenue over expenditures	11,204	26,604	27,854	1,250	(19,264)	(19,264)	(8,308)	10,956
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
Proceeds of general long term debt	-	-	-	-	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 11,204	\$ 26,604	27,854	\$ 1,250	\$ (19,264)	\$ (19,264)	(8,308)	\$ 10,956
Fund balances								
Beginning of year			119,972				40,036	
End of year			<u>\$ 147,826</u>				<u>\$ 31,728</u>	

(continued)

City of Columbia Falls, Flathead County, Montana
Combining Schedule of Revenue, Expenditures and Changes in Fund Balance
Non-Major Special Revenue Funds - Budget and Actual
For Fiscal Year Ended June 30, 2020

	Gas Tax Fund (2820)				Special Gas Tax Fund (2821)			
	Budgeted Amounts		Actual	Over (under) Final Budget	Budgeted Amounts		Actual	Over (under) Final Budget
	Original	Final			Original	Final		
Revenue								
Taxes and Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental	94,625	94,625	94,625	-	73,760	73,760	73,760	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Other revenue								
Miscellaneous	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Total Revenue	<u>94,625</u>	<u>94,625</u>	<u>94,625</u>	<u>-</u>	<u>73,760</u>	<u>73,760</u>	<u>73,760</u>	<u>-</u>
Expenditures								
Current								
Public Works								
Personal Services	-	-	-	-	-	-	-	-
Operations	141,047	141,047	102,127	(38,920)	77,448	77,448	76,931	(517)
Culture and Recreation								
Personal Services	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Internal Services	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Expenditures	<u>141,047</u>	<u>141,047</u>	<u>102,127</u>	<u>(38,920)</u>	<u>77,448</u>	<u>77,448</u>	<u>76,931</u>	<u>(517)</u>
Excess (deficiency) of revenue over expenditures	(46,422)	(46,422)	(7,502)	38,920	(3,688)	(3,688)	(3,171)	517
Other financing sources (uses)								
Transfers in	-	-	-	-	3,688	3,688	3,688	-
Transfers (out)	(23,656)	(23,656)	(23,656)	-	-	-	-	-
Proceeds of general long term debt	-	-	-	-	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(23,656)</u>	<u>(23,656)</u>	<u>(23,656)</u>	<u>-</u>	<u>3,688</u>	<u>3,688</u>	<u>3,688</u>	<u>-</u>
Net change in fund balances	<u>\$ (70,078)</u>	<u>\$ (70,078)</u>	<u>(31,158)</u>	<u>\$ 38,920</u>	<u>\$ -</u>	<u>\$ -</u>	<u>517</u>	<u>\$ 517</u>
Fund balances								
Beginning of year			70,078				-	
End of year			<u>\$ 38,920</u>				<u>\$ 517</u>	

(continued)

City of Columbia Falls, Flathead County, Montana
Combining Schedule of Revenue, Expenditures and Changes in Fund Balance
Non-Major Special Revenue Funds - Budget and Actual
For Fiscal Year Ended June 30, 2020

	Crime Victims Assistance (2917)				CDBG HOME Funds (2940)			
	Budgeted Amounts		Actual	Over (under) Final Budget	Budgeted Amounts		Actual	Over (under) Final Budget
	Original	Final			Original	Final		
Revenue								
Taxes and Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	6,000	6,000	4,904	(1,096)	-	-	-	-
Other revenue								
Miscellaneous	-	-	-	-	-	-	7,627	7,627
Investment Earnings	-	-	-	-	-	-	-	-
Total Revenue	6,000	6,000	4,904	(1,096)	-	-	7,627	7,627
Expenditures								
Current								
General Government								
Personal Services	-	-	-	-	-	-	-	-
Operations	6,000	6,000	4,904	(1,096)	120,508	120,508	-	(120,508)
Public Works								
Personal Services	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Internal Services	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Expenditures	6,000	6,000	4,904	(1,096)	120,508	120,508	-	(120,508)
Excess (deficiency) of revenue over expenditures	-	-	-	-	(120,508)	(120,508)	7,627	128,135
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
Proceeds of general long term debt	-	-	-	-	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	\$ -	\$ -	-	\$ -	\$ (120,508)	\$ (120,508)	7,627	\$ 128,135
Fund balances								
Beginning of year			-			120,508		
End of year			<u>\$ -</u>			<u>\$ 128,135</u>		

(continued)

City of Columbia Falls, Flathead County, Montana
Combining Schedule of Revenue, Expenditures and Changes in Fund Balance
Non-Major Special Revenue Funds - Budget and Actual
For Fiscal Year Ended June 30, 2020

	Total of all Non-major Special Revenue Funds			
	Budgeted Amounts		Actual	Over (under) Final Budget
	Original	Final		
Revenue				
Taxes and Assessments	\$ 201,047	\$ 202,781	\$ 200,087	\$ (2,694)
Licenses and Permits	140,500	184,500	180,850	(3,650)
Intergovernmental	169,885	169,885	170,485	600
Charges for services	-	-	-	-
Fines and forfeitures	6,000	6,000	4,904	(1,096)
Other revenue	-	-	-	-
Miscellaneous	-	-	8,708	8,708
Investment Earnings	2,600	2,600	3,628	1,028
Total Revenue	520,032	565,766	568,662	2,896
Expenditures				
Current				
General Government				
Personal Services	-	-	-	-
Operations	126,508	126,508	4,904	(121,604)
Public Safety	-	-	-	-
Personal Services	34,482	34,482	34,407	(75)
Operations	95,120	123,720	119,723	(3,997)
Public Works	-	-	-	-
Personal Services	-	-	-	-
Operations	268,378	268,378	219,653	(48,725)
Culture and Recreation	-	-	-	-
Personal Services	-	-	-	-
Operations	-	-	-	-
Housing and Community Development	-	-	-	-
Personal Services	-	-	-	-
Operations	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Internal Services	-	-	-	-
Capital Outlay	-	-	-	-
Miscellaneous	1,194	1,194	1,193	(1)
Total Expenditures	525,682	554,282	379,880	(174,402)
Excess (deficiency) of revenue over expenditures	(5,650)	11,484	188,782	177,298
Other financing sources (uses)				
Transfers in	3,688	3,688	3,688	-
Transfers (out)	(224,106)	(224,106)	(214,264)	9,842
Proceeds of general long term debt	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-
Total other financing sources (uses)	(220,418)	(220,418)	(210,576)	9,842
Net change in fund balances	\$ (226,068)	\$ (208,934)	(21,794)	\$ 187,140
Fund balances				
Beginning of year			389,649	
End of year			<u>\$ 367,855</u>	

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

COMBINING BALANCE SHEET
ALL NON-MAJOR DEBT SERVICE FUNDS
June 30, 2020

	3020	3534	3536	Total Non-Major Debt Service Funds
	GO Street Improvements	SID 34	SID 36	
Assets				
Current assets:				
Cash and Cash Equivalents	\$ -	\$ 398	\$ 305	\$ 703
Taxes and assessments receivable, net	3,284	25,027	14,579	42,890
Due from other governments	7,245	-	1,216	8,461
Total Current Assets	<u>10,529</u>	<u>25,425</u>	<u>16,100</u>	<u>52,054</u>
Non-current assets:				
Restricted Cash and cash equivalents	34,817	-	-	34,817
Total Noncurrent Assets	<u>34,817</u>	<u>-</u>	<u>-</u>	<u>34,817</u>
Total Assets	<u>\$ 45,346</u>	<u>\$ 25,425</u>	<u>\$ 16,100</u>	<u>\$ 86,871</u>
Liabilities				
Current Liabilities:				
Accounts payable	-	-	-	-
Due to other funds	-	-	-	-
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Deferred property tax/special assmt rev	3,284	25,027	14,579	42,890
Total Deferred Inflows of Resources	<u>3,284</u>	<u>25,027</u>	<u>14,579</u>	<u>42,890</u>
Fund Balance				
Restricted for:				
Debt Service	42,062	398	1,521	43,981
Total Fund Balance	<u>42,062</u>	<u>398</u>	<u>1,521</u>	<u>43,981</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 45,346</u>	<u>\$ 25,425</u>	<u>\$ 16,100</u>	<u>\$ 86,871</u>

City of Columbia Falls, Flathead County, Montana
Combining Schedule of Revenue, Expenditures and Changes in Fund Balance
Non-Major Debt Service Funds - Budget and Actual
For Fiscal Year Ended June 30, 2020

	GO Street Improvements (3020)				SID 34 (3534)			
	Budgeted Amounts		Actual	Over (under) Final Budget	Budgeted Amounts		Actual	Over (under) Final Budget
	Original	Final			Original	Final		
Revenue								
Taxes and Assessments	\$ 87,196	\$ 87,196	\$ 86,209	\$ (987)	\$ 5,715	\$ 5,715	\$ 5,853	\$ 138
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Other revenue								
Miscellaneous	-	-	-	-	-	-	-	-
Investment Earnings	500	500	548	48	-	-	29	29
Total Revenue	<u>87,696</u>	<u>87,696</u>	<u>86,757</u>	<u>(939)</u>	<u>5,715</u>	<u>5,715</u>	<u>5,882</u>	<u>167</u>
Expenditures								
Current								
Debt Service								
Principal	82,314	82,314	82,313	(1)	4,326	4,326	4,326	-
Interest	5,673	5,673	5,672	(1)	1,389	1,389	1,388	(1)
Internal Services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	<u>87,987</u>	<u>87,987</u>	<u>87,985</u>	<u>(2)</u>	<u>5,715</u>	<u>5,715</u>	<u>5,714</u>	<u>(1)</u>
Excess (deficiency) of revenue over expenditures	(291)	(291)	(1,228)	(941)	-	-	168	166
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
Proceeds of general long term debt	-	-	-	-	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (291)</u>	<u>\$ (291)</u>	<u>(1,228)</u>	<u>\$ (937)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>168</u>	<u>\$ 168</u>
Fund balances								
Beginning of year			43,290				230	
Prior Period Adjustment			-					
End of year			<u>\$ 42,062</u>				<u>\$ 398</u>	

(continued)

City of Columbia Falls, Flathead County, Montana
Combining Schedule of Revenue, Expenditures and Changes in Fund Balance
Non-Major Debt Service Funds - Budget and Actual
For Fiscal Year Ended June 30, 2020

	SID 36 (3536)				Total of All Non-Major Debt Service Funds			
	Budgeted Amounts		Actual	Over (under) Final Budget	Budgeted Amounts		Actual	Over (under) Final Budget
	Original	Final			Original	Final		
Revenue								
Taxes and Assessments	\$ 3,801	\$ 5,793	\$ 6,022	\$ -	\$ 96,712	\$ 98,704	\$ 98,084	\$ (849)
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Investment Earnings	-	-	37	37	500	500	614	114
Total Revenue	<u>3,801</u>	<u>5,793</u>	<u>6,059</u>	<u>37</u>	<u>97,212</u>	<u>99,204</u>	<u>98,698</u>	<u>(735)</u>
Expenditures								
Debt Service								
Principal	2,877	4,869	4,869	-	89,517	91,509	91,508	(1)
Interest	924	924	923	(1)	7,986	7,986	7,983	(3)
Internal Services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	<u>3,801</u>	<u>5,793</u>	<u>5,792</u>	<u>(1)</u>	<u>97,503</u>	<u>99,495</u>	<u>99,491</u>	<u>(4)</u>
Excess (deficiency) of revenue over expenditures	-	-	267	36	(291)	(291)	(793)	(739)
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
Proceeds of general long term debt	-	-	-	-	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>267</u>	<u>\$ 38</u>	<u>\$ (291)</u>	<u>\$ (291)</u>	<u>(793)</u>	<u>\$ (731)</u>
Fund balances								
Beginning of year			1,254				44,774	
Prior Period Adjustment							-	
End of year			<u>\$ 1,521</u>				<u>\$ 43,981</u>	

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

COMBINING BALANCE SHEET
 ALL NON-MAJOR CAPITAL PROJECT FUNDS
 June 30, 2020

	4000	4010	4020	4040	Total Non-Major
	Capital Project- Building Improv	Capital Project- Parks Improv	Capital Project- General Eqpt	Capital Project- Street Construction	Capital Project Funds
Assets					
Current assets:					
Cash and Cash Equivalents	\$ 140,758	\$ 146,253	\$ 56,446	\$ 304,809	\$ 648,266
Accounts receivable, net	-	4,000	-	-	4,000
Total Current Assets	<u>140,758</u>	<u>150,253</u>	<u>56,446</u>	<u>304,809</u>	<u>652,266</u>
Non-current assets:					
Restricted Cash and cash equivalents	27,010	180,279	163,194	91,120	461,603
Total Noncurrent Assets	<u>27,010</u>	<u>180,279</u>	<u>163,194</u>	<u>91,120</u>	<u>461,603</u>
Total Assets	<u>\$ 167,768</u>	<u>\$ 330,532</u>	<u>\$ 219,640</u>	<u>\$ 395,929</u>	<u>\$ 1,113,869</u>
Liabilities					
Current Liabilities:					
Accounts payable	-	-	3,733	-	3,733
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>3,733</u>	<u>-</u>	<u>3,733</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>3,733</u>	<u>-</u>	<u>3,733</u>
Fund Balance					
Restricted for:					
Culture & Recreation	-	53,253	-	-	53,253
Committed for					
Capital Projects	<u>167,768</u>	<u>277,279</u>	<u>215,907</u>	<u>395,929</u>	<u>1,056,883</u>
Total Fund Balance	<u>167,768</u>	<u>330,532</u>	<u>215,907</u>	<u>395,929</u>	<u>1,110,136</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 167,768</u>	<u>\$ 330,532</u>	<u>\$ 219,640</u>	<u>\$ 395,929</u>	<u>\$ 1,113,869</u>

City of Columbia Falls, Flathead County, Montana
Combining Schedule of Revenue, Expenditures and Changes in Fund Balance
Non-Major Capital Project Funds - Budget and Actual
For Fiscal Year Ended June 30, 2020

	Capital Project-Building Improvements (4000)				Capital Project-Park Improvements (4010)			
	Budgeted Amounts		Actual	Over (under) Final Budget	Budgeted Amounts		Actual	Over (under) Final Budget
	Original	Final			Original	Final		
Revenue								
Taxes and Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Other revenue								
Miscellaneous	-	-	-	-	2,000	2,000	4,000	2,000
Investment Earnings	500	500	1,258	758	6,500	6,500	5,456	(1,044)
Total Revenue	<u>500</u>	<u>500</u>	<u>1,258</u>	<u>758</u>	<u>8,500</u>	<u>8,500</u>	<u>9,456</u>	<u>956</u>
Expenditures								
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Internal Services								
Capital Outlay	140,000	140,000	-	(140,000)	165,000	165,000	14,646	(150,354)
Miscellaneous	-	-	-	-	-	-	1,057	1,057
Total Expenditures	<u>140,000</u>	<u>140,000</u>	<u>-</u>	<u>(140,000)</u>	<u>165,000</u>	<u>165,000</u>	<u>15,703</u>	<u>(149,297)</u>
Excess (deficiency) of revenue over expenditures	(139,500)	(139,500)	1,258	(139,242)	(156,500)	(156,500)	(6,247)	(148,341)
Other financing sources (uses)								
Transfers in	115,500	115,500	115,500	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
Proceeds of general long term debt	-	-	-	-	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>115,500</u>	<u>115,500</u>	<u>115,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (24,000)</u>	<u>\$ (24,000)</u>	<u>116,758</u>	<u>\$ 140,758</u>	<u>\$ (156,500)</u>	<u>\$ (156,500)</u>	<u>(6,247)</u>	<u>\$ 150,253</u>
Fund balances								
Beginning of year			51,010				336,779	
End of year			<u>\$ 167,768</u>				<u>\$ 330,532</u>	

(continued)

City of Columbia Falls, Flathead County, Montana
 Combining Schedule of Revenue, Expenditures and Changes in Fund Balance
 Non-Major Capital Project Funds - Budget and Actual
 For Fiscal Year Ended June 30, 2020

	Capital Project-General Eqpt (4020)				Capital Project-Street Construction (4040)			
	Budgeted Amounts		Actual	Over (under) Final Budget	Budgeted Amounts		Actual	Over (under) Final Budget
	Original	Final			Original	Final		
Revenue								
Taxes and Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Other revenue								
Miscellaneous	-	-	-	-	-	-	-	-
Investment Earnings	1,000	1,000	2,756	1,756	2,500	2,500	6,519	4,019
Total Revenue	<u>1,000</u>	<u>1,000</u>	<u>2,756</u>	<u>1,756</u>	<u>2,500</u>	<u>2,500</u>	<u>6,519</u>	<u>4,019</u>
Expenditures								
Capital Outlay	152,200	152,200	101,242	(50,958)	300,789	300,789	-	(300,789)
Miscellaneous	-	-	-	-	6,800	6,800	16,580	9,780
Total Expenditures	<u>152,200</u>	<u>152,200</u>	<u>101,242</u>	<u>(50,958)</u>	<u>307,589</u>	<u>307,589</u>	<u>16,580</u>	<u>(291,009)</u>
Excess (deficiency) of revenue over expenditures	(151,200)	(151,200)	(98,486)	(49,202)	(305,089)	(305,089)	(10,061)	(286,990)
Other financing sources (uses)								
Transfers in	172,083	172,083	172,082	(1)	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
Proceeds of general long term debt	-	-	-	-	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>172,083</u>	<u>172,083</u>	<u>172,082</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 20,883</u>	<u>\$ 20,883</u>	73,596	<u>\$ 52,713</u>	<u>\$ (305,089)</u>	<u>\$ (305,089)</u>	(10,061)	<u>\$ 295,028</u>
Fund balances								
Beginning of year			142,311				405,990	
Restatments								
End of year			<u>\$ 215,907</u>				<u>\$ 395,929</u>	

(continued)

City of Columbia Falls, Flathead County, Montana
Combining Schedule of Revenue, Expenditures and Changes in Fund Balance
Non-Major Capital Project Funds - Budget and Actual
For Fiscal Year Ended June 30, 2020

	Total of All Non-Major Capital Project Funds			
	Budgeted Amounts		Actual	Over (under)
	Original	Final		Final Budget
Revenue				
Taxes and Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Other revenue	-	-	-	-
Miscellaneous	2,000	2,000	4,000	2,000
Investment Earnings	10,500	10,500	15,989	5,489
Total Revenue	<u>12,500</u>	<u>12,500</u>	<u>19,989</u>	<u>7,489</u>
Expenditures				
Capital Outlay	757,989	757,989	115,888	(642,101)
Miscellaneous	6,800	6,800	17,637	10,837
Total Expenditures	<u>764,789</u>	<u>764,789</u>	<u>133,525</u>	<u>(631,264)</u>
Excess (deficiency) of revenue over expenditures	(752,289)	(752,289)	(113,536)	638,753
Other financing sources (uses)				
Transfers in	287,583	287,583	287,582	(1)
Transfers (out)	-	-	-	-
Proceeds of general long term debt	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>287,583</u>	<u>287,583</u>	<u>287,582</u>	<u>(1)</u>
Net change in fund balances	<u>\$ (464,706)</u>	<u>\$ (464,706)</u>	174,046	638,752
Fund balances				
Beginning of year			936,090	
Restatements			-	
End of year			<u>\$ 1,110,136</u>	

**GENERAL
INFORMATION
SECTION**

GENERAL INFORMATION
(Complete all portions applicable to entity)

1. Class of county/city	3rd Class
2. Date of incorporation	1909
3. County seat	Kalispell
4. Form of government	Commission/Manager
5. Population (most recent estimate)	4688 (2010 Census)
6. Land area	1,455 Acres
7. Miles of roads/streets/alleys	40.063
8. Taxable valuation	8,124,055
9. Road taxable valuation (county)	
10. Number of water consumers	2127
11. Average daily water consumption	639,151 gallons
12. Miles of water main	37.6
13. Miles of sanitary and storm sewers	30.5
14. Number of building permits issued	66
15. Number of full-time employees	33.44

B. PROPERTY TAX MILL LEVIES -
County/City/Town funds only (For fiscal year being reported)

Fund/activity	Mills
1000 - General Fund	171.63
2372 - Permissive Medical Levy	22.83
3020 - GO Bond Street Construction	11.63
7120 - Fire Relief	6.75
TOTAL	212.85

**CITY OF COLUMBIA FALLS
SCHEDULE OF FEDERAL/STATE GRANTS,
ENTITLEMENTS, AND SHARED REVENUES
FISCAL YEAR ENDING JUNE 30, 2020**

	REVENUE CODE	RECEIVING FUND	AMOUNT
<u>FEDERAL GRANTS/ENTITLEMENTS - (LIST)</u>			
Cares Funding 21.019	331991	1000	137,925.00
Cares Funding 21.019	331991	5210	46.00
Cares Funding 21.019	331991	5310	318.00
Stonegarden Grant 97.067	331112	1000	14,991.00
Highway Planning & Construction 20.205	331052	1000	396.00
State Grants/Hwy Safety 20.600	334000	1000	6,811.00
Total Federal Grants/Entitlements			160,487.00
<u>FEDERAL SHARED REVENUES - (LIST)</u>			
Total Federal Shared Revenues			0.00
<u>STATE GRANTS/ENTITLEMENTS - (LIST)</u>			
DNRC Grant	334122	1000	750.00
Fish, Wildlife & Parks	334125	1000	5,354.00
Gas Tax Apportionment	335040	2820	94,625.00
Special Gas Tax Apportionment	335041	2821	73,760.00
Total State Grants/Entitlements			174,489.00
<u>STATE SHARED REVENUES - (LIST)</u>			
State Entitlement	335230	1000	740,332.00
State Entitlement	335230	2372	2,100.00
State On-Behalf	336020	1000	195,354.00
State On-Behalf	336020	5210	5,526.00
State On-Behalf	336020	5310	6,582.00
Gambling Licenses & Permits	335120	1000	18,975.00
Total State Shared Revenues			968,869.00
<u>LOCAL GRANTS - (LIST)</u>			
Flathead County-EMS	337340	1000	7,250.00
Flathead County-SRO	337350	1000	25,000.00
School District #6	337360	1000	7,000.00
Boys & Girls Club	331179	1000	1,900.00
			41,150.00
TOTAL			1,344,995.00

ALL FUNDS
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUNDS
FISCAL YEAR ENDING JUNE 30, 2020

Fund Number	Description	Cash balance 7/1/2019	Receipts	Transfers in	Disbursements	Transfers Out	Cash balance 6/30/2020
1000	GENERAL	1,006,011.00	2,987,250.00	2,615.00	419,455.00	2,465,722.00	1,110,699.00
2000	SPECIAL REVENUE FUNDS						
2310	Tax Increment Fund	163,048.00	731,436.00		297,861.00		596,623.00
2311	TEDD Industrial Park	3,785.00	5,465.00		3,881.00		5,369.00
2372	Permissive Medical Levy	27,459.00	197,926.00		225,041.00		344.00
2394	Building Code Enforcement Fund	123,590.00	197,331.00		13,371.00	147,336.00	160,214.00
2400	Light maintenance districts (all)	40,786.00	40,722.00		7,806.00	41,929.00	31,773.00
2500	Maintenance districts (all)	180,162.00	417,295.00	1,227.00	82,548.00	347,403.00	168,733.00
2700	Cedar Creek Trust	1,033,778.00	141,400.00			4,763.00	1,170,415.00
2820	Gas tax	70,078.00	94,625.00		23,656.00	102,127.00	38,920.00
2821	Special Gas Tax		77,448.00	769.00		77,700.00	517.00
2917	Crime Victims Assitance Fund	341.00	4,904.00			4,521.00	724.00
2940	C.D.B.G.	120,508.00	7,627.00				128,135.00
2960-79	Health grants (all)						0.00
2980	Aging services						0.00
	TOTAL SPECIAL REVENUE	1,763,535.00	1,916,179.00	1,996.00	654,164.00	725,779.00	2,301,767.00
3000	DEBT SERVICE FUNDS (list)						
3020	GO Street Improvements	38,160.00	104,942.00		66,746.00	41,539.00	34,817.00
3534	SID 34 Fund		7,117.00		6,719.00		398.00
3536	SID 36 Fund	983.00	6,330.00		7,008.00		305.00
3538	SID 38 Fund	15,282.00	37,443.00		9,507.00	29,588.00	13,630.00
	TOTAL DEBT SERVICE FUNDS	54,425.00	155,832.00	0.00	89,980.00	71,127.00	49,150.00
4000	CAPITAL PROJECTS FUNDS (list)						
4000	CAPITAL PROJECTS FUNDS Building Improvem	55,937.00	125,102.00		8,343.00	4,928.00	167,768.00
4010	CAPITAL PROJECTS FUNDS Parks Improvemer	336,779.00	32,011.00		26,555.00	15,703.00	326,532.00
4020	CAPITAL PROJECTS General Equipment	144,100.00	252,283.00		97,008.00	79,735.00	219,640.00
4040	CAPITAL PROJECTS Street Construction	433,289.00	6,520.00			43,880.00	395,929.00
	TOTAL CAPITAL PROJECTS FUNDS	970,105.00	415,916.00	0.00	131,906.00	144,246.00	1,109,869.00
5000	ENTERPRISE FUNDS (list)						
5210	Water Enterprise Fund	844,739.00	915,687.00	4,590.00	3,565.00	867,825.00	893,626.00
5211	Water Capital Expansion	1,350,950.00	206,633.00		101.00		1,557,482.00
5310	Sewer Enterprise Fund	1,270,280.00	1,206,174.00	29,811.00	548.00	1,229,908.00	1,275,809.00
5311	Sewer Capital Expansion	793,112.00	194,075.00		114,353.00		872,834.00
	TOTAL ENTERPRISE FUNDS	4,259,081.00	2,522,569.00	34,401.00	118,567.00	2,097,733.00	4,599,751.00
6000	INTERNAL SERVICE FUNDS (list)						0.00
	TOTAL INTERNAL SERVICE FUNDS	0.00	0.00	0.00	0.00	0.00	0.00
7000	TRUST FUNDS (list)						
7100	AGENCY FUNDS (list)						
7120	Fire Relief Disability/Pension Fund		74,902.00	213.00	4,231.00	68,941.00	1,943.00
7196	Flexible Spending Account	8,928.00	6,144.00		8,448.00		6,624.00
7910	Payroll Fund	43,967.00	5,184.00	2,639,766.00	2,645,342.00	2.00	43,573.00
7930	Claims Fund	92,796.00		2,894,709.00	2,855,044.00		132,461.00
7930	Claims fund						0.00
	TOTAL TRUST AND AGENCY FUNDS	145,691.00	86,230.00	5,534,688.00	5,513,065.00	68,943.00	184,601.00
8000	PERMANENT FUNDS						
	TOTAL PERMANENT FUNDS	0.00	0.00	0.00	0.00	0.00	0.00
	TOTALS (to be accounted for)	8,198,848.00	8,083,976.00	5,573,700.00	6,927,137.00	5,573,550.00	9,355,837.00

**ALL FUNDS
CASH RECONCILIATION
FISCAL YEAR ENDING JUNE 30, 2020**

Account Description (not full acct #)	BANK NAME				Cash in all depositories
	Glacier Bank	MBS Investments	STIP	Agency Fund	
BALANCE PER STATEMENTS	412,165.00	1,146,000.00	7,749,157.00	6,624.00	9,313,946.00
ADD					
Deposits in transit	46,387.00				46,387.00
Service charges					0.00
Other	60.00				60.00
					0.00
					0.00
					0.00
Total to add	46,447.00	0.00	0.00	0.00	46,447.00
SUBTRACT					
Outstanding checks					0.00
Other					0.00
Payroll-State	2,958.00				2,958.00
Payroll-Unemployment	2,098.00				2,098.00
					0.00
					0.00
Total to subtract	5,056.00	0.00	0.00	0.00	5,056.00
TOTAL CASH IN DEPOSITS	453,556.00	1,146,000.00	7,749,157.00	6,624.00	9,355,337.00
ADD					
Investments					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Total to add	0.00	0.00	0.00	0.00	0.00
TOTAL IN DEPOSITORIES	453,556.00	1,146,000.00	7,749,157.00	6,624.00	9,355,337.00
ADD					
Cash and cash items on hand	500.00				500.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Total to add	500.00	0.00	0.00	0.00	500.00
**TOTAL ACCOUNTED FOR	454,056.00	1,146,000.00	7,749,157.00	6,624.00	9,355,837.00

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

Cash reconciles X Cash does not reconcile _____

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, 2020

		Action item	Action item	Auto	Auto	Auto	Auto	Action item	Action item	Action item			
	FROM GOVERNMENTAL FUND B/S	Add the Gov. Funds Prior Year's Ending Balances of Deferred Outflows & Inflows of Resources associated with Pensions & OPEB; Outflows in Cell D28&29; Inflows in Cell D51&52	1. Remove Current Year Deferred Inflows of Tax Revenue; 2. Pensions & OPEB; Add Adj to Current Year Deferred Inflows & Outflows of Resources related to Pensions & OPEB	Add Principal balance of long-term loans, contracts, and bonds	Add Long-term portion of compensated absences, OPEB & Pension Liability	Add Capital assets	Add Accumulated Depreciation on Capital Assets	Remove interfund receivables and payables (between 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		
ASSETS													
101000	Cash and cash equivalents	1,855,367.00											1,855,367.00
103000	Petty cash	200.00											200.00
101100	Investments	0.00											0.00
Restricted Assets:													
102200	Cash and cash equivalents	2,715,918.00											2,715,918.00
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)	431,193.00											431,193.00
120000	Accounts/other receivables - (net of allowance for uncollectibles)	60,685.00											60,685.00
131000	Due from other funds	0.00											0.00
132000	Due from other governments	259,484.00											259,484.00
133000	Advances to other funds	171,230.00											171,230.00
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)					19,246,821.00	(10,806,703.00)						8,440,118.00
	Total Assets	5,494,077.00	0.00	0.00	0.00	19,246,821.00	(10,806,703.00)	0.00	0.00	0.00	0.00	0.00	13,934,195.00
190000	Deferred Outflows of Resources - Pensions		267,301.00	69,644.00									336,945.00
190xxx	Deferred Outflows of Resources - OPEB												0.00
190xxx	Deferred Outflows of Resources	0.00											0.00
	Total Deferred Outflows of Resources	0.00	69,644.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	336,945.00
LIABILITIES AND FUND BALANCES													
Liabilities:													
201000	Warrants payable	0.00											0.00
202100	Accounts payable	53,271.00											53,271.00
204000	Contracts/loans/notes payable	0.00											0.00
211000	Due to other funds	17,000.00						39,490.00					56,490.00
212000	Due to other governments	0.00											0.00
216000	Revenues collected in advance	0.00											0.00
205200	Matured interest payable	0.00											0.00
206100	Other accrued payables	32,602.00											32,602.00
233000	Advances from other funds	0.00						0.00					0.00
Noncurrent liabilities:													
	Due within one year			(39,490.00)									234,083.00
	Due in more than one year			588,791.00	197,004.00								(234,083.00)
237000	Pension Liability				1,354,061.00								1,354,061.00
238000	OPEB Liability				0.00								0.00
	Total Liabilities	102,873.00	0.00	549,301.00	1,551,065.00	0.00	0.00	39,490.00	0.00	0.00	0.00	0.00	2,242,729.00
220000	Deferred Inflows of Resources - Pensions		105,725.00	(62,648.00)									43,077.00
220XXX	Deferred Inflows of Resources - OPEB												0.00
223XXX	Deferred Inflows of Resources - Other	61,238.00		(61,238.00)									0.00
223000	Deferred Inflows of Tax Revenues	431,193.00		(431,193.00)									0.00
		492,431.00		(555,079.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	43,077.00
Fund balances (Net Position)													
	Net Investment in Capital assets			(588,791.00)		19,246,821.00	(10,806,703.00)	0.00					7,851,327.00
Reserved (Restricted) for:													
250100	Non-spendable	171,230.00						(171,230.00)					0.00
250200	Restricted	2,392,999.00	0.00					554,041.00					2,947,040.00
													0.00
													0.00
260000 to 271000	Unrestricted, reported in:												0.00
	All unrestricted governmental funds	2,334,544.00	161,576.00	624,723.00	(1,551,065.00)			(382,811.00)					1,186,967.00
													0.00
													0.00
	Total fund balances	4,898,773.00	161,576.00	624,723.00	(588,791.00)	(1,551,065.00)	19,246,821.00	(10,806,703.00)	0.00	0.00	0.00	0.00	11,985,334.00
	Total liabilities, Deferred Inflows of Resources and fund balances (Net Position)	5,494,077.00	161,576.00	69,644.00	(39,490.00)	98 0.00	19,246,821.00	(10,806,703.00)	39,490.00	0.00	0.00	0.00	14,271,140.00

**CITY OF COLUMBIA FALLS
GASB NO. 34 ENTITY-WIDE STATEMENT COMPOSITION SPREADSHEET
ENTITY-WIDE STATEMENT OF ACTIVITY - OPERATING STATEMENT CONVERSION WORKSHEET**

FISCAL YEAR ENDING JUNE 30, 2020

Account Number	Description	FROM GOVERNMENTAL FUNDS	Auto	Action item	Action item	Action item	Auto	Action item	Auto	Auto	Action item	Action item	Action item	Action item	Action item	ADJUSTED AMOUNT FOR ENTITY-WIDE STATEMENT
			Current Year Deferred Inflow of Tax Revenue (Enter as positive on line 11 and/or 17)	Prior Year Deferred Inflow of Tax Revenue (Enter as negative on line 11 and line 16 if assessments reported as misc.)	1. Add GASB 68 on-behalf payment as intergovernmental revenue and pension expense by major purpose if not entered in fund financial statements; if entered in software - an adjustment may be necessary; See GASB Worksheet; 2. Input OPEB expense. Auto - add beginning Long-term Debt to fund balance.	Remove the proceeds from long-term debt from other financing sources (enter as negative)	Remove Principal Debt Payments - Autofills from the reduction in long-term debt from the GLTDAG Worksheet	Remove Capital Outlay Purchases	Add Capital Assets Beginning (to fund balance) Auto fills from GCAAG Worksheet	Record Depreciation Expense - Auto fills from the GCAAG Worksheet	Adjust for gain (loss) on sale of capital assets	Record Current Year Compensated Absences	Remove proceeds from sale of assets from other financing sources	Add net adjustments made to capital assets in the GFAAG (i.e. donated capital assets & other adjustments to inventory)	Add change in net position of internal service funds applicable to governmental activities	
	REVENUES															
310000/363000	Taxes/assessments	2,382,664.00	431,193.00	(440,799.00)												2,373,058.00
320000	Licenses and permits	254,708.00	5,963.00	(6,175.00)												254,496.00
330000	Intergovernmental revenues	1,332,527.00			4,980.00											1,337,507.00
340000	Charges for services	154,124.00														154,124.00
350000	Fines and forfeitures	170,282.00	55,275.00	(63,654.00)												161,903.00
360000	Miscellaneous	14,142.00														14,142.00
370000	Investment and royalty earnings	66,987.00														66,987.00
	Capital Asset Adj. gain/loss on sale, donation													53,159.00		53,159.00
	Total Revenues	4,375,434.00	492,431.00	(510,628.00)	4,980.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	53,159.00	0.00	4,415,376.00
	EXPENDITURES															
	Current:															
410000	General government	678,226.00			22,796.00					41,874.00		(1,122.00)				741,774.00
420000	Public safety	1,783,830.00			26,203.00					87,846.00						1,919,674.00
430000	Public works	569,838.00			13,762.00					572,909.00		3,493.00				1,160,002.00
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	183,826.00			4,526.00					83,133.00		(2,466.00)				269,019.00
470000	Housing and community development	0.00								0.00						0.00
480000	Conservation of natural resources	3,217.00								0.00						3,217.00
490000	Debt Service:															
	Principal	123,653.00					(123,653.00)									0.00
	Interest	22,245.00														22,245.00
	Unallocated costs															0.00
	Capital outlay	131,337.00							(131,337.00)							0.00
500000	Internal Services	0.00														0.00
510000	Miscellaneous	107,324.00														107,324.00
	Total Expenditures	3,607,746.00	0.00	0.00	67,287.00	0.00	(123,653.00)	(131,337.00)	0.00	785,762.00	0.00	21,700.00	0.00	0.00	0.00	4,227,505.00
	Excess of revenues (under)	767,688.00	492,431.00	(510,628.00)	(62,307.00)	0.00	123,653.00	131,337.00	0.00	(785,762.00)	0.00	(21,700.00)	0.00	53,159.00	0.00	187,871.00
	OTHER FINANCING SOURCES (USES):															
381010/40	Bonds issued	0.00														0.00
381010/40	Discount on bonds issued	0.00														0.00
381050	Inception of capital lease	0.00														0.00
381070	Notes/loans/intercap issued	0.00														0.00
382010	Sale of capital assets	0.00														0.00
383000	Transfers In	481,878.00														481,878.00
521000	Transfers out	(481,878.00)														(481,878.00)
384000	Special items - revenue	0.00														0.00
385000	Extraordinary items - revenue	0.00														0.00
524000	Special items - expenditure	0.00														0.00
525000	Extraordinary items - expenditure	0.00														0.00
	Total other financing sources (uses)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Net change in fund balances	767,688.00	492,431.00	(510,628.00)	(62,307.00)	0.00	123,653.00	131,337.00	0.00	(785,762.00)	0.00	(21,700.00)	0.00	53,159.00	0.00	187,871.00
	Fund balances - July 1, 2019 as previously reported	4,131,085.00	161,576.00	510,628.00	(2,047,601.00)				9,041,384.00	0.00						11,797,072.00
	Prior period adjustments	0.00					391.00									391.00
	Fund balances - July 1, 2019 as restated	4,131,085.00	161,576.00	510,628.00	(2,047,601.00)	0.00	391.00	0.00	9,041,384.00	0.00	0.00	0.00	0.00	0.00	0.00	11,797,463.00
	Fund balances - June 30, 2020	4,898,773.00	654,007.00	0.00	(2,109,908.00)	0.00	124,044.00	131,337.00	9,041,384.00	(785,762.00)	0.00	(21,700.00)	0.00	53,159.00	0.00	11,985,334.00
																Balance Check
																0.00

**CITY OF COLUMBIA FALLS
 GASB NO. 34 ENTITY-WIDE STATEMENT COMPOSITION SPREADSHEET
 REVENUE ANALYSIS WORKSHEET
 FISCAL YEAR ENDING JUNE 30, 2020**

Functional Activity	Action item							Auto - unless a program revenue			TOTAL		
	Taxes and Assessments	Licenses/Permits	Intergovernmental			Charges for Services	Fines and Forfeitures	Miscellaneous	Investment Earnings	Gain (Loss) on Sale of Capital Assets		Transfers In (Out)	Special/Extraordinary Items
			Operating Grants and Contributions	Capital Grants and Contributions	State and Federal Shared Revenues								
From OP Conversion Spreadsheet	2,373,058.00	254,496.00		1,337,507.00		154,124.00	161,903.00	14,142.00	66,987.00	53,159.00	0.00	0.00	4,415,376.00
PROGRAM REVENUES													
General Government			396.00			24,780.00							25,176.00
Public Safety		180,849.00	400,215.00	14,991.00		114,582.00	161,903.00						872,540.00
Public Works	385,520.00		70,969.00	97,416.00									553,905.00
Public Health													0.00
Social/Economic Services													0.00
Culture/Recreation			750.00	5,354.00		14,762.00							20,866.00
Housing/Community Development								7,627.00					7,627.00
Conservation of Natural Resources													0.00
Interest on long-term debt													0.00
Miscellaneous													0.00
TOTAL PROGRAM REVENUES	385,520.00	180,849.00	472,330.00	117,761.00	0.00	154,124.00	161,903.00	7,627.00	0.00	0.00	0.00	0.00	1,480,114.00
GENERAL REVENUES													
Property taxes	1,987,538.00												1,987,538.00
Local option taxes													0.00
Licenses and permits		73,647.00											73,647.00
Unrestricted Federal/State shared revenues					747,416.00								747,416.00
Unrestricted grants and contributions													0.00
Unrestricted investment earnings									66,987.00				66,987.00
Miscellaneous								6,515.00					6,515.00
Gain on sale of capital assets										53,159.00			53,159.00
Transfers											0.00		0.00
Special/Extraordinary items												0.00	0.00
TOTAL GENERAL REVENUES	1,987,538.00	73,647.00	0.00	0.00	747,416.00	0.00	0.00	6,515.00	66,987.00	53,159.00	0.00	0.00	2,935,262.00
TOTAL ALL REVENUES	2,373,058.00	254,496.00		1,337,507.00		154,124.00	161,903.00	14,142.00	66,987.00	53,159.00	0.00	0.00	4,415,376.00
													<i>Balance check (should equal zero)</i>
													0.00

CITY OF COLUMBIA FALLS						
GOVERNMENTAL FUNDS CAPITAL ASSETS (FUND 9000)						
FISCAL YEAR ENDING JUNE 30, 2020						
ACCOUNT NUMBER	ACCOUNT DESCRIPTION	BALANCE July 1, 2019	DEBITS	CREDIT	Adjustments for capital assets/prior year depreciation	BALANCE June 30, 2020
181000	LAND	1,802,337.00				1,802,337.00
188000	CONSTRUCTION IN PROGRESS		4,181.00			4,181.00
182000	BUILDINGS	2,654,106.00				2,654,106.00
182100	ALLOWANCE FOR DEPRECIATION	(1,919,046.00)			95,221.00	(2,014,267.00)
183000	INTANGIBLES/WORKS OF ART					0.00
183100	AMORTIZATION/ALLOW. FOR DEPRECIATION					0.00
184000	IMPROVEMENTS OTHER THAN BUILDINGS	1,149,071.00	14,646.00			1,163,717.00
184100	ALLOWANCE FOR DEPRECIATION	(383,101.00)			51,830.00	(434,931.00)
186000	MACHINERY & EQUIPMENT	3,061,661.00	156,144.00			3,217,805.00
186100	ALLOWANCE FOR DEPRECIATION	(1,798,247.00)			148,155.00	(1,946,402.00)
187000	INFRASTRUCTURE	10,395,150.00	9,525.00			10,404,675.00
187100	ALLOWANCE FOR DEPRECIATION	(5,920,547.00)			490,556.00	(6,411,103.00)
	TOTAL ASSETS	9,041,384.00	184,496.00	785,762.00	0.00	8,440,118.00
	DEPRECIATION EXPENSE:					
410000830	GENERAL GOVERNMENT	0.00	41,874.00			41,874.00
420000830	PUBLIC SAFETY	0.00	87,846.00			87,846.00
430000830	PUBLIC WORKS	0.00	572,909.00			572,909.00
440000830	PUBLIC HEALTH	0.00				0.00
450000830	SOCIAL/ECONOMIC SERVICES	0.00				0.00
460000830	CULTURE AND RECREATION	0.00	83,133.00			83,133.00
470000830	HOUSING/COMMUNITY DEVELOPMENT	0.00				0.00
480000830	CONSERVATION OF NATURAL RESOURCES	0.00				0.00
	UNALLOCATED DEPRECIATION	0.00				0.00
	TOTAL DEPRECIATION EXPENSE	0.00	785,762.00	0.00	0.00	785,762.00
280000	INVESTMENT IN GENERAL CAPITAL ASSETS	9,041,384.00	785,762.00	184,496.00	0.00	8,440,118.00
	TOTAL	9,041,384.00	785,762.00	184,496.00	0.00	8,440,118.00
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 if updating Fund 9000.						
Helpful hints: Does the addition of capital assets recorded on the GCAAG equal the capital outlay on the OP Conversion? Have you adjusted for the disposal/trade-in of a capital asset? What was the carrying value? If other than zero an adjustment on the OP Conversion is necessary.						
For additional information see the Capital Asset Training Video on the Local Gov. Services Bureau website: http://sfsd.mt.gov/LGSB						

LONG-TERM DEBT (FUND 9500)
STATEMENT OF CHANGES IN GOVERNMENTAL FUNDS LONG-TERM DEBT
FISCAL YEAR ENDING JUNE 30, 2020

Account number	Description	Balance July 1, 2019	Debits	Credits	Balance June 30, 2020
	ASSETS				
173100	Amount available G.O.debt				0.00
173200	Amount available S.I.D.debt				0.00
	Amount to be provided Pension	1,159,462.00	194,599.00		1,354,061.00
174100	Amount to be provided G.O. debt	34,000.00		3,169.00	30,831.00
174200	Amount to be provided S.I.D. debt	355,119.00	(391.00)	26,350.00	328,378.00
174300	Amount to be provided - other	323,716.00		94,134.00	229,582.00
	Amount to be provided - Comp Abs	175,304.00	21,700.00		197,004.00
	*TOTAL ASSETS	2,047,601.00	215,908.00	123,653.00	2,139,856.00
	DEBT PAYABLE				
231100	G.O. bonds payable				0.00
					0.00
231200	DNRC bonds (loans) payable				0.00
					0.00
231400	S.I.D. bonds payable				0.00
	S.I.D. #34/#36 Water-See below	30,667.00	6,512.00		24,155.00
	S.I.D. #34/#36 Sewer-See below	18,018.00	2,683.00		15,335.00
	S.I.D. #38	306,434.00	17,155.00	(391.00)	288,888.00
	Advance from Sewer for SID38				0.00
234000	Judgement payable				0.00
					0.00
235100	Internal Loan	34,000.00	3,169.00		30,831.00
					0.00
235200	Installment purchase contract				0.00
					0.00
235300	Capital lease agreement				0.00
					0.00
235400	Notes/Loans/Intercap	323,716.00	94,134.00		229,582.00
237000	Pension Liabilities	1,159,462.00		194,599.00	1,354,061.00
238000					0.00
239000	Compensated absences payable	175,304.00		21,700.00	197,004.00
					0.00
	TOTAL DEBT PAYABLE	2,047,601.00	123,653.00	215,908.00	2,139,856.00

*Total assets must equal total debt payable.

Balance check: 0.00

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 other than the debt of any Business-Type Funds.

Helpful hints: Does the addition of bonds/notes/loans equal the proceeds from debt on the OP Conversion?

Does the reduction in bonds/notes/loans equal the principal payment on the OP Conversion?

For more info see the Long-Term Liabilities Video on the Local Gov. Services Bureau website: <http://sfsd.mt.gov/LGSB>