



STATE FINANCIAL SERVICES DIVISION  
LOCAL GOVERNMENT SERVICES BUREAU  
Mitchell Building Room 255, PO Box 200547, Helena, Montana 59620-0547  
[Local Government Services Bureau Portal](#)

ENTITY #            021501  
**MONTANA**  
**CITY OF COLUMBIA FALLS**  
**130 6th Street West**  
**Columbia Falls, MT 59912**

## ANNUAL FINANCIAL REPORT



**FISCAL YEAR ENDING JUNE 30, 2022**

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

**SECTION**



130 6<sup>th</sup> STREET WEST  
ROOM A  
COLUMBIA FALLS, MT 59912

PHONE (406) 892-4391  
FAX (406) 892-4413

TRANSMITTAL LETTER

January 31, 2023

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

State law requires that all 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, 2021. Due to a software glitch, the City requested a 30 day extension to file the 2022 Annual Financial Report. 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, 2022 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 will complete the audit of the financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2022 are free of material misstatement. The 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 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 \$1,687,501, a 6% increase for fiscal year ended June 30, 2022, compared to an increase of \$1,849,637 in the prior year. The 2022 FY increase was driven by the addition of \$1.5M in federal grant funding for water and sewer improvements. 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. Additional thanks for the professional assistance from Liz Hirst, CPA, for her services in preparing these financial statements.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan M. Nicosia".

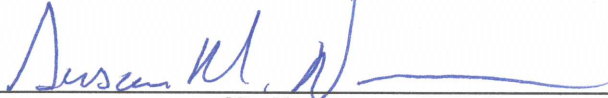
Susan M. Nicosia  
City Manager

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

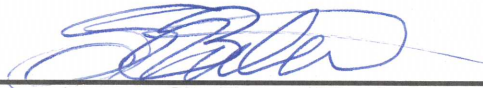
| OFFICE                | NAME OF CITY OFFICIALS AND OFFICERS   | DATE TERM EXPIRES |
|-----------------------|---------------------------------------|-------------------|
| Mayor                 | Donald W. Barnhart                    | 12/31/2025        |
| Councilperson         | Darin Fisher                          | 12/31/2023        |
| Councilperson         | Kelly Hamilton (replaced Doug Karper) | 12/31/2023        |
| Councilperson         | Jenny Lovering                        | 12/31/2025        |
| Councilperson         | John Piper                            | 12/31/2023        |
| Councilperson         | Paula Robinson                        | 12/31/2025        |
| Councilperson         | Mike Shepard                          | 12/31/2025        |
| City Manager          | Susan M. Nicosia, CPA, MPA            | Appointed         |
| Attorney              | Justin Breck                          | 12/31/2023        |
| Chief of Police       | Clint Peters                          | Appointed         |
| City Clerk            | Barb Staaland                         | Appointed         |
| Finance Director      | Shawn Bates                           | Appointed         |
| City Judge            | Kristi L. Curtis                      | 12/31/2023        |
| Public Works Director | Chris Hanley                          | Appointed         |
| Fire Chief            | Karl Weeks                            | Appointed         |
|                       |                                       |                   |
|                       |                                       |                   |

**CONSISTENT WITH STATE LAW, I HEREBY TRANSMIT THE  
CITY OF COLUMBIA FALLS  
ANNUAL FINANCIAL REPORT FOR THE  
FISCAL YEAR ENDING JUNE 30, 2022**

Submitted by: \_\_\_\_\_



\_\_\_\_\_  
City Manager



\_\_\_\_\_  
City Finance Director

1/31/2023

\_\_\_\_\_  
Date

Preparer's contact information:

Email: [batess@cityofcolumbiafalls.com](mailto:batess@cityofcolumbiafalls.com)

Phone: (406) 892-4327

**FINANCIAL**

**SECTION**

**MANAGEMENT'S  
DISCUSSION  
AND  
ANALYSIS**



130 6<sup>th</sup> STREET WEST  
ROOM A  
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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, 2022. 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 \$29,753,628 (net position). Of this amount, \$4,218,252 or approximately 14% may be used to meet the City's ongoing obligations to citizens and creditors. The remainder includes \$18,378,702 (62%) in capital assets, net of related debt and \$7,156,674 (24%) restricted for future debt payments and future use.
- Total net position increased by \$1,687,501. Of this amount, net position in governmental activities increased by \$1,704,465 and net position in business-type activities decreased by (\$16,964).
- The City invested in a total of \$ 931,247 in Capital Assets during the 2022 fiscal year including \$230,398 Capital in Progress. Of this amount, \$818,268 was invested in General Assets and \$112,979 in Enterprise Fund Assets.
- The City purchased new Jaws of Life rescue tools for the fire department at a total cost of \$35,961, including contributions from Columbia Falls Rural Fire District and the Firefighters Inc Association.
- The City also replaced the concrete pad in front of the Fire Hall truck bays for \$62,078.
- The City purchased a 2021 Dodge Durango for the police department, in the amount of \$51,510 in the 2021 FY and completed the equipment installation to put the vehicle in operation for an additional \$11,021; total vehicle acquisition price of \$62,531.
- As noted in 2021, the City utilized COVID-19 recovering funds to begin the Hoerner Park development project, including building 4 new tennis courts and installing a playground at the Park. Previously, the park lot was used only as a baseball field and had no other amenities. During the 2021 FY, the project expenditures totaled \$28K and were completed in 2022 FY for an additional \$225k to complete the tennis courts (\$206k), install playground equipment (\$27k) and complete the landscaping and irrigation (\$20k).
- The City began the Columbus Park Pickleball Court development in the summer of 2022 with the project completed in early 2023 FY. The courts were built with \$27k in donations and city funds for a total cost of \$101k. The City also installed a sand volleyball court that was



completed in the 2023 FY. The Columbus Park bathroom was installed for a cost of \$34k in the spring of 2022.

- The City used the Special Gas Tax Funds to overlay 6<sup>th</sup> Ave West. The overlay project which began in 2021 was completed in the 2022 FY for \$189,649.
- The City began the engineering for the proposed Street Overlay and Reconstruction Projects. As of June 30, 2022, the City paid \$39,493 for the engineering. The projects were bid in early 2023.
- The City completed the Third Water Well project in the prior year. During the 2022 FY, the City upgraded the LP Well for \$23K and spent \$3K on the Horine Well Backup Generator project by fiscal year end. The Generator is slated for installation in the spring of 2023.
- The Sewer Fund acquired General Plant equipment, a new promag flowmeter, in the amount of \$5,693 and completed the equipment installation on the Sewer Utility truck for an additional \$41,820.
- The Water Fund Operating income (loss) was (\$48,085) compared to \$1,123 for the prior year. Water debt was reduced by \$52,000. The Water Fund's net position decreased by \$45,370 for the 2020 fiscal year.
- Operating income (loss) for the Sewer Fund was (\$267,189) compared to operating income (loss) of (\$200,533) for the prior year. Sewer debt was reduced by \$40,000. The Sewer Fund's net position decreased by \$231,755 for the 2022 fiscal year.
- The City received the second installment of the CARES Funding Act passed through the State of Montana Department of Administration as of June 30, 2022 in the amount of \$754,995. The City plans on using these funds, in addition to the first payment received in the 2021 FY (\$750,841) in the 2023 FY and 2024 FY to fund the Wastewater Treatment Plant improvements without issuing new debt.

## 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.

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

The *statement of activities* (page 14) presents information showing how the City's net position changed during the fiscal year. All changes in net 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 15 – 17.

The City of Columbia Falls maintains 24 individual governmental funds. Information is presented separately for the General Fund, Tax Increment Financing District Fund, Cedar Creek Trust Fund, ARPA of 2021 Fund and Riverwood Debt Service Fund (SID #38) as they are major funds. Data from the other 19 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 18 through 20 of this report.

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

The City of Columbia Falls has one custodial fund pursuant to GASB 84, the flex fund, is included as custodial fund in the basic fiduciary fund financial statement. The basic fiduciary fund financial statement can be found on page 21 of this report.

**3. Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**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 \$29,753,628 at June 30. The following table provides a summary comparison of the City's governmental and business-type net assets for fiscal years 2022 and 2021.

### **Condensed Net Position**

|  | Governmental Activities |                      | Business-type Activities |                      | Total                |                      |
|--|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|  | 2021-2022               | 2020-2021            | 2021-2022                | 2020-2021            | 2021-2022            | 2020-2021            |
| <b>Assets:</b>                                 |                         |                      |                          |                      |                      |                      |
| Current and other assets                       | \$ 9,012,017            | \$ 7,347,168         | \$ 4,756,840             | \$ 4,213,345         | \$ 13,768,857        | \$ 11,560,513        |
| Capital assets                                 | 8,397,405               | 8,527,613            | 11,370,813               | 12,000,184           | 19,768,218           | 20,527,797           |
| Total Assets                                   | 17,409,422              | 15,874,781           | 16,127,653               | 16,213,529           | 33,537,075           | 32,088,310           |
| <b>Deferred outflows of resources</b>          | 397,577                 | 552,528              | 114,666                  | 186,366              | 512,243              | 738,894              |
| <b>Liabilities</b>                             |                         |                      |                          |                      |                      |                      |
| Current and other liabilities                  | 412,591                 | 488,534              | 160,849                  | 68,411               | 573,440              | 556,945              |
| Long-term liabilities                          | 1,533,607               | 2,228,178            | 1,504,424                | 1,927,252            | 3,038,031            | 4,155,430            |
| Total Liabilities                              | 1,946,198               | 2,716,712            | 1,665,273                | 1,995,663            | 3,611,471            | 4,712,375            |
| <b>Deferred inflows of resources</b>           | 474,090                 | 28,349               | 210,129                  | 20,351               | 684,219              | 48,700               |
| <b>Net Position</b>                            |                         |                      |                          |                      |                      |                      |
| Invested in capital assets net of related debt | 8,048,889               | 8,056,926            | 10,329,813               | 10,864,184           | 18,378,702           | 18,921,110           |
| Restricted                                     | 5,577,863               | 3,650,004            | 3,717,813                | 1,578,811            | 9,295,676            | 5,228,815            |
| Unrestricted                                   | 1,759,959               | 1,975,318            | 319,291                  | 1,940,886            | 2,079,250            | 3,916,204            |
| <b>Total Net Position</b>                      | <b>\$ 15,386,711</b>    | <b>\$ 13,682,248</b> | <b>\$ 14,366,917</b>     | <b>\$ 14,383,881</b> | <b>\$ 29,753,628</b> | <b>\$ 28,066,129</b> |

A significant portion of the City's net position (62%), \$18,378,702, 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 \$9,295,676 of the City's net assets (31%) represents resources that are subject to external restrictions on how they may be used. Included in this category are reserves for debt service funds 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 \$57,171 and \$72,111, respectively. Additional Water and Sewer reserves are for Replacement and Depreciation and Surplus Capital as required by bond indenture requirements. These reserves total \$848,847 in Water and \$697,834 in Sewer. The City also set aside funds for future capital projects in Sewer in the amount of \$481,734. The Water and Sewer Capital Expansion Fund Net Assets are restricted to fund expansion of the applicable systems in the amount of \$1,560,476. The remaining balance, unrestricted net position, \$2,079,250 (7%) 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 \$1,687,501 in 2022. The table below indicates the changes in net positions for governmental and business-type activities in 2022 and compares to 2021.

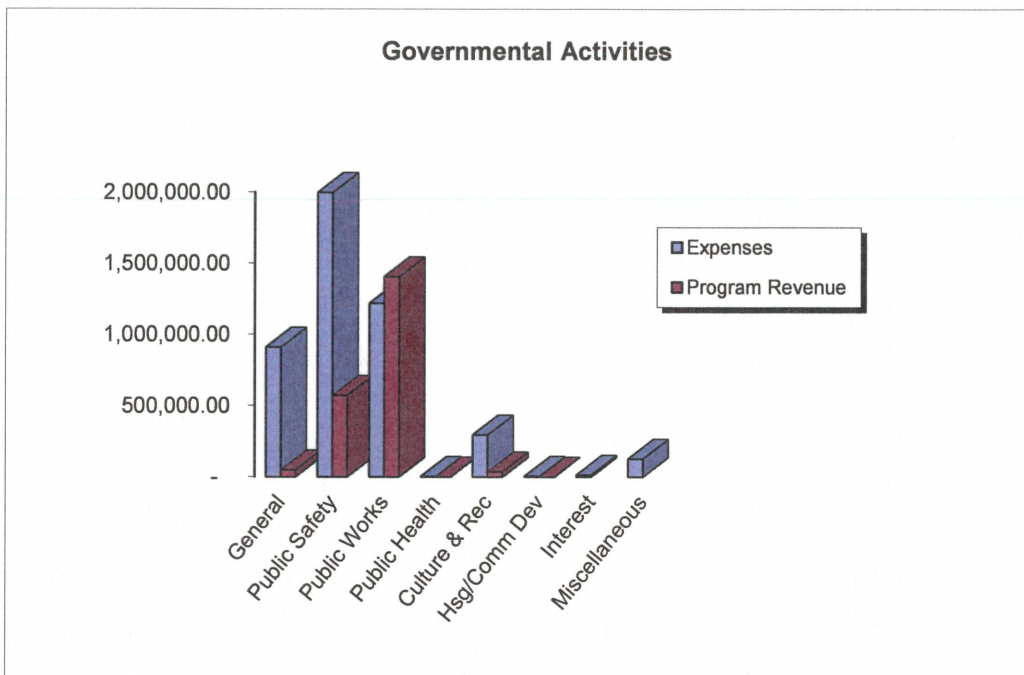
### Changes in Net Position

|                                    | Governmental Activities |               | Business-type Activities |               | Total         |               |
|------------------------------------|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
|                                    | 2021-2022               | 2020-2021     | 2021-2022                | 2020-2021     | 2021-2022     | 2020-2021     |
| <b>Revenues</b>                    |                         |               |                          |               |               |               |
| <u>Program revenues</u>            |                         |               |                          |               |               |               |
| Charges for services               | \$ 724,132              | \$ 719,098    | \$ 2,169,084             | \$ 2,032,790  | \$ 2,893,216  | \$ 2,751,888  |
| Operating grants and contributions | 352,287                 | 1,501,130     | -                        | 7,149         | 352,287       | 1,508,279     |
| Capital grants and contributions   | 986,643                 | 569,642       |                          |               | 986,643       | 569,642       |
| <u>General revenues</u>            |                         |               |                          |               |               |               |
| Property taxes                     | 2,432,896               | 2,193,599     |                          |               | 2,432,896     | 2,193,599     |
| Local option resort taxes          | 518,453                 | -             |                          |               | 518,453       | -             |
| Intergovernmental revenue          | 967,802                 | 997,647       |                          |               | 967,802       | 997,647       |
| Other revenues                     | 295,247                 | 437,319       | 70,215                   | 185,320       | 365,462       | 622,639       |
| Total revenues                     | \$ 6,277,460            | \$ 6,418,435  | \$ 2,239,299             | \$ 2,225,259  | \$ 8,516,759  | \$ 8,643,694  |
| <b>Expenses</b>                    |                         |               |                          |               |               |               |
| General government                 | 910,894                 | 1,012,423     |                          |               | 910,894       | 1,012,423     |
| Public safety                      | 1,997,634               | 2,223,295     |                          |               | 1,997,634     | 2,223,295     |
| Public works                       | 1,219,055               | 1,122,200     |                          |               | 1,219,055     | 1,122,200     |
| Public health                      | 4,250                   | 4,250         |                          |               | 4,250         | 4,250         |
| Culture and recreation             | 295,021                 | 234,358       |                          |               | 295,021       | 234,358       |
| Housing/Community Development      | 5,700                   | -             |                          |               | 5,700         | -             |
| Interest on long term debt         | 13,567                  | 17,700        |                          |               | 13,567        | 17,700        |
| Miscellaneous                      | 126,874                 | 107,295       |                          |               | 126,874       | 107,295       |
| Water                              |                         |               | 848,773                  | 773,244       | 848,773       | 773,244       |
| Sewer                              |                         |               | 1,407,490                | 1,299,292     | 1,407,490     | 1,299,292     |
| Total expenses                     | \$ 4,572,995            | \$ 4,721,521  | \$ 2,256,263             | \$ 2,072,536  | \$ 6,829,258  | \$ 6,794,057  |
| <b>Change in Net Position</b>      | 1,704,465               | 1,696,914     | (16,964)                 | 152,723       | 1,687,501     | 1,849,637     |
| <b>Net Position-Beginning</b>      | 13,682,246              | 11,985,334    | 14,383,881               | 14,231,158    | 28,066,127    | 26,216,492    |
| <b>Restatement</b>                 | -                       | -             | -                        | -             | -             | -             |
| <b>Net Position-Ending</b>         | \$ 15,386,711           | \$ 13,682,248 | \$ 14,366,917            | \$ 14,383,881 | \$ 29,753,628 | \$ 28,066,129 |

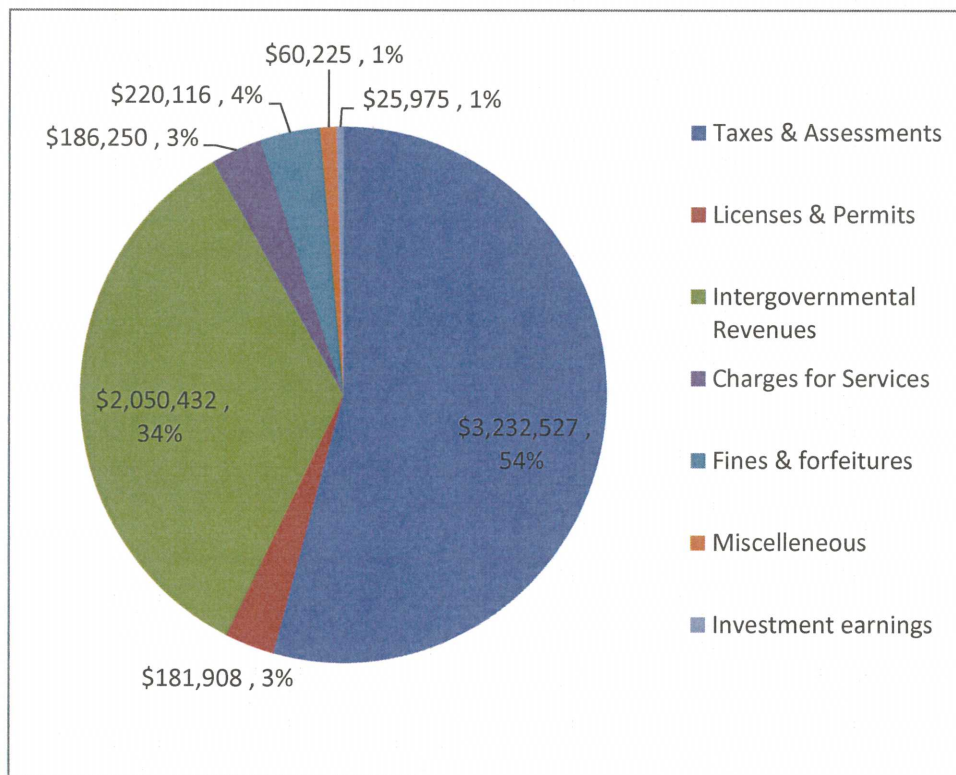
*Governmental Activities.* Governmental activities in fiscal year 2022 increased the City's net position by \$1,704,465 with revenues totaling \$6.3 million and expenditures totaling \$4.6 million. The key elements of the variance between the years are:

- The City's routine revenues remained stable throughout the 2020 COVID scare. The most significant impact to revenues is the receipt of \$754k in federal grant aid to fund water or wastewater projects, as discussed above. The City has received approval from the State of MT to use the \$750k, in addition to the 2021 FY allocation for the planned wastewater treatment plant project.
- The City began collecting the 3% Resort Tax approved by voters in June 2020. The City Council delayed collection from October 2020 to October 2021 due to the uncertainty of the pandemic. In the first year, with 9 months of collection, the resort tax generated \$518,453 in revenues that will be used in the 2023 FY budget to primarily reduce property taxes and fund public safety programs.
- General government and public safety expenditures decreased as the 2021 FY included increased expenditures for COVID related expenditures. Additionally, the City was no longer required to contribute to the County-wide 911 Center as the County voters had approved a county-wide levy, saving the City \$135,069 in the 2022 FY.

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 14.

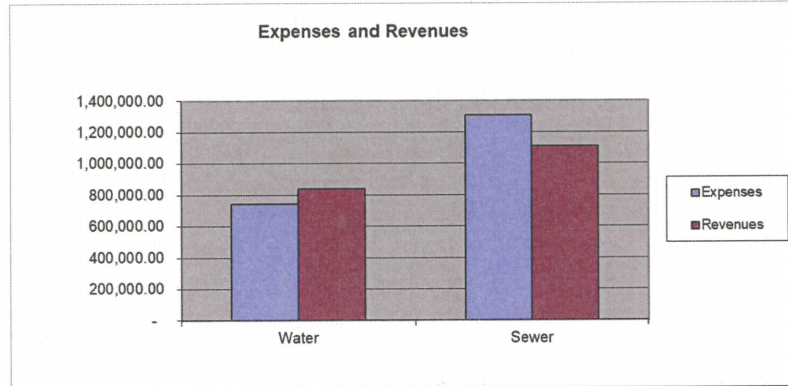


This chart shows the Revenues by Source for the Governmental Funds as reported on the Statement of Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds, page 16.



Taxes & Assessments revenues experienced a 29% increase over the prior year of \$728,522, primarily due to the addition of the Resort Tax, \$518,453 and the timing of the 2022 personal property taxes. Taxes & Assessments make up 54% of the total governmental fund revenues. Licenses and Permits Revenue decreased \$ 139,015 primarily due to the drop in building permits, Fines and Forfeitures increased 5%, by \$10,299 and Intergovernmental Revenues decreased \$806,657. Intergovernmental revenues make up 34% of the total governmental revenues. As evidenced in these financial statements, the City's revenue fluctuations are significantly impacted by one time grants and capital projects.

*Business-type Activities.* The City’s business-type activities, Water and Sewer, decreased the City’s net position in 2022 by (\$16,964), compared to an increase of \$152,273 in 2021. Metered Water Sales were stable and Sewer Sales remained stable with a \$48k increase. The Water Fund’s depreciation expense increased \$44k due to the new well resulting in the (\$45,370) decrease in net position. The Sewer Fund’s expenses for maintenance and repair increased \$79k (facility and vehicle) and the City had paid \$39k for the project engineering expenses which contributed to the decrease in net position by (\$231,755). The Water and Sewer Capital Expansion Funds contributed \$260,161 to the net position although the revenues are not reflected on the chart below.



**FINANANCIAL 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. As of the end of 2022, the combined ending fund balances of City governmental funds was \$8,319,979, an increase of \$1,694,679 (26%) over the prior year. Of this amount, \$64,203 is not in spendable form because it represents a long-term receivable in the Cedar Creek Trust Fund. \$5,513,660, 66%, 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. \$93,083 represents the portion of the Cedar Creek Trust that is assigned by the City Council. \$785,353, 9%, represents a cash reserve in the General fund to provide liquidity until tax revenue is received in December. Additionally, \$1,544,673, 18%, represents funds committed to future capital projects. The unassigned fund balance is \$319,007, 3.8%.

The General Fund is the chief operating fund of the City. At June 30, the unassigned fund balance was \$319,007 and the committed fund balance was \$785,353 for a total fund balance of \$1,329,244. 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 10% of the total General Fund expenditures and other financing uses, \$3,174,858 while total fund balance represents approximately 35% of that same amount.

The City of Columbia Falls has five major governmental funds: the General Fund, Tax Increment Financing Fund, Cedar Creek Trust Fund, ARPA of 2021 Fund, and 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. 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.
3. 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.
4. American Rescue Plan Act (ARPA) of 2021 Fund. This special revenue fund accounts for the funds provided from the federal government under the American Rescue Plan Act of 2021 to make necessary investments in water and sewer infrastructure. These funds must be spent in accordance with H.R. 1319 and with approval of the State of Montana pursuant to HB 632.
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 \$125,089 as of June 30, 2022. Investment in capital, net of related debt is \$5,038,970 or 79% 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 \$1,131,085 from customers. Total operations resulted in a cash increase of \$114,627. 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 \$194,202 as of June 30, 2022. Investment in capital, net of related debt is \$5,290,843 or 82% of total net position. These assets are typically acquired through the purchase of equipment, city construction and the donation of constructed infrastructure by subdivision developers. The Sewer Fund received \$1,081,286 from its customers. Total operations resulted in a cash increase for the year of \$204,582. 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 2021, the City Council appropriated \$3,518,157 for General Fund expenditures. The budget anticipated using \$463,481 of fund balance.



## 2021-2022 General Fund Budget

|  | Final Budget  | Actual      |
|--|---------------|-------------|
| Fund Balance Carryover for appropriation | \$ 463,481    |             |
| Revenue and other financing sources      | \$3,054,676   | 3,120,239   |
| Expenditures and other financing uses    | \$(3,518,157) | (3,168,579) |
| Available for fiscal year 2021-2022      |               | (-48,340)   |

Actual revenues and other financing sources difference were stable with only a \$65,563 difference. Expenditures were \$349k less than anticipated with \$124k attributed to vacancy savings in the police department; other unspent line-items were due to timing of projects or services. The operating cash decreased by \$122,514.

### 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, 2022 totals \$18,378,702 (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 are detailed above.

**Long-term debt.** The City retired a total of \$122,173 and \$95,000 of governmental and business-type debt, respectively in the 2022 FY. Detailed 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 6<sup>th</sup> Street West, Columbia Falls, MT 59912.

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**BASIC  
FINANCIAL  
STATEMENTS**

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

STATEMENT OF NET POSITION

June 30, 2022

|  | Primary Government         |                             |                      | Component Unit                           |
|--|----------------------------|-----------------------------|----------------------|--|
|  | Governmental<br>Activities | Business-type<br>Activities | Total                | Fire Department<br>Relief<br>Association |
| <u>Assets</u>                              |                            |                             |                      |  |
| <u>Current assets</u>                      |                            |                             |                      |  |
| Cash and Cash Equivalents                  | \$ 4,657,688               | \$ 859,967                  | \$ 5,517,655         | \$ 642,773                               |
| Taxes and Assessments Receivable           | 458,000                    | -                           | 458,000              | -  |
| Accounts/Other Receivables                 | 143,937                    | 140,734                     | 284,671              | -  |
| Current portion of loans receivable        | (17,000)                   | 41,154                      | 24,154               | -  |
| Internal Balances                          | -                          | -                           | -                    | -  |
| Advance to clearing funds                  | 20,991                     | -                           | 20,991               | -  |
| Due from Other Governments                 | 148,579                    | -                           | 148,579              | -  |
| Total Current Assets                       | <u>5,412,195</u>           | <u>1,041,855</u>            | <u>6,454,050</u>     | <u>642,773</u>                           |
| <u>Non-current Assets</u>                  |                            |                             |                      |  |
| Restricted Cash                            | 3,599,822                  | 3,714,985                   | 7,314,807            | -  |
| Non-current Loan Receivable                | -                          | -                           | -                    | -  |
| Capital assets-land                        | 1,802,337                  | 17,402                      | 1,819,739            | -  |
| Capital assets-construction in progress    | 188,087                    | 42,311                      | 230,398              | -  |
| Capital assets-net of depreciation         | <u>6,406,981</u>           | <u>11,311,100</u>           | <u>17,718,081</u>    | -  |
| Total Non-current Assets                   | <u>11,997,227</u>          | <u>15,085,798</u>           | <u>27,083,025</u>    | -  |
| Total Assets                               | <u>17,409,422</u>          | <u>16,127,653</u>           | <u>33,537,075</u>    | <u>642,773</u>                           |
| <u>Deferred Outflows of Resources</u>      |                            |                             |                      |  |
| Contributions to Pension Plans             | 397,577                    | 114,666                     | 512,243              | 41,012                                   |
| Total Assets and Deferred Outflows         | <u>17,806,999</u>          | <u>16,242,319</u>           | <u>34,049,318</u>    | <u>683,785</u>                           |
| <u>Liabilities</u>                         |                            |                             |                      |  |
| <u>Current Liabilities</u>                 |                            |                             |                      |  |
| Accounts Payable and Accrued Expenses      | \$ 154,304                 | \$ 72,481                   | \$ 226,785           | \$ -                                     |
| Compensated Absences due within one year   | 193,052                    | 65,102                      | 258,154              | -  |
| Current Portion of Long-Term Debt          | 65,235                     | 23,266                      | 88,501               | -  |
| Total Current Liabilities                  | <u>412,591</u>             | <u>160,849</u>              | <u>573,440</u>       | -  |
| <u>Non-current Liabilities</u>             |                            |                             |                      |  |
| Deposits Payable                           | -                          | -                           | -                    | -  |
| Compensated Absences                       | 73,261                     | 23,148                      | 96,409               | -  |
| Long-Term Debt                             | 283,281                    | 1,041,000                   | 1,324,281            | -  |
| Net Pension Liability                      | <u>1,177,065</u>           | <u>440,276</u>              | <u>1,617,341</u>     | <u>784,653</u>                           |
| Total Non-current Liabilities              | <u>1,533,607</u>           | <u>1,504,424</u>            | <u>3,038,031</u>     | <u>784,653</u>                           |
| Total Liabilities                          | <u>1,946,198</u>           | <u>1,665,273</u>            | <u>3,611,471</u>     | <u>784,653</u>                           |
| <u>Deferred Inflows of Resources</u>       |                            |                             |                      |  |
| Pension Deferrals                          | 474,090                    | 210,129                     | 684,219              | 65,162                                   |
| Total Liabilities and Deferred Inflows     | <u>2,420,288</u>           | <u>1,875,402</u>            | <u>4,295,690</u>     | <u>849,815</u>                           |
| <u>Net Position</u>                        |                            |                             |                      |  |
| Net Investment in Capital Assets           | \$ 8,048,889               | \$ 10,329,813               | \$ 18,378,702        | \$ -                                     |
| Restricted for:                            |                            |                             |                      |  |
| General government                         | 4,559,269                  | -                           | 4,559,269            | -  |
| Public safety                              | 187,097                    | -                           | 187,097              | -  |
| Public works                               | 323,743                    | 2,042,210                   | 2,365,953            | -  |
| Culture & Recreation                       | 437                        | -                           | 437                  | -  |
| Bond indenture requirements                | -                          | 1,546,321                   | 1,546,321            | -  |
| Community development                      | 396,527                    | -                           | 396,527              | -  |
| Debt Service                               | 46,587                     | 129,282                     | 175,869              | -  |
| Non-spendable (other than permanent funds) | 64,203                     | -                           | 64,203               | -  |
| Unrestricted                               | <u>1,759,959</u>           | <u>319,291</u>              | <u>2,079,250</u>     | <u>(166,030)</u>                         |
| Total Net Position                         | <u>\$ 15,386,711</u>       | <u>\$ 14,366,917</u>        | <u>\$ 29,753,628</u> | <u>\$ (166,030)</u>                      |

See accompanying notes to the financial statements

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDING JUNE 30, 2022

| Functions/Programs                                     | Program Revenues    |                      |                          | Net (Expense) Revenue and Changes in Net Position |                         |                          | Component Unit      |
|--|---------------------|----------------------|--------------------------|---|-------------------------|--------------------------|---------------------|
|  | Expenses            | Operating            |                          | Primary Government                                |                         |                          |                     |
|  |                     | Charges for Services | Grants and Contributions | Capital Grants & Contributions                    | Governmental Activities | Business-Type Activities |                     |
| <b>Primary government:</b>                             |                     |                      |                          |   |                         |                          |                     |
| <b>Governmental activities:</b>                        |                     |                      |                          |   |                         |                          |                     |
| General government                                     | \$ 910,894          | \$ 49,055            | \$ -                     | \$ (861,839)                                      | \$ -                    | \$ (861,839)             | \$ -                |
| Public safety  | 1,997,634           | 322,740              | -                        | (1,425,793)                                       | -                       | (1,425,793)              | -                   |
| Public works   | 1,219,055           | 319,047              | 986,643                  | 186,776   | -                       | 186,776                  | -                   |
| Public Health  | 4,250               | -                    | -                        | (4,250)   | -                       | (4,250)                  | -                   |
| Culture and recreation                                 | 295,021             | 33,290               | -                        | (258,686)   | -                       | (258,686)                | -                   |
| Housing/Community Development                          | 5,700               | -                    | -                        | (5,700)   | -                       | (5,700)                  | -                   |
| Interest expense                                       | 13,567              | -                    | -                        | (13,567)  | -                       | (13,567)                 | -                   |
| Miscellaneous expense                                  | 126,874             | -                    | -                        | (126,874)   | -                       | (126,874)                | -                   |
| <b>Total governmental activities</b>                   | <b>4,572,995</b>    | <b>724,132</b>       | <b>986,643</b>           | <b>(2,509,933)</b>                                | <b>-</b>                | <b>(2,509,933)</b>       | <b>-</b>            |
| <b>Business-type activities:</b>                       |                     |                      |                          |   |                         |                          |                     |
| Water  | 848,773             | 782,105              | -                        | -   | (66,668)                | (66,668)                 | -                   |
| Water Capital Expansion                                | -                   | 112,630              | -                        | -   | 112,630                 | 112,630                  | -                   |
| Sewer  | 1,407,490           | 1,132,812            | -                        | -   | (274,678)               | (274,678)                | -                   |
| Sewer Capital Expansion                                | -                   | 141,537              | -                        | -   | 141,537                 | 141,537                  | -                   |
| <b>Total business-type activities</b>                  | <b>2,256,263</b>    | <b>2,169,084</b>     | <b>-</b>                 | <b>-</b>  | <b>(87,179)</b>         | <b>(87,179)</b>          | <b>-</b>            |
| <b>Total primary government</b>                        | <b>\$ 6,829,258</b> | <b>\$ 2,893,216</b>  | <b>\$ 986,643</b>        | <b>(2,509,933)</b>                                | <b>(87,179)</b>         | <b>(2,597,112)</b>       | <b>-</b>            |
| <b>Component Unit:</b>                                 |                     |                      |                          |   |                         |                          |                     |
| Fire Department Relief Association                     | \$ 76,557           | \$ -                 | \$ -                     | -   | -                       | -                        | (76,557)            |
| <b>General revenues:</b>                               |                     |                      |                          |   |                         |                          |                     |
| Property taxes   |                     |                      |                          | 2,432,896   | -                       | 2,432,896                | 49,031              |
| Local Option Tax (Resort Tax)                          |                     |                      |                          | 518,453   | -                       | 518,453                  | -                   |
| License and permits                                    |                     |                      |                          | 181,910   | -                       | 181,910                  | -                   |
| Unrestricted Federal/State shared revenues             |                     |                      |                          | 158,459   | 52,202                  | 210,661                  | -                   |
| Unrestricted grants and contributions                  |                     |                      |                          | 809,343   | -                       | 809,343                  | 23,261              |
| Unrestricted investment earnings                       |                     |                      |                          | 25,975  | 18,013                  | 43,988                   | 2,551               |
| Miscellaneous  |                     |                      |                          | 60,225  | -                       | 60,225                   | -                   |
| Gain on sale of capital assets                         |                     |                      |                          | 27,137  | -                       | 27,137                   | -                   |
| Transfers in (out)                                     |                     |                      |                          | -   | -                       | -                        | -                   |
| <b>Total general revenues</b>                          |                     |                      |                          | <b>4,214,398</b>                                  | <b>70,215</b>           | <b>4,284,613</b>         | <b>74,843</b>       |
| Change in net position                                 |                     |                      |                          | 1,704,465   | (16,964)                | 1,687,501                | (1,714)             |
| Total net position-July 1, 2021 as previously reported |                     |                      |                          | 13,682,246  | 14,383,881              | 28,066,127               | (164,316)           |
| Prior period adjustment                                |                     |                      |                          | -   | -                       | -                        | -                   |
| <b>Total net position-June 30, 2022</b>                |                     |                      |                          | <b>\$ 15,386,711</b>                              | <b>\$ 14,366,917</b>    | <b>\$ 29,753,628</b>     | <b>\$ (166,030)</b> |

See accompanying notes to the financial statements

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2022

|  | General Fund        | 2310<br>Tax Increment<br>Financing<br>District | 2700<br>Cedar Creek<br>Trust | 2991<br>ARPA<br>COVID-19<br>Recovery | 3538<br>Riverwood Debt<br>Service | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|---------------------|--|------------------------------|--------------------------------------|-----------------------------------|--------------------------------|--------------------------------|
| <b>Assets</b>  |                     |  |                              |                                      |                                   |                                |                                |
| <b>Current assets:</b>   |                     |  |                              |                                      |                                   |                                |                                |
| Cash and Cash Equivalents  | \$ 308,564          | \$ 791,233                                     | \$ 93,083                    | \$ 1,505,476                         | \$ 11,838                         | \$ 1,947,494                   | \$ 4,657,688                   |
| Taxes and assessments receivable, net                                    | 69,020              | 38,621   | -                            | -                                    | 254,887                           | 95,472                         | 458,000                        |
| Accounts Receivable, net   | 79,734              | -  | 64,203                       | -                                    | -                                 | -                              | 143,937                        |
| Advance to Payroll Clearing  | 20,991              | -  | -                            | -                                    | -                                 | -                              | 20,991                         |
| Current portion of contracts receivable                                  | -                   | -  | -                            | -                                    | -                                 | -                              | -                              |
| Due from other governments   | 65,582              | 38,861   | -                            | -                                    | 2,557                             | 41,579                         | 148,579                        |
| Total Current Assets   | <u>543,891</u>      | <u>868,715</u>                                 | <u>157,286</u>               | <u>1,505,476</u>                     | <u>269,282</u>                    | <u>2,084,545</u>               | <u>5,429,195</u>               |
| <b>Non-current assets:</b>   |                     |  |                              |                                      |                                   |                                |                                |
| Restricted Cash and cash equivalents                                     | 785,353             | 586,063  | 1,081,549                    | -                                    | 17,000                            | 1,129,857                      | 3,599,822                      |
| Noncurrent portion of loans receivable                                   | -                   | -  | -                            | -                                    | -                                 | -                              | -                              |
| Total Noncurrent Assets  | <u>785,353</u>      | <u>586,063</u>                                 | <u>1,081,549</u>             | <u>-</u>                             | <u>17,000</u>                     | <u>1,129,857</u>               | <u>3,599,822</u>               |
| Total Assets   | <u>\$ 1,329,244</u> | <u>\$ 1,454,778</u>                            | <u>\$ 1,238,835</u>          | <u>\$ 1,505,476</u>                  | <u>\$ 286,282</u>                 | <u>\$ 3,214,402</u>            | <u>\$ 9,029,017</u>            |
| <b>Liabilities</b>   |                     |  |                              |                                      |                                   |                                |                                |
| <b>Current Liabilities:</b>  |                     |  |                              |                                      |                                   |                                |                                |
| Accounts payable   | 76,130              | -  | -                            | -                                    | 13,958                            | 64,216                         | 154,304                        |
| Due to other funds   | -                   | -  | -                            | -                                    | 17,000                            | -                              | 17,000                         |
| Total Current Liabilities  | <u>76,130</u>       | <u>-</u>                                       | <u>-</u>                     | <u>-</u>                             | <u>30,958</u>                     | <u>64,216</u>                  | <u>171,304</u>                 |
| Total Liabilities  | <u>76,130</u>       | <u>-</u>                                       | <u>-</u>                     | <u>-</u>                             | <u>30,958</u>                     | <u>64,216</u>                  | <u>171,304</u>                 |
| <b>Deferred Inflows of Resources</b>                                     |                     |  |                              |                                      |                                   |                                |                                |
| Deferred property tax/special assmt rev                                  | 148,754             | 38,621   | -                            | -                                    | 254,887                           | 95,472                         | 537,734                        |
| Deferred Contracts   | -                   | -  | -                            | -                                    | -                                 | -                              | -                              |
| Deferred Licenses/Fees   | -                   | -  | -                            | -                                    | -                                 | -                              | -                              |
| Total Deferred Inflows of Resources                                      | <u>148,754</u>      | <u>38,621</u>                                  | <u>-</u>                     | <u>-</u>                             | <u>254,887</u>                    | <u>95,472</u>                  | <u>537,734</u>                 |
| <b>Fund Balance</b>  |                     |  |                              |                                      |                                   |                                |                                |
| Non-Spendable loan receivable  | \$ -                | \$ -   | \$ 64,203                    | \$ -                                 | \$ -                              | \$ -                           | \$ 64,203                      |
| <b>Restricted for:</b>   |                     |  |                              |                                      |                                   |                                |                                |
| General government   | -                   | 1,416,157                                      | 1,081,549                    | 1,505,476                            | -                                 | 556,087                        | 4,559,269                      |
| Public Safety  | -                   | -  | -                            | -                                    | -                                 | 187,097                        | 187,097                        |
| Public Works   | -                   | -  | -                            | -                                    | -                                 | 323,743                        | 323,743                        |
| Housing & community development  | -                   | -  | -                            | -                                    | -                                 | 396,527                        | 396,527                        |
| Culture & Recreation   | -                   | -  | -                            | -                                    | -                                 | -                              | -                              |
| Debt service   | -                   | -  | -                            | -                                    | 437                               | 46,587                         | 47,024                         |
| <b>Committed for:</b>  |                     |  |                              |                                      |                                   |                                |                                |
| General government   | 785,353             | -  | -                            | -                                    | -                                 | -                              | 785,353                        |
| Capital projects   | -                   | -  | -                            | -                                    | -                                 | 1,544,673                      | 1,544,673                      |
| <b>Assigned to:</b>  |                     |  |                              |                                      |                                   |                                |                                |
| General government   | -                   | -  | 93,083                       | -                                    | -                                 | -                              | 93,083                         |
| Unassigned   | 319,007             | -  | -                            | -                                    | -                                 | -                              | 319,007                        |
| Total Fund Balance   | <u>1,104,360</u>    | <u>1,416,157</u>                               | <u>1,238,835</u>             | <u>1,505,476</u>                     | <u>437</u>                        | <u>3,054,714</u>               | <u>8,319,979</u>               |
| <b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b> | <u>\$ 1,329,244</u> | <u>\$ 1,454,778</u>                            | <u>\$ 1,238,835</u>          | <u>\$ 1,505,476</u>                  | <u>\$ 286,282</u>                 | <u>\$ 3,214,402</u>            | <u>\$ 9,029,017</u>            |

See accompanying notes to the financial statements

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

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

June 30, 2022

|   |                    |    |                          |
|---|--------------------|----|--------------------------|
| Fund balance as reported in the governmental fund statement   |                    | \$ | 8,319,979                |
| Add assets not reported in the governmental funds statements:   |                    |    |                          |
| Capital assets (net of depreciation)  |                    |    | 8,397,405                |
| Less liabilities not reported in the governmental fund statements:  |                    |    |                          |
| Bond and notes payable  | (348,516)          |    |                          |
| Advance from other Funds  | -                  |    |                          |
| Compensated absences  | (266,313)          |    |                          |
| Net Pension Liability   | <u>(1,177,065)</u> |    | <u>(1,791,894)</u>       |
| Deferred inflows for City Court contracts receivable recognized<br>as revenue in the government-wide statements   |                    |    | -                        |
| Deferred inflows for property taxes and special assessments recognized as<br>revenue in the government-wide statements  |                    |    | 537,734                  |
| Deferred inflows for City licenses and fees recognized as<br>revenue in the government-wide statements  |                    |    | -                        |
| Deferred outflows and inflows related to pension liabilities which are not<br>receivable or payable in the current period, therefore not reported in the fund<br>financial statements |                    |    |                          |
| Deferred Outflows   |                    |    | 397,577                  |
| Deferred Inflows  |                    |    | (474,090)                |
| Net position as reported in the government-wide statement of net position   |                    | \$ | <u><u>15,386,711</u></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, 2022

|   | General Fund        | 2310<br>Tax Increment<br>Financing<br>District | 2700<br>Cedar Creek<br>Trust | 2991<br>ARPA COVID-<br>19 Recovery | 3538<br>Riverwood Debt<br>Service | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|---------------------|--|------------------------------|------------------------------------|-----------------------------------|--------------------------------|--------------------------------|
| <b>Revenues:</b>                                |                     |  |                              |                                    |                                   |                                |                                |
| Property Taxes/Assessments                      | \$ 1,375,575        | \$ 602,057                                     | \$ -                         | \$ -                               | \$ 28,882                         | \$ 1,226,013                   | \$ 3,232,527                   |
| License and Permits                             | 76,701              | -  | -                            | -                                  | -                                 | 105,207                        | 181,908                        |
| Intergovernmental                               | 1,049,209           | 11,099   | -                            | 754,995                            | -                                 | 235,129                        | 2,050,432                      |
| Charges for Services                            | 184,970             | -  | -                            | -                                  | -                                 | 1,550                          | 186,520                        |
| Fines and Forfeitures                           | 215,095             | -  | -                            | -                                  | -                                 | 5,021                          | 220,116                        |
| Miscellaneous                                   | 51,396              | -  | -                            | -                                  | -                                 | 8,829                          | 60,225                         |
| Investment Earnings                             | 8,491               | 4,861  | 4,855                        | -                                  | 81                                | 7,687                          | 25,975                         |
| <b>Total Revenues</b>                           | <b>\$ 2,961,437</b> | <b>\$ 618,017</b>                              | <b>\$ 4,855</b>              | <b>\$ 754,995</b>                  | <b>\$ 28,963</b>                  | <b>\$ 1,589,436</b>            | <b>\$ 5,957,703</b>            |
| <b>Expenditures:</b>                            |                     |  |                              |                                    |                                   |                                |                                |
| General Government                              | 840,952             | -  | -                            | -                                  | -                                 | 5,021                          | 845,973                        |
| Public Safety                                   | 1,554,460           | -  | -                            | -                                  | -                                 | 111,082                        | 1,665,542                      |
| Public Works                                    | 39,006              | -  | 926                          | -                                  | -                                 | 574,310                        | 614,242                        |
| Public Health                                   | 4,250               | -  | -                            | -                                  | -                                 | -                              | 4,250                          |
| Housing & Community Development                 | -                   | 5,700  | -                            | -                                  | -                                 | -                              | 5,700                          |
| Culture and Recreation                          | 238,856             | -  | -                            | -                                  | -                                 | -                              | 238,856                        |
| Debt Service Principal                          | 15,725              | -  | -                            | -                                  | 16,791                            | 89,655                         | 122,171                        |
| Debt Service Interest                           | 327                 | -  | -                            | -                                  | 11,302                            | 1,938                          | 13,567                         |
| Capital Outlay                                  | 10,000              | 1,177  | -                            | -                                  | -                                 | 614,672                        | 625,849                        |
| Miscellaneous                                   | 92,441              | -  | -                            | -                                  | -                                 | 34,433                         | 126,874                        |
| <b>Total Expenditures</b>                       | <b>2,796,017</b>    | <b>6,877</b>                                   | <b>926</b>                   | <b>-</b>                           | <b>28,093</b>                     | <b>1,431,111</b>               | <b>4,263,024</b>               |
| Excess (Deficiency) Revenues over Expenditures  | 165,420             | 611,140  | 3,929                        | 754,995                            | 870                               | 158,325                        | 1,694,679                      |
| <b>Other Financing Sources (Uses):</b>          |                     |  |                              |                                    |                                   |                                |                                |
| Bonds/Notes Issued                              | -                   | -  | -                            | -                                  | -                                 | -                              | -                              |
| Transfers in                                    | 158,798             | -  | -                            | -                                  | -                                 | 774,207                        | 933,005                        |
| Transfers (Out)                                 | (374,841)           | (313,146)                                      | -                            | -                                  | -                                 | (245,018)                      | (933,005)                      |
| Proceeds from the sale of capital assets        | -                   | -  | -                            | -                                  | -                                 | -                              | -                              |
| <b>Total other financing sources and (uses)</b> | <b>(216,043)</b>    | <b>(313,146)</b>                               | <b>-</b>                     | <b>-</b>                           | <b>-</b>                          | <b>529,189</b>                 | <b>-</b>                       |
| Change in Fund Balance                          | (50,623)            | 297,994  | 3,929                        | 754,995                            | 870                               | 687,514                        | 1,694,679                      |
| <b>Fund Balance:</b>                            |                     |  |                              |                                    |                                   |                                |                                |
| Beginning of the Year                           | \$ 1,154,983        | \$ 1,118,163                                   | \$ 1,234,906                 | \$ 750,481                         | \$ (433)                          | \$ 2,367,200                   | \$ 6,625,300                   |
| Prior Period Adjustment                         | -                   | -  | -                            | -                                  | -                                 | -                              | -                              |
| <b>End of the Year</b>                          | <b>\$ 1,104,360</b> | <b>\$ 1,416,157</b>                            | <b>\$ 1,238,835</b>          | <b>\$ 1,505,476</b>                | <b>\$ 437</b>                     | <b>\$ 3,054,714</b>            | <b>\$ 8,319,979</b>            |

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, 2022

|  |                     |
|--|---------------------|
| Changes in fund balances as reported in the governmental funds statement   | \$ 1,694,679        |
| <p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:</p>                       |                     |
| Capital assets purchased   | 625,849             |
| Depreciation expense   | (783,194)           |
| Contributions of capital assets are not recognized in the governmental fund statements but are recognized in the government wide statement of activities.  | -                   |
| <p>In the Statement of Activities, the loss or gain on the sale or disposal of capital assets is recognized. The fund financial statements recognize only the proceeds from the sale of these assets:</p>    |                     |
| Gain (loss) on the disposal of capital assets  | -                   |
| Proceeds from the sale of capital assets   | -                   |
| <p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:</p>  |                     |
| Taxes and assessments receivable (change in deferred revenues)   | 36,319              |
| Donated capital assets   | 27,137              |
| City license fees (change in deferred revenues)  | -                   |
| Pension contributions from State of Montana  | 256,301             |
| <p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the Statement of Net Position:</p>   |                     |
| Long-term debt principal payments  | 122,171             |
| Debt Issuance  | -                   |
| <p>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:</p> |                     |
| Change in accrued compensated absences   | (24,813)            |
| Change in pension accruals   | (249,984)           |
| Changes in net position on the statement of activities   | <u>\$ 1,704,465</u> |
| See accompanying notes to the financial statements   |                     |



CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 June 30, 2022

|   | Major Enterprise Funds |                     | Nonmajor<br>Enterprise Funds | Totals               |
|---|------------------------|---------------------|------------------------------|----------------------|
|   | Water-5210             | Sewer-5310          |                              |                      |
| <b>Assets</b>                                     |                        |                     |                              |                      |
| Current assets:                                   |                        |                     |                              |                      |
| Cash and Cash Equivalents                         | \$ 381,619             | \$ 478,348          | \$ -                         | \$ 859,967           |
| Accounts Receivable                               | 37,332                 | 100,574             | 2,828                        | 140,734              |
| Due from other funds                              | -                      | 17,000              | -                            | 17,000               |
| Due from other governments                        | -                      | -                   | -                            | -                    |
| Current portion of loans receivable               | -                      | -                   | -                            | -                    |
| Total Current Assets                              | <u>418,951</u>         | <u>595,922</u>      | <u>2,828</u>                 | <u>1,017,701</u>     |
| Non-current assets:                               |                        |                     |                              |                      |
| Restricted Cash and cash equivalents              | 905,658                | 1,251,679           | 1,557,648                    | 3,714,985            |
| Loan Receivable                                   | 15,203                 | 8,951               | -                            | 24,154               |
| Capital assets - land                             | 17,402                 | -                   | -                            | 17,402               |
| Capital assets - construction in progress         | 3,076                  | 39,235              | -                            | 42,311               |
| Capital assets (net of accumulated depreciation)  | 5,731,492              | 5,579,608           | -                            | 11,311,100           |
| Total Noncurrent Assets                           | <u>6,672,831</u>       | <u>6,879,473</u>    | <u>1,557,648</u>             | <u>15,109,952</u>    |
| Total Assets                                      | <u>7,091,782</u>       | <u>7,475,395</u>    | <u>1,560,476</u>             | <u>16,127,653</u>    |
| <b>Deferred Outflows of Resources</b>             |                        |                     |                              |                      |
| Pension deferrals                                 | 49,676                 | 64,990              | -                            | 114,666              |
| Total Deferred Outflows of Resources              | <u>49,676</u>          | <u>64,990</u>       | <u>-</u>                     | <u>114,666</u>       |
| Total Assets and Deferred Outflows                | <u>7,141,458</u>       | <u>7,540,385</u>    | <u>1,560,476</u>             | <u>16,242,319</u>    |
| <b>Liabilities</b>                                |                        |                     |                              |                      |
| Current Liabilities:                              |                        |                     |                              |                      |
| Accounts payable                                  | 23,188                 | 45,809              | -                            | 68,997               |
| Current portion of long-term liabilities          | 58,000                 | 40,000              | -                            | 98,000               |
| Current portion of compensated absences payable   | 20,731                 | 44,371              | -                            | 65,102               |
| Total Current Liabilities                         | <u>101,919</u>         | <u>130,180</u>      | <u>-</u>                     | <u>232,099</u>       |
| Non-current Liabilities                           |                        |                     |                              |                      |
| Deposits payable                                  | 26,750                 | -                   | -                            | 26,750               |
| Noncurrent portion of long-term liabilities       | 655,000                | 288,000             | -                            | 943,000              |
| Noncurrent portion of compensated absences        | 6,300                  | 16,848              | -                            | 23,148               |
| Noncurrent portion of net pension liability       | 190,739                | 249,537             | -                            | 440,276              |
| Total Noncurrent Liabilities                      | <u>878,789</u>         | <u>554,385</u>      | <u>-</u>                     | <u>1,433,174</u>     |
| Total Liabilities                                 | <u>980,708</u>         | <u>684,565</u>      | <u>-</u>                     | <u>1,665,273</u>     |
| <b>Deferred Inflows of Resources</b>              |                        |                     |                              |                      |
| Pension deferrals                                 | 91,033                 | 119,096             | -                            | 210,129              |
| Total Deferred Inflows of Resources               | <u>91,033</u>          | <u>119,096</u>      | <u>-</u>                     | <u>210,129</u>       |
| <b>Net Position</b>                               |                        |                     |                              |                      |
| Net investment in Capital Assets                  | \$ 5,038,970           | \$ 5,290,843        | \$ -                         | \$ 10,329,813        |
| Restricted for Bond indenture requirements        | 848,487                | 697,834             | -                            | 1,546,321            |
| Restricted for Public Works-Syst Expansion/Improv | -                      | 481,734             | 1,560,476                    | 2,042,210            |
| Restricted for Debt Service                       | 57,171                 | 72,111              | -                            | 129,282              |
| Unrestricted                                      | 125,089                | 194,202             | -                            | 319,291              |
| Total Net Position                                | <u>\$ 6,069,717</u>    | <u>\$ 6,736,724</u> | <u>\$ 1,560,476</u>          | <u>\$ 14,366,917</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, 2022

|   | Major Enterprise Funds |                     | Nonmajor            | Totals               |
|---|------------------------|---------------------|---------------------|----------------------|
|   | Water-5210             | Sewer-5310          | Enterprise Funds    |                      |
| <b>Operating Revenues</b>                                       |                        |                     |                     |                      |
| Charges for services  | \$ 779,884             | \$ 1,129,561        | \$ 254,167          | \$ 2,163,612         |
| Miscellaneous revenues  | 1,287                  | 2,686               | -                   | 3,973                |
| Special assessments   | 934                    | 565                 | -                   | 1,499                |
| Total Operating Revenues  | <u>782,105</u>         | <u>1,132,812</u>    | <u>254,167</u>      | <u>2,169,084</u>     |
| <b>Operating Expenses</b>                                       |                        |                     |                     |                      |
| Personal services   | 338,152                | 454,771             | -                   | 792,923              |
| Supplies  | 81,834                 | 69,055              | -                   | 150,889              |
| Purchased services  | 184,172                | 316,603             | -                   | 500,775              |
| Fixed charges   | 12,726                 | 30,527              | -                   | 43,253               |
| Bad debt expense  | -                      | -                   | -                   | -                    |
| Depreciation  | 213,306                | 529,045             | -                   | 742,351              |
| Total Operating Expenses  | <u>830,190</u>         | <u>1,400,001</u>    | <u>-</u>            | <u>2,230,191</u>     |
| Operating Income (Loss)   | <u>(48,085)</u>        | <u>(267,189)</u>    | <u>254,167</u>      | <u>(61,107)</u>      |
| <b>Nonoperating Revenues (Expenses)</b>                         |                        |                     |                     |                      |
| Intergovernmental revenue                                       | 16,117                 | 36,085              | -                   | 52,202               |
| Gain/Loss on Sale of Capital Assets                             | -                      | -                   | -                   | -                    |
| Interest revenue  | 5,181                  | 6,838               | 5,994               | 18,013               |
| Debt service interest expense                                   | (18,583)               | (7,489)             | -                   | (26,072)             |
| Total Nonoperating Revenues (Expenses)                          | <u>2,715</u>           | <u>35,434</u>       | <u>5,994</u>        | <u>44,143</u>        |
| Change in Net Position before Transfers & Capital Contributions | <u>(45,370)</u>        | <u>(231,755)</u>    | <u>260,161</u>      | <u>(16,964)</u>      |
| Capital Contributions   | -                      | -                   | -                   | -                    |
| Transfers in  | -                      | -                   | -                   | -                    |
| Transfer (out)  | -                      | -                   | -                   | -                    |
| Transfers (net) & Capital Contributions                         | <u>-</u>               | <u>-</u>            | <u>-</u>            | <u>-</u>             |
| Change in Net Position  | (45,370)               | (231,755)           | 260,161             | (16,964)             |
| <b>Net Position - Beginning of the year</b>                     | \$ 6,115,087           | \$ 6,968,479        | \$ 1,300,315        | \$ 14,383,881        |
| Restatements  | -                      | -                   | -                   | -                    |
| Total Net Position - End of the year                            | <u>\$ 6,069,717</u>    | <u>\$ 6,736,724</u> | <u>\$ 1,560,476</u> | <u>\$ 14,366,917</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, 2022

|  | Major Enterprise Funds |                     | Nonmajor<br>Enterprise<br>Funds | Totals              |
|--|------------------------|---------------------|---------------------------------|---------------------|
|  | Water-5210             | Sewer-5310          |                                 |                     |
| <b>Cash flows from operating activities:</b>   |                        |                     |                                 |                     |
| Cash received from customers   |                        |                     |                                 |                     |
| Cash paid to suppliers   | \$ 814,053             | \$ 1,131,085        | \$ 254,645                      | \$ 2,199,783        |
| Cash paid to employees   | (278,383)              | (399,069)           | -                               | (677,452)           |
| Cash received (paid) from customer deposits  | (333,968)              | (442,823)           | -                               | (776,791)           |
| Net cash provided by operating activities  | -                      | -                   | -                               | -                   |
|  | <u>201,702</u>         | <u>289,193</u>      | <u>254,645</u>                  | <u>745,540</u>      |
| <b>Cash flows from noncapital financing activities:</b>  |                        |                     |                                 |                     |
| Advances from (to) other funds   |                        |                     |                                 |                     |
| Transfers from (to) other funds  | 4,580                  | 3,574               | -                               | 8,154               |
| Subsidies from taxes and other governments   | -                      | -                   | -                               | -                   |
| Net cash (used for) provided by non capital financing activities                               | 98,005                 | 143,975             | -                               | 241,980             |
|  | <u>102,585</u>         | <u>147,549</u>      | <u>-</u>                        | <u>250,134</u>      |
| <b>Cash flows from capital and related financing activities:</b>                               |                        |                     |                                 |                     |
| Debt Proceeds  |                        |                     |                                 |                     |
| Capital Contributions  | -                      | -                   | -                               | -                   |
| Purchases/construction of capital assets   | -                      | -                   | -                               | -                   |
| Principal paid on capital debt   | (26,232)               | (86,748)            | -                               | (112,980)           |
| Interest paid on capital debt  | (184,094)              | (182,393)           | -                               | (366,487)           |
| Proceeds from sales of capital assets  | (18,583)               | (7,489)             | -                               | (26,072)            |
| Net cash used for capital and related financing activities                                     | 34,068                 | 37,632              | -                               | 71,700              |
|  | <u>(194,841)</u>       | <u>(238,998)</u>    | <u>-</u>                        | <u>(433,839)</u>    |
| <b>Cash flows from investing activities:</b>   |                        |                     |                                 |                     |
| Interest earnings  |                        |                     |                                 |                     |
| Net cash provided by investing activities  | 5,181                  | 6,838               | 5,994                           | 18,013              |
|  | <u>5,181</u>           | <u>6,838</u>        | <u>5,994</u>                    | <u>18,013</u>       |
| Net (decrease) increase in cash and cash equivalents   |                        |                     |                                 |                     |
| Cash and cash equivalents at July 1, 2021  | 114,627                | 204,582             | 260,639                         | 579,848             |
| Cash and cash equivalents at June 30, 2022   | 1,172,650              | 1,525,445           | 1,297,009                       | 3,995,104           |
|  | <u>\$ 1,287,277</u>    | <u>\$ 1,730,027</u> | <u>\$ 1,557,648</u>             | <u>\$ 4,574,952</u> |
| <b>Reconciliation of operating income to net cash provided by operating activities:</b>        |                        |                     |                                 |                     |
| Operating income (loss)  |                        |                     |                                 |                     |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | \$ (48,085)            | \$ (267,189)        | \$ 254,167                      | \$ (61,107)         |
| Depreciation   |                        |                     |                                 |                     |
| (Increase) Decrease in accounts receivable   | 213,306                | 529,045             | -                               | 742,351             |
| Increase (decrease) in customer deposits   | 29,448                 | (1,727)             | 478                             | 28,199              |
| Increase (decrease) in warrants/accounts payable   | 2,500                  | -                   | -                               | 2,500               |
| Increase (decrease) in wages payable   | 349                    | 17,116              | -                               | 17,465              |
| Increase (decrease) in due from other funds  | 5,301                  | 2,070               | -                               | 7,371               |
| Increase (decrease) in compensated absences payable  | -                      | -                   | -                               | -                   |
| Increase (decrease) in net pension liability   | (1,117)                | 9,878               | -                               | 8,761               |
| (Increase) Decrease in deferred outflows-pension   | -                      | -                   | -                               | -                   |
| Increase (decrease) in deferred inflows-pension  | -                      | -                   | -                               | -                   |
| Net cash provided (used) by operating activities   | <u>\$ 201,702</u>      | <u>\$ 289,193</u>   | <u>\$ 254,645</u>               | <u>\$ 745,540</u>   |

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
June 30, 2022

|                      | <u>Custodial Funds</u> |
|----------------------|------------------------|
| <b>Assets</b>        |                        |
| Cash and Investments | \$ 7,425               |
| Total Assets         | <u>\$ 7,425</u>        |
| <b>Liabilities</b>   |                        |
| Warrants payable     | \$ 7,425               |
| Total Liabilities    | <u>\$ 7,425</u>        |

See accompanying notes to the financial statements

# CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

### 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, 2022.

#### 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.

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2022

3. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements report financial information for the primary government (the City) and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities.

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

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

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

Fund Financial Statements

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

- a. Total assets 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

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- 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
- 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.

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.

American Rescue Plan Act (ARPA) of 2021 (2991). This special revenue fund accounts for the funds provided from the federal government under the American Rescue Plan Act of 2021 to make necessary investments in water and sewer infrastructure. These funds must be spent in accordance with H.R. 1319 and with approval of the State of Montana pursuant to HB 632.

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.

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.

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Additionally, the City reports the following fund type:

*Custodial.* The City has one custodial fund pursuant to GASB 84, effective for the financial statements for the period ending June 30, 2022: Flex Funds. Custodial funds have no measurement focus.

4. Measurement Focus, Basis of Presentation and Basis of Accounting

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

*Government-wide and Proprietary Statements.* The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Non-exchange transactions, 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



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benefited properties. Special assessments are levied against property in a manner similar to ad valorem property taxes.

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

5. Cash and Investments

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

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

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

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

7. Inventories and Prepaid Items

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

8. Restricted Assets

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

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

9. Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Additionally, on the governmental funds balance sheet, these include the net uncollected property tax and special assessment receivables, licenses/permits and court fine receivables.

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10. Deferred Outflows of Resources

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

11. Capital Assets, Depreciation, and Amortization

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

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all assets or just those acquired after June 30, 2008. The City of Columbia Falls recorded the estimated historical value of infrastructure as of June 30, 2007. GASB Statement 51 required governments to record the value of easements it owns for fiscal year 2010. Based on Montana statute, the City concluded that the estimated historical value of easements which the City would own, are not material and accordingly, did not record the value of easements. In most instances, the easements are recorded on the property without transfer of ownership.

12. Compensated Absences

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

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

13. Long-term Obligations

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

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

14. Pensions

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

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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.

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.

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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. 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.

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

All appropriations lapse at the end of the year.

3. Negative Fund and Net Position Balances

The City had no funds with negative fund or net position balances.

**NOTE C - CASH AND INVESTMENTS**

A summary of cash and investments at June 30, 2022 was as follows:

|                                  | <u>Total</u>  |
|----------------------------------|---------------|
| Cash on Hand                     | \$ 500        |
| Flex Advance                     | 7,425         |
| Demand Deposits                  | 620,798       |
| Government Backed Securities     | 1,145,000     |
| State Short-term Investment Pool | 11,346,258    |
| Total                            | \$ 13,119,981 |

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

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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, 2022 was \$1,494,600 which exceeds the amount required by statute. At June 30, 2022, 100% of the City's deposits were insured or collateralized.

*Investments*

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

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

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

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

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

*External Investment Pool*

The City 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, 3<sup>rd</sup> 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.



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The City's investment in STIP amounts to 0.1499% of total STIP assets. The investments managed by the City were 86% invested in STIP. For the year ended June 30, 2022, STIP's average rate of return was 0.3213% although the rate became substantially better throughout the year with the June 2022 yield at 1.668%.

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, 2022, the average investment return on this account was 0.10%. The remaining 9% of the investment portfolio, \$1,145,000, 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, 2022:

- U.S. Government Bonds of \$1,145,000 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,<br>2021 | Debits       | Credits  | Balance June 30,<br>2022 |
|--|--------------------------|--------------|----------|--------------------------|
| Cost:                                  |                          |              |          |                          |
| <u>Capital assets not depreciated:</u> |                          |              |          |                          |
| Land                                   | \$ 1,802,337             | \$ -         | \$ -     | \$ 1,802,337             |
| Construction in progress               | 165,280                  | 22,807       | -        | 188,087                  |
| <u>Capital assets depreciated:</u>     |                          |              |          |                          |
| Buildings                              | 2,764,784                | -            | -        | 2,764,784                |
| Improvements                           | 1,447,471                | 312,966      | -        | 1,760,437                |
| Machinery and equipment                | 3,316,988                | 125,212      | (34,234) | 3,407,966                |
| Infrastructure                         | 10,415,823               | 192,003      | -        | 10,607,826               |
| Total                                  | 19,912,683               | 652,988      | (34,234) | 20,531,437               |
| Less: Accumulated Depreciation:        | (11,385,070)             | (783,194)    | 34,234   | (12,134,030)             |
| Net Capital Assets                     | \$ 8,527,613             | \$ (130,206) | \$ -     | \$ 8,397,407             |

Changes in proprietary fund capital assets were as follows:

|  | Balance June 30,<br>2021 | Debits       | Credits | Balance June 30,<br>2022 |
|--|--------------------------|--------------|---------|--------------------------|
| Cost:                                  |                          |              |         |                          |
| <u>Capital assets not depreciated:</u> |                          |              |         |                          |
| Land                                   | \$ 17,402                | \$ -         | \$ -    | \$ 17,402                |
| Construction Work in Progress          | -                        | 42,311       | -       | 42,311                   |
| <u>Capital assets depreciated:</u>     |                          |              |         |                          |
| Source of Supply                       | 3,406,542                | -            | -       | 3,406,542                |
| Pumping Plant                          | 893,789                  | -            | -       | 893,789                  |
| Treatment Plant                        | 8,329,760                | 5,693        | -       | 8,335,453                |
| Transmission and Distribution          | 13,272,994               | 23,156       | -       | 13,296,150               |
| General Plant                          | 2,918,236                | 41,820       | -       | 2,960,056                |
| Total                                  | 28,837,692               | 112,980      | -       | 28,951,703               |
| Less: Accumulated Depreciation         | (16,837,509)             | (742,351)    | -       | (17,579,860)             |
| Net Capital Assets                     | \$ 12,000,184            | \$ (629,371) | \$ -    | \$ 11,371,843            |

Governmental activities depreciation expense was charged to functions as follows:

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|  |                   |
|--|-------------------|
| Governmental Activities:                   |                   |
| General Government                         | \$ 41,989         |
| Public Safety                              | 112,389           |
| Public Works                               | 580,899           |
| Culture and Recreation                     | 47,917            |
| Total governmental activities depreciation | <u>\$ 783,194</u> |

**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, 2022, the City had drawn down a total of \$703,287 from the Trust, and repaid \$61,785 during the 2022 fiscal year, leaving an outstanding balance of \$40,196.

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.

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 Inter-cap 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 Inter-cap 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 Inter-cap Loan terms, the Council will review annually paying the loan early or paying the Inter-cap 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 \$3,606 on this loan leaving a balance of \$24,008 as of June 30, 2022.

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As of June 30, 2022, the Cedar Creek Trust had a total cash balance of \$1,174,632, consisting of \$93,083 unrestricted and \$1,081,549 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 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 \$12,120 during the 2022 fiscal year, leaving a balance of \$6,047 as of June 30, 2022.

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 \$16,792 during the 2022 fiscal year leaving a balance of \$254,112 as of June 30, 2022.

General obligation bonds and debt outstanding as of June 30, 2022, were as follows:

| Purpose:                          | Issue Date | Interest Rate | Bond Term | Maturity Date | Annual Payment | Bonds/Debt Issued | Balance June 30, 2022 |
|-----------------------------------|------------|---------------|-----------|---------------|----------------|-------------------|-----------------------|
| Street Improvements               | 6/26/2007  | Var           | 20 yrs    | 7/1/2027      | Varies         | \$ 703,287        | \$ 40,195             |
| Street Improvements-Intercap      | 8/26/2011  | 1.0-1.25%     | 10 yrs    | 8/15/2021     | Varies         | \$ 364,449        | \$ -                  |
| Fire Apparatus-Intercap           | 8/31/2012  | 1.0-1.25%     | 10 yrs    | 8/15/2022     | Varies         | \$ 115,365        | \$ 6,047              |
| Special Improvement District # 38 | 11/2/2017  | 4.16%         | 20 yrs    | 7/1/2037      | Varies         | \$ 340,000        | \$ 254,110            |
| 2002 Quint Fire Truck-Internal    | 1/7/2019   | Var           | 10 yrs    | 1/7/2029      | Varies         | \$ 34,000         | \$ 24,008             |

Changes in long-term debt were as follows:

|                          | Balance<br>June 30, 2021 | Change      | Balance<br>June 30,<br>2022 | Amount due<br>in 2023 |
|--------------------------|--------------------------|-------------|-----------------------------|-----------------------|
| Internal Loan from Trust | \$ 27,613                | \$ (3,605)  | 24,008                      | \$ 3,610              |
| General Obligation Debt  | 139,864                  | (93,621)    | 46,243                      | 46,243                |
| Special Assessment Debt  | 288,888                  | (17,986)    | 270,902                     | 17,001                |
| Compensated Absences     | 241,500                  | 24,813      | 266,313                     | 193,052               |
| Total                    | \$ 697,865               | \$ (90,399) | \$ 607,466                  | \$ 259,906            |

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Annual requirement to amortize general obligation debt:

|            | Principal | Interest |
|------------|-----------|----------|
| 2023       | 49,852    | 192      |
| 2024       | 3,621     | 62       |
| 2025       | 3,633     | 51       |
| 2026       | 3,644     | 39       |
| Thereafter | 9,501     | 47       |
| Total      | \$ 70,251 | \$ 392   |

Annual requirement to amortize special assessment debt:

| For Fiscal Year | Principal  | Interest  |
|-----------------|------------|-----------|
| 2023            | 17,001     | 10,394    |
| 2024            | 17,001     | 9,687     |
| 2025            | 17,001     | 8,980     |
| 2026            | 17,001     | 8,272     |
| 2027            | 17,001     | 7,565     |
| Thereafter      | 185,897    | 36,754    |
| Total           | \$ 270,902 | \$ 81,652 |

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) | \$646,686,422 |
| General limitation percentage                           | 2.50%         |
| General limit of indebtedness                           | \$16,167,161  |

|   |        |
|---|--------|
| Outstanding general obligation bonds at June 30 - |        |
| Outstanding loans subject to limitation           | 46,243 |
| Total Debt subject to limit                       | 46,243 |

Remaining Legal Debt Margin \$16,120,918

*Long-term Debt Supporting Business-type Activities  
Revenue Bonds and Debt Outstanding as of June 30, 2022 were as follows:*

| Purpose                                | Origination Date | Interest Rate | Bond Term | Maturity Date | Bonds Amount | Annual Payment | Balance 30-Jun-22 |
|--|------------------|---------------|-----------|---------------|--------------|----------------|-------------------|
| Water System Revenue Refunding Bond    | 2005             | 2.25%         | 12 yrs    | 7/1/2025      | \$ 350,000   | Varies         | \$ 91,000         |
| Water System Improvements Revenue Bond | 2020             | 2.50%         | 20 yrs    | 7/1/2040      | 675,000      | Varies         | 622,000           |
| Sewer System Revenue Bond              | 2009B            | 0.75%         | 20 yrs    | 7/1/2029      | 359,300      | Varies         | 197,000           |
| Sewer System Revenue Refunding Bond    | 2009C            | 3.00%         | 18 yrs    | 7/1/2030      | 385,000      | Varies         | 131,000           |
| Total                                  |                  |               |           |               | \$ 1,769,300 |                | \$ 1,041,000      |

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Revenue Bonds

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

Changes in Revenue Bonds outstanding were as follows:

|               | Balance June<br>30, 2021 | Change             | Balance June<br>30, 2022 | Amount due<br>in 2023 |
|---------------|--------------------------|--------------------|--------------------------|-----------------------|
| Water (2005)  | \$ 119,000               | \$ (28,000)        | \$ 91,000                | \$ 30,000             |
| Water (2020)  | 649,000                  | (27,000)           | 622,000                  | 28,000                |
| Sewer (2009C) | 219,000                  | (22,000)           | 197,000                  | 22,000                |
| Sewer (2009B) | 149,000                  | (18,000)           | 131,000                  | 18,000                |
|               | <u>\$1,136,000</u>       | <u>\$ (95,000)</u> | <u>\$ 1,041,000</u>      | <u>\$ 98,000</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.

On September 8, 2020, the City issued Water System Revenue Bonds through the State of Montana, Department of Natural Resources, Drinking Water State Revolving Loan Fund, Series 2020 in the amount of \$675,000 with a total interest rate of 2.5%. The principal is payable semi-annually, with the first payment being made on January 1, 2021 and concluding on July 1, 2040. The outstanding balance was \$622,000 at June 30, 2022.

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, 2022, as indicated below:

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|                        |              |              |
|------------------------|--------------|--------------|
| Debt Service Coverage: | <u>Water</u> | <u>Sewer</u> |
| Operating Revenues     | \$ 894,735   | \$ 1,274,349 |
| Operating Expenses     | 633,051      | 876,013      |
| Net Revenue            | 261,684      | 398,336      |
| <br>                   |              |              |
| Max Debt Service       | \$ 75,717    | \$ 48,468    |
| Percent Coverage       | 345.61%      | 821.85%      |

Annual requirement to amortize revenue bond and loan debt:

|   |              |            |
|---|--------------|------------|
| Annual requirement to amortize revenue bond and loan debt |              |            |
| For Fiscal Year   | Principal    | Interest   |
| 2023  | 98,000       | 23,948     |
| 2024  | 98,000       | 21,778     |
| 2025  | 102,000      | 19,593     |
| 2026  | 72,000       | 17,472     |
| 2027  | 74,000       | 15,867     |
| Thereafter  | 597,000      | 90,285     |
| Total   | \$ 1,041,000 | \$ 188,942 |

**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,

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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 measurable. 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 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:



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

Early retirement, actuarially reduced:

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

Vesting:

5 years of membership service.

Monthly benefit formula:

Members hired prior to July 1, 2011;

- Less than 25 years of membership service: 1.7857% of HAC per year of service credit.
- 25 years of membership service or more: 2% of HAC per year of service credit.

Members hired on or after July 1, 2011:

- Less than 10 years of membership service: 1.5% HAC per year of service credit.
- 10 years or more, but less than 30 years of membership service: 1.7857% of HAC per year of service credit.
- 30 years or more of membership service: 2% of HAC per year of service credit.

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.

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Municipal Police Officers' Retirement System (MPORS):

Plan Description:

The Municipal Police Officers' Retirement System (MPORS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing benefit plan that was established in 1974 and is governed by Title 19, chapters 2 & 9 Montana Code Annotated (MCA). This plan covers all municipal police officers employed by first-and second-class cities and other cities that adopt the plan, such as the City of Columbia Falls. Benefits are established by state law and can only be amended by the Legislature. The MPORS provides retirement, disability and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and final average compensation. Member rights for death and disability are vested immediately. All other rights are vested after five years of service.

Summary of Benefits:

Member's final average compensation (FAC)

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

Eligibility for benefit:

20 years of membership service, regardless of age.

Early retirement:

Age 50, 5 years of membership service.

Vesting:

5 years of membership service.

Monthly benefit formula:

2.5% of FAC per year of service credit.

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.

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

If hired before July 1, 1997 and member did not elect GABA – the monthly retirement, disability or survivor’s benefit may not be less than ½ the compensation of a newly confirmed officer in the city that the member was last employed.

**Deferred Retirement Option Plan (DROP):**

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

**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:**

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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

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.

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Contribution Rates and Amounts

|       | Employee | Employer | State              |
|-------|----------|----------|--------------------|
| PERS  | 7.90%    | 8.87%    | 0.10% <sup>1</sup> |
| MPORS | 9.00%    | 14.41%   | 29.37%             |
| FURS  | 10.70%   | 14.36%   | 32.61%             |

|       | City       |           |           | State                  |
|-------|------------|-----------|-----------|------------------------|
|       | 2022       | 2021      | 2020      | 2022                   |
| PERS  | \$ 100,834 | \$ 95,267 | \$ 92,708 | \$ 83,816 <sup>1</sup> |
| MPORS | 88,711     | 84,816    | 83,318    | 195,693                |
| FURS  | 11,082     | 10,555    | 11,245    | 13,994                 |

<sup>1</sup> The State contributes from the Coal Tax Severance fund in addition to .1% required contribution.  
 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, 2022, 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:

|   | PERS               | MPORS               | FURS              | Total               |
|---|--------------------|---------------------|-------------------|---------------------|
| City's proportionate share of the net pension liability                           | \$ 991,951         | \$ 591,210          | \$ 34,179         | \$ 1,617,340        |
| State's proportionate share of the net pension liability associated with the City | 292,321            | 1,201,671           | 77,576            | 1,571,568           |
| Total   | <u>\$1,284,272</u> | <u>\$ 1,792,881</u> | <u>\$ 111,755</u> | <u>\$ 3,188,908</u> |

The basis for the net pension liability was determined by taking the results of the June 30, 2021, 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.

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|   | PERS    | MPORS   | FURS    |
|---|---------|---------|---------|
| Proportionate share of plan's net pension liability | 0.0547% | 0.3252% | 0.0399% |

For the year ended June 30, 2022, the City recognized pension expenses of \$477,849 and revenue of \$293,503 for support provided by the State. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <b>Deferred Outflows of Resources</b>   |                   |                   |                  |                   |
|---|-------------------|-------------------|------------------|-------------------|
|   | PERS              | MPORS             | FURS             | Total             |
| Expected vs Actual Experience   | \$ 10,586         | \$ 18,804         | \$ 4,475         | \$ 33,865         |
| Projected Investment Earnings vs Actual   |                   |                   |                  | -                 |
| Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions |                   | 370               |                  | 370               |
| Changes in Assumptions  | 146,926           | 112,958           | 17,497           | 277,381           |
| City contributions subsequent to the measurement date   | 100,834           | 88,711            | 11,082           | 200,627           |
| <b>Total</b>  | <b>\$ 258,346</b> | <b>\$ 220,843</b> | <b>\$ 33,054</b> | <b>\$ 512,243</b> |

| <b>Deferred Inflows of Resources</b>  |                   |                   |                  |                   |
|---|-------------------|-------------------|------------------|-------------------|
|   | PERS              | MPORS             | FURS             | Total             |
| Expected vs Actual Experience   | \$ 7,181          | \$ 6,456          | \$ 186           | \$ 13,823         |
| Projected Investment Earnings vs Actual   | 401,850           | 178,113           | 23,383           | \$ 603,346        |
| Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | 64,395            |                   | 2,655            | 67,050            |
| <b>Total</b>  | <b>\$ 473,426</b> | <b>\$ 184,569</b> | <b>\$ 26,224</b> | <b>\$ 684,219</b> |

The \$200,627 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, 2023. 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)

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| Fiscal Year Ending June 30 | PERS                | MPORS              | FURS              | Total               |
|----------------------------|---------------------|--------------------|-------------------|---------------------|
| 2023                       | \$ (15,210)         | \$ 32,929          | \$ (468)          | \$ 17,251           |
| 2024                       | (75,367)            | 456                | (1,103)           | (76,014)            |
| 2025                       | (97,057)            | (28,164)           | (2,760)           | (127,981)           |
| 2026                       | (128,280)           | (57,658)           | (4,217)           | (190,155)           |
| Thereafter                 | -                   | -                  | 4,297             | 4,297               |
| Total                      | <u>\$ (315,914)</u> | <u>\$ (52,437)</u> | <u>\$ (4,251)</u> | <u>\$ (372,602)</u> |

*Actuarial Assumptions*

The total pension liabilities (TPL) used to calculate the net pension liabilities was determined by taking the results of the June 30, 2021, actuarial valuation and applying standard roll forward procedures. The actuarial assumptions used in the June 30, 2021 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%             | -0.33%              | -0.01%                                 |
| Domestic Equity              | 30.00%            | 5.90%               | 1.77%                                  |
| Foreign Equity               | 17.00%            | 7.14%               | 1.21%                                  |
| Private Equity               | 15.00%            | 9.13%               | 1.37%                                  |
| Natural Resources            | 5.00%             | 4.03%               | 0.20%                                  |
| Real Estate                  | 9.00%             | 5.41%               | 0.49%                                  |
| Core Fixed Income            | 15.00%            | 1.14%               | 0.17%                                  |
| Non-Core Fixed Inc           | 6.00%             | 3.02%               | 0.18%                                  |
| Total                        | 100.00%           |                     | 5.38%                                  |
| Inflation                    |                   |                     | 2.40%                                  |
| Portfolio Return Expectation |                   |                     | 7.06%                                  |

*Discount Rate*

The discount rate used to measure the total pension liability was 7.06 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 7.06 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 (6.06 percent) or 1 percentage point higher (8.06 percent) than the current rate:

| City's proportionate share of the net pension liability | 1% Decrease<br>(6.06%) | Discount Rate<br>(7.06%) | 1% Increase<br>(8.06%) |
|---|------------------------|--------------------------|------------------------|
| PERS  | \$ 1,574,568           | \$ 991,952               | \$ 503,271             |
| MPORS   | 967,292                | 591,210                  | 292,253                |
| FURS  | 77,549                 | 34,179                   | (560)                  |
|   | <u>\$ 2,619,409</u>    | <u>\$ 1,617,341</u>      | <u>\$ 794,964</u>      |



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*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 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 2022 fiscal year, 9 active employees had elected deferred compensation benefits in lieu of health insurance benefits, one employee elected deferred compensation benefits in lieu of salary and 4 active employees elected to defer a portion of their compensation under the provisions of the 457(b) plan. The City contributed \$55,766 on the employees' behalf during the 2022 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

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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 \$160 per month with 20 years of service, increased by 10% for each additional year, up to the statutory maximum payment of \$300.

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 23 inactive employees and 7 surviving spouses 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

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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 2022, 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, 2022, the City had two retired employees 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 2022, retirees paid \$18,598 in actuarially determined medical premiums.

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

Employees covered by benefit terms as of June 30, 2022:

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%            |

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|      |      |       |
|------|------|-------|
| 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**

The following is an analysis of governmental operating transfers in and out during fiscal year 2022:

|                         | Transfers in:        |                                |  |                 |  |  |   | Total Transfers Out |
|-------------------------|----------------------|--------------------------------|--|-----------------|--|--|---|---------------------|
|                         | General Fund (Major) | Street Maintenance (Non Major) | Special Road/Street Allocation (Non Major) | EDA (Non-Major) | Capital Project Fund-Parks (Non Major) | Capital Project Fund-General Equipment (Non Major) | Capital Project Fund-Street Improvement (Non-Major) |                     |
| Transfers out:          |                      |                                |  |                 |  |  |   |                     |
| General Fund            | \$ -                 | \$ -                           | \$ -                                       | \$ -            | \$ 50,000                              | \$ 53,000  | \$ 271,841  | \$ 374,841          |
| Tax Increment Financing | -                    | -                              | -  | 313,146         | -                                      | -  | -   | 313,146             |
| Permissive Medical Levy | 158,798              | 54,753                         | -  | -               | -                                      | -  | -   | 213,551             |
| Street Maintenance      | -                    | -                              | 6,432                                      | -               | -                                      | -  | -   | 6,432               |
| Gas Tax                 | -                    | -                              | -  | -               | -                                      | 25,035   | -   | 25,035              |
| Total Transfers in:     | \$ 158,798           | \$ 54,753                      | \$ 6,432                                   | \$ 313,146      | \$ 50,000                              | \$ 78,035  | \$ 271,841  | \$ 933,005          |

**NOTE H - INTERFUND LOANS**

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

Long-term interfund loans receivable have been recorded in the Water and Sewer Enterprise Funds and at June 30, 2022, the combined balance of the interfund loans was \$24,154 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.

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Annual maturity of the long-term special assessment receivable for the 2023 FY is \$7,671, subject to interest at 4.75%.

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

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**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, 2022 are as follows:

| Fund                               | Fund Type | Description                                 | Amount       |
|------------------------------------|-----------|---|--------------|
| 1000-General                       | Major     | Reserved by Council/cash flow               | \$ 785,353   |
| 2310-Tax Increment District Fund   | Major     | Reserve for new projects                    | 586,063      |
| 2311-TEDD                          | Non-Major | Reserved for new projects                   | 5,642        |
| 2372-Permissive Medical Levy       | Non-Major | Reserved by Council/cash flow               | 10,000       |
| 2394-Building Code Enforcement     | Non-Major | Reserved by Council/cash flow               | 193,277      |
| 2400-Special Lighting District     | Non-Major | Reserved by Council/cash flow               | 9,674        |
| 2500-Special Street Maint District | Non-Major | Reserved by Council/cash flow               | 101,034      |
| 2700-Cedar Creek Trust             | Major     | Reserved by Trust Document                  | 1,081,549    |
| 3020-GO Street Debt Service        | Non-Major | Reserved by Council for debt payments       | 41,304       |
| 3534-SID 34 5th Ave W              | Major     | Reserved by Debt covenant                   | 129          |
| 3536-SID 36 Talbot RD & 4th Ave W  | Major     | Reserved by Debt covenant                   | 1,050        |
| 3538-SID 38 Riverwood              | Major     | Reserved by Debt covenant                   | 17,000       |
| 4000-Capital Projects-Bldg Improv  | Non-Major | Reserved by Council for building improv     | 84,925       |
| 4010-Capital Projects-Park Impr    | Non-Major | Reserved by Council for improv/cash in lieu | 273,494      |
| 4020-Capital Projects-Gen EQPT     | Non-Major | Reserved by Council for future eqpt         | 288,598      |
| 4040-Capital Projects-Street Const | Non-Major | Reserved by Council for street construction | 120,730      |
| 5210-Water                         | Major     | Replacement/Depreciation                    | 586,754      |
| 5210-Water                         | Major     | Reserved for Future Debt Service            | 57,171       |
| 5210-Water                         | Major     | Reserved for new projects                   | 261,733      |
| 5211-Water Expansion               | Non-Major | System Expansion                            | 361,647      |
| 5310-Sewer                         | Major     | Replacement/Depreciation                    | 383,940      |
| 5310-Sewer                         | Major     | Reserved for Future Debt Service            | 72,111       |
| 5310-Sewer                         | Major     | Reserved for new projects                   | 313,894      |
| 5310-Sewer                         | Major     | Reserved for WWTP Project/Debt              | 481,734      |
| 5311-Sewer Expansion               | Non-Major | System Expansion                            | 1,196,001    |
|                                    |           |   | \$ 7,314,807 |

**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<br>Increment<br>Fund | Cedar Creek<br>Trust | ARPA of<br>2021     | SID 38-<br>Riverwood | Other<br>Governmental | Total<br>Governmental<br>Funds |
|--|---------------------|--------------------------|----------------------|---------------------|----------------------|-----------------------|--------------------------------|
| <b>Non-Spendable:</b>                  |                     |                          |                      |                     |                      |                       |                                |
| Long-Term receivable                   | \$ -                | \$ -                     | \$ 64,203            | \$ -                | \$ -                 | \$ -                  | \$ 64,203                      |
| <b>Restricted:</b>                     |                     |                          |                      |                     |                      |                       |                                |
| Trust Agreement-Gen Govt               | -                   | -                        | 1,081,549            | -                   | -                    | -                     | 1,081,549                      |
| State statute-General Government       | -                   | 1,416,157                | -                    | 1,505,476           | -                    | 556,087               | 3,477,720                      |
| State statute-Public Safety            | -                   | -                        | -                    | -                   | -                    | 187,097               | 187,097                        |
| State statute-Public Works             | -                   | -                        | -                    | -                   | -                    | 323,743               | 323,743                        |
| State statute-Housing & Community Devt | -                   | -                        | -                    | -                   | -                    | 396,527               | 396,527                        |
| Grantor or contributors-Culture & Rec  | -                   | -                        | -                    | -                   | -                    | -                     | -                              |
| Debt Service                           | -                   | -                        | -                    | -                   | 437                  | 46,587                | 47,024                         |
| <b>Committed:</b>                      |                     |                          |                      |                     |                      |                       |                                |
| Designated by City Mgr/Finance Dir-GG  | 785,353             | -                        | -                    | -                   | -                    | -                     | 785,353                        |
| Capital Projects                       | -                   | -                        | -                    | -                   | -                    | 1,544,673             | 1,544,673                      |
| Restricted by state law & grantors     | -                   | -                        | -                    | -                   | -                    | -                     | -                              |
| <b>Assigned</b>                        |                     |                          |                      |                     |                      |                       |                                |
| Designated by City Mgr/Finance Dir-GG  | -                   | -                        | 93,083               | -                   | -                    | -                     | 93,083                         |
| <b>Un-Assigned</b>                     | 319,007             | -                        | -                    | -                   | -                    | -                     | 319,007                        |
| <b>Total Fund Balance</b>              | <b>\$ 1,104,360</b> | <b>\$ 1,416,157</b>      | <b>\$ 1,238,835</b>  | <b>\$ 1,505,476</b> | <b>\$ 437</b>        | <b>\$ 3,054,714</b>   | <b>\$ 8,319,979</b>            |

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, the Cedar Creek Trust Fund, and the ARPA COVID-19 Recovery 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 Cedar Creek Trust Fund is to account for the sale of City-owned land. The purpose of the ARPA COVID-19 Recovery Fund is to account for the receipt and expenditure of federal funds received under the American Recovery Plan Act. GASB 54 requires disclosure of revenues for each major special revenue fund. Revenues are as follows:

Tax Increment Financing District:

|                          |                  |
|--------------------------|------------------|
| Property Tax/Assessments | \$602,057        |
| Intergovernmental        | 11,099           |
| Interest earnings        | <u>4,861</u>     |
|                          | <u>\$618,017</u> |

Cedar Creek Trust:

|                   |                 |
|-------------------|-----------------|
| Interest earnings | <u>\$ 4,855</u> |
|-------------------|-----------------|

ARPA COVID-19 Recovery:

|                   |                  |
|-------------------|------------------|
| Intergovernmental | <u>\$754,995</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:

|                                |                 |
|--------------------------------|-----------------|
| <u>Riverwood Debt Service:</u> |                 |
| Special assessment             | \$28,882        |
| Interest earnings              | <u>81</u>       |
|                                | <u>\$28,963</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.



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**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.

**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.

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.

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June 30, 2022

**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 10<sup>th</sup> year, the tax rate is for the full 100%.

For the fiscal year ended June 30, 2022, the tax abatements are immaterial to the financial statements.

**NOTE P -- SUBSEQUENT EVENTS**

Water Fund Generator - During February 2022, the City Council awarded the bid for a new generator in the amount of \$176,941. Due to the delay in parts, the project will not be completed until after December 2022.

Wastewater Treatment Plant Upgrade – The City Council approved a wastewater treatment plant upgrade in the amount of \$5,544,000 to be funded with a \$2,000,000 competitive grant, \$1,400,961, local ARPA Funds, \$877,186 of Minimum Allocation Funds and \$1,221,853 of City Contribution. Final Grant Awards were received in fall 2022 and the project will be completed throughout 2023 and 2024.

Water Main Upgrade – The City Council approved the 5<sup>th</sup> Ave EN Water Main Upgrade for \$289,500 with funding from a competitive grant, \$143,000, \$100,000 local ARPA Funds and \$46,500 local funds. The City received the grant agreements from the state in the fall of 2022 and is calling for bids in the early spring 2023. The project will be completed in the summer of 2023.

**NOTE Q – RECENT ACCOUNTING PRONOUNCEMENTS**

GASB has issued Statement No 96, Subscription-Based Information Technology Arrangements, which is effective fiscal year 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. It established that a SBITA results in a right to use subscription assets, an intangible asset, and a corresponding subscription liability as well as providing the capitalization criteria for outlays other than subscription payments.

The GASB has recently issued the following statements, since the City's previous annual report submission:

The GASB has issued GASB Statement No. 99, Omnibus 2022. Portions of this statement related to leases, PPPs, and SBITAs are effective for fiscal year 2023. Portions related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal year 2024.

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2022

The GASB has issued GASB Statement No. 100, Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62, which is effective for fiscal year 2024. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

The GASB has issued GASB Statement No. 101, Compensated Absences, which is effective for fiscal year 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

The City has not fully assessed the impact of Statements No. 96, 99, 100 and 101 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.

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**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

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, 2022

| Description                         | Budgeted Amounts |                  | Actual           | Over (under)<br>Final Budget |
|-------------------------------------|------------------|------------------|------------------|------------------------------|
|                                     | Original         | Final            |                  |                              |
| <b>Revenue</b>                      |                  |                  |                  |                              |
| Property taxes                      | \$ 1,358,051     | \$ 1,358,051     | \$ 1,375,575     | \$ 17,524                    |
| Licenses and Permits                | 76,675           | 76,675           | 76,701           | 26                           |
| Intergovernmental                   | 1,091,109        | 1,091,109        | 1,049,210        | (41,899)                     |
| Charges for services                | 163,710          | 163,710          | 184,969          | 21,259                       |
| Fines and forfeitures               | 177,300          | 177,300          | 215,095          | 37,795                       |
| Miscellaneous                       | -                | -                | 51,396           | 51,396                       |
| Investment Earnings                 | 5,000            | 5,000            | 8,491            | 3,491                        |
| <b>Total Revenue</b>                | <b>2,871,845</b> | <b>2,871,845</b> | <b>2,961,437</b> | <b>89,592</b>                |
| <b>Expenditures</b>                 |                  |                  |                  |                              |
| <b>Current</b>                      |                  |                  |                  |                              |
| <b>General Government</b>           |                  |                  |                  |                              |
| Personal services                   | 435,672          | 435,672          | 435,598          | (74)                         |
| Supplies/services/materials,etc     | 481,918          | 481,918          | 405,354          | (76,564)                     |
| <b>Total General Government</b>     | <b>917,590</b>   | <b>917,590</b>   | <b>840,952</b>   | <b>(76,638)</b>              |
| <b>Public Safety</b>                |                  |                  |                  |                              |
| Personal services                   | 1,484,292        | 1,484,292        | 1,362,730        | (121,562)                    |
| Supplies/services/materials,etc     | 217,420          | 217,420          | 191,730          | (25,690)                     |
| Capital outlay                      | 10,000           | 10,000           | 10,000           | -                            |
| <b>Total Public Safety</b>          | <b>1,711,712</b> | <b>1,711,712</b> | <b>1,564,460</b> | <b>(147,252)</b>             |
| <b>Public Works</b>                 |                  |                  |                  |                              |
| Personal services                   | 3,363            | 3,363            | 3,307            | (56)                         |
| Supplies/services/materials,etc     | 45,975           | 45,975           | 35,699           | (10,276)                     |
| <b>Total Public Works</b>           | <b>49,338</b>    | <b>49,338</b>    | <b>39,006</b>    | <b>(10,332)</b>              |
| <b>Public Health</b>                |                  |                  |                  |                              |
| Supplies/services/materials,etc     | 4,250            | 4,250            | 4,250            | -                            |
| <b>Total Public Health</b>          | <b>4,250</b>     | <b>4,250</b>     | <b>4,250</b>     | <b>-</b>                     |
| <b>Culture and Recreation</b>       |                  |                  |                  |                              |
| Personal services                   | 154,348          | 154,348          | 135,683          | (18,665)                     |
| Supplies/services/materials,etc     | 131,910          | 131,910          | 103,173          | (28,737)                     |
| Capital outlay                      | 4,000            | 4,000            | -                | (4,000)                      |
| <b>Total Culture and Recreation</b> | <b>290,258</b>   | <b>290,258</b>   | <b>238,856</b>   | <b>(51,402)</b>              |
| <b>Debt Service</b>                 |                  |                  |                  |                              |
| Principal                           | 15,726           | 15,726           | 15,725           | (1)                          |
| Interest and fiscal charges         | 327              | 327              | 327              | -                            |
| <b>Total Debt service</b>           | <b>16,053</b>    | <b>16,053</b>    | <b>16,052</b>    | <b>(1)</b>                   |
| Miscellaneous                       | 147,746          | 147,746          | 92,441           | (55,305)                     |
| <b>Total Expenditures</b>           | <b>3,136,947</b> | <b>3,136,947</b> | <b>2,796,017</b> | <b>(340,930)</b>             |

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, 2022

| Description   | Budgeted Amounts    |                     | Actual              | Over (under)<br>Final Budget |
|---|---------------------|---------------------|---------------------|------------------------------|
|   | Original            | Final               |                     |                              |
| Excess (deficiency) of revenue<br>over expenditures | <u>(265,102)</u>    | <u>(265,102)</u>    | <u>165,420</u>      | <u>430,522</u>               |
| Other financing sources (uses)                      |                     |                     |                     |                              |
| Transfers in  | 182,831             | 182,831             | 158,798             | (24,033)                     |
| Transfers (out)                                     | <u>(381,210)</u>    | <u>(381,210)</u>    | <u>(374,841)</u>    | <u>6,369</u>                 |
| Total other financing sources (uses)                | <u>(198,379)</u>    | <u>(198,379)</u>    | <u>(216,043)</u>    | <u>(17,664)</u>              |
| Net change in fund balances                         | <u>\$ (463,481)</u> | <u>\$ (463,481)</u> | (50,623)            | <u>\$ 412,858</u>            |
| Fund balances                                       |                     |                     |                     |                              |
| Beginning of year                                   |                     |                     | 1,154,983           |                              |
| End of year   |                     |                     | <u>\$ 1,104,360</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, 2022

| Description   | Budgeted Amounts    |                     | Actual              | Over (under)<br>Final Budget |
|---|---------------------|---------------------|---------------------|------------------------------|
|   | Original            | Final               |                     |                              |
| <b>Revenue</b>                                      |                     |                     |                     |                              |
| Property taxes                                      | \$ 900              | \$ 900              | \$ 602,057          | \$ 601,157                   |
| Intergovernmental                                   | -                   | -                   | 11,098              | 11,098                       |
| Investment Earnings                                 | 2,000               | 2,000               | 4,861               | 2,861                        |
| Total Revenue                                       | <u>2,900</u>        | <u>2,900</u>        | <u>618,016</u>      | <u>615,116</u>               |
| <b>Expenditures</b>                                 |                     |                     |                     |                              |
| <b>Current</b>                                      |                     |                     |                     |                              |
| Housing and Community Development                   |                     |                     |                     |                              |
| Supplies/services/materials, etc                    | 10,000              | 10,000              | 5,700               | (4,300)                      |
| Total Housing and Community Development             | <u>10,000</u>       | <u>10,000</u>       | <u>5,700</u>        | <u>(4,300)</u>               |
| Capital expenditures                                | 525,000             | 211,854             | 1,176               | (210,678)                    |
| Total Expenditures                                  | <u>535,000</u>      | <u>221,854</u>      | <u>6,876</u>        | <u>(214,978)</u>             |
| Excess (deficiency) of revenue<br>over expenditures | <u>(532,100)</u>    | <u>(218,954)</u>    | <u>611,140</u>      | <u>830,094</u>               |
| <b>Other financing sources (uses)</b>               |                     |                     |                     |                              |
| Transfers (out)                                     | -                   | (313,146)           | (313,146)           | -                            |
| Total other financing sources (uses)                | <u>-</u>            | <u>(313,146)</u>    | <u>(313,146)</u>    | <u>-</u>                     |
| Net change in fund balances                         | <u>\$ (532,100)</u> | <u>\$ (532,100)</u> | 297,994             | <u>\$ 830,094</u>            |
| <b>Fund balances</b>                                |                     |                     |                     |                              |
| Beginning of year                                   |                     |                     | 1,118,163           |                              |
| End of year   |                     |                     | <u>\$ 1,416,157</u> |                              |

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, 2022

| Description   | Budgeted Amounts    |                     | Actual              | Over (under)<br>Final Budget |
|---|---------------------|---------------------|---------------------|------------------------------|
|   | Original            | Final               |                     |                              |
| <b>Revenue</b>                                      |                     |                     |                     |                              |
| Property taxes                                      | \$ -                | \$ -                | \$ -                | \$ -                         |
| Intergovernmental                                   | -                   | -                   | -                   | -                            |
| Investment Earnings                                 | 69,946              | 69,946              | 4,855               | (65,091)                     |
| <b>Total Revenue</b>                                | <u>69,946</u>       | <u>69,946</u>       | <u>4,855</u>        | <u>(65,091)</u>              |
| <b>Expenditures</b>                                 |                     |                     |                     |                              |
| <b>Current</b>                                      |                     |                     |                     |                              |
| <b>Public Works</b>                                 |                     |                     |                     |                              |
| Supplies/services/materials,etc                     | -                   | -                   | 927                 | 927                          |
| Capital expenditures                                | 180,000             | 180,000             | -                   | (180,000)                    |
| <b>Total Expenditures</b>                           | <u>180,000</u>      | <u>180,000</u>      | <u>927</u>          | <u>(179,073)</u>             |
| Excess (deficiency) of revenue<br>over expenditures | <u>(110,054)</u>    | <u>(110,054)</u>    | <u>3,928</u>        | <u>113,982</u>               |
| <b>Other financing sources (uses)</b>               |                     |                     |                     |                              |
| Transfers (out)                                     | -                   | -                   | -                   | -                            |
| <b>Total other financing sources (uses)</b>         | <u>-</u>            | <u>-</u>            | <u>-</u>            | <u>-</u>                     |
| <b>Net change in fund balances</b>                  | <u>\$ (110,054)</u> | <u>\$ (110,054)</u> | <u>3,928</u>        | <u>\$ 113,982</u>            |
| <b>Fund balances</b>                                |                     |                     |                     |                              |
| Beginning of year                                   |                     |                     | 1,234,907           |                              |
| End of year   |                     |                     | <u>\$ 1,238,835</u> |                              |

See accompanying notes to the financial statements



City of Columbia Falls, Flathead County, Montana  
Statement of Revenue, Expenditures and Changes in Fund Balance  
ARPA COVID-19 Recovery (2991) - Major Special Revenue Fund - Budget and Actual  
For Fiscal Year Ended June 30, 2022

| Description   | Budgeted Amounts  |                   | Actual              | Over (under)<br>Final Budget |
|---|-------------------|-------------------|---------------------|------------------------------|
|   | Original          | Final             |                     |                              |
| Revenue   |                   |                   |                     |                              |
| Property taxes                                      | \$ -              | \$ -              | \$ -                | \$ -                         |
| Intergovernmental                                   | 752,738           | 752,738           | 754,995             | 2,257                        |
| Investment Earnings                                 | -                 | -                 | -                   | -                            |
| Total Revenue                                       | <u>752,738</u>    | <u>752,738</u>    | <u>754,995</u>      | <u>2,257</u>                 |
| Expenditures  |                   |                   |                     |                              |
| Current   |                   |                   |                     |                              |
| Public Works  |                   |                   |                     |                              |
| Supplies/services/materials,etc                     | -                 | -                 | -                   | -                            |
| Housing and Community Development                   |                   |                   |                     |                              |
| Supplies/services/materials,etc                     | -                 | -                 | -                   | -                            |
| Total Expenditures                                  | <u>-</u>          | <u>-</u>          | <u>-</u>            | <u>-</u>                     |
| Excess (deficiency) of revenue<br>over expenditures | <u>752,738</u>    | <u>752,738</u>    | <u>754,995</u>      | <u>2,257</u>                 |
| Other financing sources (uses)                      |                   |                   |                     |                              |
| Transfers (out)                                     | -                 | -                 | -                   | -                            |
| Total other financing sources (uses)                | <u>-</u>          | <u>-</u>          | <u>-</u>            | <u>-</u>                     |
| Net change in fund balances                         | <u>\$ 752,738</u> | <u>\$ 752,738</u> | 754,995             | <u>\$ 2,257</u>              |
| Fund balances                                       |                   |                   |                     |                              |
| Beginning of year                                   |                   |                   | 750,481             |                              |
| End of year   |                   |                   | <u>\$ 1,505,476</u> |                              |

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, 2022

| Description   | Budgeted Amounts  |                   | Actual         | Over (under)<br>Final Budget |
|---|-------------------|-------------------|----------------|------------------------------|
|   | Original          | Final             |                |                              |
| <b>Revenue</b>  |                   |                   |                |                              |
| Property taxes  | \$ 28,317         | \$ 28,317         | \$ 28,882      | \$ 565                       |
| Licenses and Permits                                    | -                 | -                 | -              | -                            |
| Intergovernmental                                       | -                 | -                 | -              | -                            |
| Charges for services                                    | -                 | -                 | -              | -                            |
| Fines and forfeitures                                   | -                 | -                 | -              | -                            |
| Miscellaneous   | -                 | -                 | -              | -                            |
| Investment Earnings                                     | -                 | -                 | 81             | 81                           |
| <b>Total Revenue</b>                                    | <u>28,317</u>     | <u>28,317</u>     | <u>28,963</u>  | <u>646</u>                   |
| <b>Expenditures</b>                                     |                   |                   |                |                              |
| <b>Debt Service</b>                                     |                   |                   |                |                              |
| Principal   | 17,001            | 17,001            | 16,792         | (209)                        |
| Interest and fiscal charges                             | 11,093            | 11,093            | 11,302         | 209                          |
| <b>Total Debt service</b>                               | <u>28,094</u>     | <u>28,094</u>     | <u>28,094</u>  | <u>-</u>                     |
| Miscellaneous   | -                 | -                 | -              | -                            |
| <b>Total Expenditures</b>                               | <u>28,094</u>     | <u>28,094</u>     | <u>28,094</u>  | <u>-</u>                     |
| <br>Excess (deficiency) of revenue<br>over expenditures | <br><u>223</u>    | <br><u>223</u>    | <br><u>869</u> | <br><u>646</u>               |
| <b>Other financing sources (uses)</b>                   |                   |                   |                |                              |
| Transfers in  | -                 | -                 | -              | -                            |
| Transfers (out)   | -                 | -                 | -              | -                            |
| Proceeds on sale of capital assets                      | -                 | -                 | -              | -                            |
| <b>Total other financing sources (uses)</b>             | <u>-</u>          | <u>-</u>          | <u>-</u>       | <u>-</u>                     |
| <br>Net change in fund balances                         | <br><u>\$ 223</u> | <br><u>\$ 223</u> | <br>869        | <br><u>\$ 646</u>            |
| <b>Fund balances</b>                                    |                   |                   |                |                              |
| Beginning of year                                       |                   |                   | (432)          |                              |
| End of year   |                   |                   | <u>\$ 437</u>  |                              |

See accompanying notes to the financial statements

**CITY OF COLUMBIA FALLS  
REQUIRED SUPPLEMENTARY INFORMATION  
FISCAL YEAR ENDING JUNE 30, 2022**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**

(Note: GASB Statement 75 requires supplementary information for 10-year schedules containing (1) service cost, (2) interest, (3) changes of benefit terms, if any, (4) differences between expected and actual experience, (5) changes of actuarial assumptions or other inputs and (6) benefit payments, as applicable to the Local Government's OPEB plan and method of calculating the OPEB liability.) For early implementors, include all years under GASBS 75.

**Last 10 Fiscal Years\***

| Total OPEB liability  | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015                | 2014                | 2013                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Service cost  | \$ -                |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Interest  | -                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Changes of benefit terms  | -                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Differences between expected and actual experience                      | -                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Changes of assumptions or other inputs                                  | -                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Benefit payments  | -                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Net change in total OPEB liability</b>                               | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |
| <b>Total OPEB liability - beginning</b>                                 |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Total OPEB liability - ending</b>                                    | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |
| <b>Covered-employee payroll</b>   | <b>\$ 1,948,979</b> | <b>\$ 1,844,460</b> | <b>\$ 1,777,283</b> | <b>\$ 1,662,088</b> | <b>\$ 1,576,860</b> | <b>\$ 1,498,832</b> | <b>\$ 1,370,440</b> | <b>\$ 1,356,071</b> | <b>\$ 1,217,443</b> | <b>\$ 1,196,978</b> |
| <b>Total OPEB liability as a percentage of covered-employee payroll</b> | <b>0.00%</b>        | <b>0.00%</b>        | <b>0.00%</b>        | <b>0.00%</b>        | <b>0.00%</b>        | <b>0.00%</b>        | <b>0.00%</b>        | <b>0.00%</b>        | <b>0.00%</b>        | <b>0.00%</b>        |

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

(Note: GASB Statement 75 requires notes to the supplementary information, including any changes of assumptions listed above, such as changes in benefit terms, changes of assumptions or other inputs.)

**Notes to Schedule:**

Changes of benefit terms: [see notes to the financial statements](#)

Changes of assumptions: [see notes to the financial statements](#)

An actuarial valuation was completed effective June 30, 2020 by MMIA. The City is required to have a triennial actuarial valuation.

The City of Columbia Falls' actuarial accrued liability is \$0.00 as calculated pursuant to the Alternative Measurement Method.

**CITY OF COLUMBIA FALLS  
FISCAL YEAR ENDING JUNE 30, 2022**

**Public Employees Retirement Plan (PERS)  
Other Supplementary Information  
Schedule of Proportionate Share of the Net Pension Liability  
For the Last Ten Fiscal Years\***

81a1

| <b>Reporting Date:</b>  | <b>2022</b>        | <b>2021</b>        | <b>2020</b>        | <b>2019</b>         | <b>2018</b>         | <b>2017</b>         | <b>2016</b>       | <b>2015</b>       |
|---|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|-------------------|-------------------|
| <b>As of Measurement Date:</b>  | <b>2021</b>        | <b>2020</b>        | <b>2019</b>        | <b>2018</b>         | <b>2017</b>         | <b>2016</b>         | <b>2015</b>       | <b>2014</b>       |
| Employer's proportion of the Net Pension Liability (percentage)         | 0.054707%          | 0.060617%          | 0.056873%          | 0.052150%           | 0.059172%           | 0.061220%           | 0.064976%         | 0.063890%         |
| Employer's Net Pension Liability (amount)                               | \$ 991,951         | \$1,599,214        | \$1,188,832        | \$ 1,088,451        | \$ 1,152,441        | \$ 1,042,788        | \$ 908,284        | \$ 796,071        |
| State of Montana's Net Pension Liability (amount)                       | 292,321            | 502,562            | 386,278            | 364,164             | 15,579              | 12,742              | 11,157            | 9,721             |
| <b>Total</b>  | <b>\$1,284,272</b> | <b>\$2,101,776</b> | <b>\$1,575,110</b> | <b>\$ 1,452,615</b> | <b>\$ 1,168,020</b> | <b>\$ 1,055,530</b> | <b>\$ 919,441</b> | <b>\$ 805,792</b> |
| Employer's Covered Payroll <sup>1</sup>                                 | \$ 966,324         | \$1,017,061        | \$ 938,403         | \$ 857,643          | \$ 733,823          | \$ 733,308          | \$ 758,285        | \$ 727,369        |
| Employer's Proportionate Share as a percent of Covered Payroll          | 102.65%            | 157.24%            | 126.69%            | 126.91%             | 157.05%             | 142.20%             | 119.78%           | 111.22%           |
| Plan Fiduciary Net Position as a percent of the Total Pension Liability | 79.91%             | 68.90%             | 73.85%             | 73.47%              | 73.75%              | 74.71%              | 78.40%            | 79.87%            |

*\*The amounts presented for each fiscal year were determined as of June 30, the measurement date.*

<sup>1</sup> All employer adjustments made in the current fiscal year but are adjusting a payroll with a pay date in a prior fiscal year, are considered prior year adjustments and are removed from the covered payroll report before the actuary calculates the employers proportionate share.

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

**CITY OF COLUMBIA FALLS  
Required Supplementary Information  
Schedule of Contributions  
For the Last Ten Fiscal Years\***

81b

| <b>As of most recent FYE - (reporting date)</b>                       | <b>2022</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> | <b>2015</b> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually Required DB Contributions                               | \$ 100,834  | \$ 85,635   | \$ 89,108   | \$ 80,709   | \$ 72,642   | \$ 61,439   | \$ 61,294   | \$ 62,486   |
| Plan Choice Rate Required Contributions                               | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| Contributions in Relation to the Contractually Required Contributions | \$ 100,834  | \$ 85,635   | \$ 89,108   | \$ 80,709   | \$ 72,642   | \$ 61,439   | \$ 62,634   | \$ 64,626   |
| Contribution Deficiency (Excess)                                      | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| Employer's Covered Payroll <sup>1</sup>                               | \$1,136,797 | \$ 966,324  | \$1,017,061 | \$ 938,403  | \$ 857,643  | \$ 733,823  | \$ 733,308  | \$ 758,285  |
| Contributions as a percentage of Covered Payroll                      | 8.87%       | 8.86%       | 8.76%       | 8.60%       | 8.47%       | 8.37%       | 8.54%       | 8.52%       |

*\*The amounts presented for each fiscal year were determined as of June 30, the most recent fiscal year end.*

<sup>1</sup> All employer adjustments made in the current fiscal year but are adjusting a payroll with a pay date in a prior fiscal year, are considered prior year adjustments and are removed from the covered payroll report before the actuary calculates the employers proportionate share.

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

**Changes of Benefit Terms**

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

**2017**

**Working Retiree Limitations – for PERS**

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

**Refunds**

- 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 refund must do so within 90 days of termination of service.
- 3) Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

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

**Lump-sum payouts**

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

**Disabled PERS Defined Contribution (DC) Members**

PERS members hired after July 1, 2011 have a normal retirement age of 65. PERS DC members hired after July 1, 2011 who became disabled were previously only eligible for a disability benefit until age 65. Effective July 1, 2017, these individuals will be eligible for a disability benefit until they reach 70, thus ensuring the same 5-year time period available to PERS DC 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 30, 2019 Experience Study:

|                               |  |
|-------------------------------|--|
| General Wage Growth*          | 3.50%  |
| Investment Rate of Return*    | 7.65%  |
| *Includes inflation at        | 2.75%  |
| Merit salary increase         | 0% to 8.47%  |
| Asset valuation method        | Four year smoothed market  |
| Actuarial cost method         | Entry age Normal   |
| Amortization method           | Level percentage of payroll, open  |
| Remaining Amortization method | 30 years   |
| Mortality (Healthy members)   | For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year |
| Mortality (Disabled members)  | For Males and Females: RP 2000 Combined Mortality Table, with no projections   |
| Admin Expense as % of Payroll | 0.30%  |

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  
FISCAL YEAR ENDING JUNE 30, 2022**

**Firefighters Unified Retirement System (FURS)  
Other Supplementary Information  
Schedule of Proportionate Share of the Net Pension Liability  
For the Last Ten Fiscal Years\***

81a1

| <b>Reporting Date:</b>   | <b>2022</b>       | <b>2021</b>       | <b>2020</b>       | <b>2019</b>       | <b>2018</b>       | <b>2017</b>       | <b>2016</b>       | <b>2015</b>       |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>As of Measurement Date:</b>                                       | <b>2021</b>       | <b>2020</b>       | <b>2019</b>       | <b>2018</b>       | <b>2017</b>       | <b>2016</b>       | <b>2015</b>       | <b>2014</b>       |
| Employer's proportion of the Net Pension Liability (as a percentage) | 0.0399%           | 0.0454%           | 0.0403%           | 0.0425%           | 0.0430%           | 0.0445%           | 0.0452%           | 0.0453%           |
| Employer's Net Pension Liability (amount)                            | \$ 34,179         | \$ 71,054         | \$ 46,220         | \$ 48,893         | \$ 48,641         | \$ 50,782         | \$ 46,238         | \$ 44,179         |
| State of Montana's Net Pension Liability (amount)                    | 77,576            | 160,144           | 111,782           | 111,798           | 110,459           | 115,056           | 102,984           | 99,666            |
| <b>Total</b>   | <b>\$ 111,755</b> | <b>\$ 231,198</b> | <b>\$ 158,002</b> | <b>\$ 160,691</b> | <b>\$ 159,100</b> | <b>\$ 165,838</b> | <b>\$ 149,222</b> | <b>\$ 143,845</b> |

|   |           |           |           |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Employer's Covered Payroll <sup>1</sup>                                 | \$ 73,500 | \$ 79,251 | \$ 69,868 | \$ 66,860 | \$ 64,330 | \$ 62,611 | \$ 60,753 | \$ 58,789 |
| Employer's proportionate share as a percent of Covered Payroll          | 46.50%    | 89.66%    | 66.15%    | 73.13%    | 75.61%    | 81.11%    | 76.11%    | 75.15%    |
| Plan Fiduciary Net Position as a percent of the Total Pension Liability | 87.72%    | 75.34%    | 80.08%    | 79.03%    | 77.77%    | 75.48%    | 76.90%    | 76.71%    |

*\*The amounts presented for each fiscal year were determined as of June 30, the measurement date.*

<sup>1</sup> All employer adjustments made in the current fiscal year but are adjusting a payroll with a pay date in a prior fiscal year, are considered prior year adjustments and are removed from the covered payroll report before the actuary calculates the employers proportionate share.

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

**CITY OF COLUMBIA FALLS  
Required Supplementary Information  
Schedule of Contributions  
For the Last Ten Fiscal Years\***

81b

| <b>As of most recent FYE - (reporting date)</b>                       | <b>2022</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> | <b>2015</b> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually Required Contributions                                  | \$ 11,082   | \$ 10,515   | \$ 11,668   | \$ 9,629    | \$ 9,841    | \$ 9,238    | \$ 8,952    | \$ 8,894    |
| Contributions in Relation to the Contractually Required Contributions | \$ 11,082   | \$ 10,515   | \$ 11,668   | \$ 9,629    | \$ 9,841    | \$ 9,238    | \$ 8,952    | \$ 8,894    |
| Contribution Deficiency (Excess)                                      | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| Employer's Covered Payroll <sup>1</sup>                               | \$ 77,174   | \$ 73,500   | \$ 79,251   | \$ 69,868   | \$ 66,860   | \$ 64,330   | \$ 62,611   | \$ 60,753   |
| Contributions as a percentage of Covered Payroll                      | 14.36%      | 14.31%      | 14.72%      | 13.78%      | 14.72%      | 14.36%      | 14.30%      | 14.64%      |

*\*The amounts presented for each fiscal year were determined as of June 30, the most recent fiscal year end.*

<sup>1</sup> All employer adjustments made in the current fiscal year but are adjusting a payroll with a pay date in a prior fiscal year, are considered prior year adjustments and are removed from the covered payroll report before the actuary calculates the employers proportionate share.

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

### Changes of Benefit Terms

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

2017

#### Working Retiree Limitations – for FURS

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

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

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

#### Refunds

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

#### Interest credited to member accounts

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

#### Lump-sum payouts

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

**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, 2019 actuarial valuation:

|                               |   |
|-------------------------------|---|
| General Wage Growth*          | 3.50%   |
| Investment Rate of Return*    | 7.65%   |
| *Includes inflation at        | 2.75%   |
| Merit salary increases        | 0% to 6.30%   |
| Asset valuation method        | Four-year smoothed market   |
| Actuarial cost method         | Entry Age Normal  |
| Amortization method           | Level percentage of payroll, open   |
| Mortality (Healthy members)   | For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year. |
| Mortality (Disabled members)  | For Males and Females: RP 2000 Combined Mortality Table   |
| Admin Expense as % of Payroll | 0.13%   |

Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for the System. This



**CITY OF COLUMBIA FALLS  
FISCAL YEAR ENDING JUNE 30, 2022**

**Municipal Police Officers' Retirement Plan (MPORS)  
Other Supplementary Information  
Schedule of Proportionate Share of the Net Pension Liability  
For the Last Ten Fiscal Years\***

81a1

| <b>Reporting Date:</b>   | <b>2022</b>        | <b>2021</b>        | <b>2020</b>         | <b>2019</b>         | <b>2018</b>         | <b>2017</b>         | <b>2016</b>         | <b>2015</b>         |
|--|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>As of Measurement Date:</b>   | <b>2021</b>        | <b>2020</b>        | <b>2019</b>         | <b>2018</b>         | <b>2017</b>         | <b>2016</b>         | <b>2015</b>         | <b>2014</b>         |
| Employer's proportion of the Net Pension Liability (percentage)                | 0.3252%            | 0.3375%            | 0.3356%             | 0.2970%             | 0.3260%             | 0.3041%             | 0.2957%             | 0.2898%             |
| Employer's Net Pension Liability (amount)                                      | \$ 591,210         | \$ 825,569         | \$ 667,923          | \$ 508,613          | \$ 580,032          | \$ 547,337          | \$ 489,194          | \$ 455,416          |
| State of Montana's Net Pension Liability associated with the Employer (amount) | 1,201,671          | 1,665,061          | 1,360,122           | 1,039,704           | 1,182,200           | 1,086,487           | 991,153             | 919,995             |
| <b>Total</b>   | <b>\$1,792,881</b> | <b>\$2,490,630</b> | <b>\$ 2,028,045</b> | <b>\$ 1,548,317</b> | <b>\$ 1,762,232</b> | <b>\$ 1,633,824</b> | <b>\$ 1,480,347</b> | <b>\$ 1,375,411</b> |
| Employer's Covered Payroll <sup>1</sup>  | \$ 588,592         | \$ 578,198         | \$ 553,048          | \$ 468,773          | \$ 487,536          | \$ 429,223          | \$ 409,292          | \$ 388,866          |
| Employer's proportionate share as a percent of Covered Payroll                 | 100.44%            | 142.78%            | 120.77%             | 108.50%             | 118.97%             | 127.52%             | 119.52%             | 117.11%             |
| Position as a percent of the Total Pension Liability                           | 75.76%             | 64.84%             | 68.84%              | 70.95%              | 68.34%              | 65.62%              | 66.90%              | 67.01%              |

*\*The amounts presented for each fiscal year were determined as of June 30, the measurement date.*

<sup>1</sup> All employer adjustments made in the current fiscal year but are adjusting a payroll with a pay date in a prior fiscal year, are considered prior year adjustments and are removed from the covered payroll report before the actuary calculates the employers proportionate share.

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

**CITY OF COLUMBIA FALLS  
Required Supplementary Information  
Schedule of Contributions  
For the Last Ten Fiscal Years\***

81b

| <b>As of most recent</b>  | <b>2022</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> | <b>2015</b> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually Required Contributions                                  | \$ 88,711   | \$ 84,702   | \$ 84,242   | \$ 80,012   | \$ 70,113   | \$ 70,254   | \$ 62,876   | \$ 59,331   |
| Contributions in Relation to the Contractually Required Contributions | \$ 88,711   | \$ 84,702   | \$ 84,242   | \$ 80,012   | \$ 70,113   | \$ 70,254   | \$ 62,876   | \$ 59,331   |
| Contribution Deficiency (Excess)                                      | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| Employer's Covered Payroll <sup>1</sup>                               | \$ 615,621  | \$ 588,592  | \$ 578,198  | \$ 553,048  | \$ 468,773  | \$ 487,536  | \$ 429,223  | \$ 409,292  |
| Contributions as a percentage of Covered Payroll                      | 14.41%      | 14.39%      | 14.57%      | 14.47%      | 14.96%      | 14.41%      | 14.65%      | 14.50%      |

*\*The amounts presented for each fiscal year were determined as of June 30, the most recent fiscal year end.*

<sup>1</sup> All employer adjustments made in the current fiscal year but are adjusting a payroll with a pay date in a prior fiscal year, are considered prior year adjustments and are removed from the covered payroll report before the actuary calculates the employers proportionate share.

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

### Changes of Benefit Terms

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

#### 2017

#### Working Retiree Limitations – for MPORS

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

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

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

#### Refunds

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

#### Interest credited to member accounts

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

#### Lump-sum payouts

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

**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, 2019 actuarial valuation:

|                               |  |
|-------------------------------|--|
| General Wage Growth*          | 3.50%  |
| Investment Rate of Return*    | 7.65%  |
| *Includes inflation at        | 2.75%  |
| Merit salary increases        | 0% to 6.60%  |
| Asset valuation method        | Four-year smoothed market  |
| Actuarial cost method         | Entry Age Normal   |
| Amortization method           | Level percentage of pay, open  |
| Mortality (Healthy members)   | For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year |
| Mortality (Disabled members)  | For Males and Females: RP 2000 Combined Mortality Table  |
| Admin Expense as % of Payroll | 0.15%  |

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

COMBINING BALANCE SHEET  
ALL NON-MAJOR SPECIAL REVENUE FUNDS  
June 30, 2022

|  | 2100              | 2311                    | 2312  | 2372                       | 2394                         | 2400                         | 2500                          | 2821                                 | 2917                        | 2940  | 2959              | Total Non-Major<br>Special Revenue<br>Funds |
|--|-------------------|-------------------------|---|----------------------------|------------------------------|------------------------------|-------------------------------|--------------------------------------|-----------------------------|---|-------------------|---|
|  | Resort Tax        | TEDD Industrial<br>Park | TEDD<br>Columbia<br>Rising Industrial<br>Park | Permissive<br>Medical Levy | Building Code<br>Enforcement | Special Lighting<br>District | Special Street<br>Maintenance | Special<br>Road/Street<br>Allocation | Crime Victims<br>Assistance | COBG_HOME<br>Investment<br>Partnership<br>Program | EDA               |   |
| <b>Assets</b>  |                   |                         |   |                            |                              |                              |                               |                                      |                             |   |                   |   |
| <b>Current assets:</b>   |                   |                         |   |                            |                              |                              |                               |                                      |                             |   |                   |   |
| Cash and Cash Equivalents  | \$ 518,453        | \$ 6,919                | \$ 38,892                                     | \$ 16,842                  | \$ 3,280                     | \$ 19,900                    | \$ 51,090                     | \$ 135,072                           | \$ 438                      | \$ 143,389  | \$ 204,483        | \$ 1,138,758                                |
| Taxes and assessments receivable, net  | -                 | -                       | 43,959  | 11,458                     | -                            | 995                          | 9,889                         | -                                    | -                           | -   | -                 | 66,301                                      |
| Due from other governments   | -                 | 3,417                   | -   | 10,792                     | -                            | 1,141                        | 22,409                        | -                                    | -                           | -   | -                 | 37,759                                      |
| Total Current Assets   | 518,453           | 10,336                  | 82,851  | 39,092                     | 3,280                        | 22,036                       | 83,388                        | 135,072                              | 438                         | 143,389   | 204,483           | 1,247,818                                   |
| <b>Non-current assets:</b>   |                   |                         |   |                            |                              |                              |                               |                                      |                             |   |                   |   |
| Restricted Cash and cash equivalents   | -                 | 5,642                   | -   | 10,000                     | 193,277                      | 9,674                        | 101,034                       | -                                    | -                           | -   | -                 | 319,627                                     |
| Total Noncurrent Assets  | -                 | 5,642                   | -   | 10,000                     | 193,277                      | 9,674                        | 101,034                       | -                                    | -                           | -   | -                 | 319,627                                     |
| <b>Total Assets</b>  | <b>\$ 518,453</b> | <b>\$ 15,978</b>        | <b>\$ 82,851</b>                              | <b>\$ 49,092</b>           | <b>\$ 196,557</b>            | <b>\$ 31,710</b>             | <b>\$ 184,422</b>             | <b>\$ 135,072</b>                    | <b>\$ 438</b>               | <b>\$ 143,389</b>                                 | <b>\$ 204,483</b> | <b>\$ 1,562,445</b>                         |
| <b>Liabilities</b>   |                   |                         |   |                            |                              |                              |                               |                                      |                             |   |                   |   |
| <b>Current Liabilities:</b>  |                   |                         |   |                            |                              |                              |                               |                                      |                             |   |                   |   |
| Accounts payable   | -                 | -                       | -   | -                          | 8,528                        | 2,590                        | 4,804                         | -                                    | 438                         | -   | -                 | 22,575                                      |
| Accrued payables   | -                 | -                       | -   | -                          | 932                          | -                            | 9,183                         | -                                    | -                           | -   | -                 | 10,115                                      |
| Total Current Liabilities  | -                 | -                       | -   | -                          | 9,460                        | 2,590                        | 13,987                        | -                                    | 438                         | -   | -                 | 32,690                                      |
| Total Liabilities  | -                 | -                       | -   | -                          | 9,460                        | 2,590                        | 13,987                        | -                                    | 438                         | -   | -                 | 32,690                                      |
| <b>Deferred Inflows of Resources</b>   |                   |                         |   |                            |                              |                              |                               |                                      |                             |   |                   |   |
| Deferred property tax/special assmt rev                                      | -                 | -                       | 43,959  | 11,458                     | -                            | 995                          | 9,889                         | -                                    | -                           | -   | -                 | 66,301                                      |
| Total Deferred Inflows of Resources  | -                 | -                       | 43,959  | 11,458                     | -                            | 995                          | 9,889                         | -                                    | -                           | -   | -                 | 66,301                                      |
| <b>Fund Balance</b>  |                   |                         |   |                            |                              |                              |                               |                                      |                             |   |                   |   |
| Restricted for:  |                   |                         |   |                            |                              |                              |                               |                                      |                             |   |                   |   |
| General government   | 518,453           | -                       | -   | 37,634                     | -                            | -                            | -                             | -                                    | -                           | -   | -                 | 556,087                                     |
| Public Safety  | -                 | -                       | -   | -                          | 187,097                      | -                            | -                             | -                                    | -                           | -   | -                 | 187,097                                     |
| Public Works   | -                 | -                       | -   | -                          | -                            | 28,125                       | 160,546                       | 135,072                              | -                           | -   | -                 | 323,743                                     |
| Housing & community development  | -                 | 15,978                  | 38,892  | -                          | -                            | -                            | -                             | -                                    | -                           | 143,389   | 198,268           | 396,527                                     |
| Total Fund Balance   | 518,453           | 15,978                  | 38,892  | 37,634                     | 187,097                      | 28,125                       | 160,546                       | 135,072                              | -                           | 143,389   | 198,268           | 1,463,454                                   |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balance</b> | <b>\$ 518,453</b> | <b>\$ 15,978</b>        | <b>\$ 82,851</b>                              | <b>\$ 49,092</b>           | <b>\$ 196,557</b>            | <b>\$ 31,710</b>             | <b>\$ 184,422</b>             | <b>\$ 135,072</b>                    | <b>\$ 438</b>               | <b>\$ 143,389</b>                                 | <b>\$ 204,483</b> | <b>\$ 1,562,445</b>                         |

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, 2022

|  | Resort Tax (2100) |       |            | TEDD Industrial Park (2311) |       |          | Over (under)<br>Final Budget |
|--|-------------------|-------|------------|-----------------------------|-------|----------|------------------------------|
|  | Budgeted Amounts  |       | Actual     | Budgeted Amounts            |       | Actual   |                              |
|  | Original          | Final |            | Original                    | Final |          |                              |
| <b>Revenue</b>                                   |                   |       |            |                             |       |          |                              |
| Taxes and Assessments                            | \$ -              | \$ -  | \$ 518,453 | \$ -                        | \$ -  | \$ 7,891 | \$ 7,891                     |
| Intergovernmental                                | -                 | -     | -          | -                           | -     | 961      | 961                          |
| Other revenue                                    | -                 | -     | -          | -                           | -     | -        | -                            |
| Investment Earnings                              | -                 | -     | -          | -                           | -     | 42       | 42                           |
| Total Revenue                                    | -                 | -     | 518,453    | -                           | -     | 8,894    | 8,894                        |
| <b>Expenditures</b>                              |                   |       |            |                             |       |          |                              |
| <b>Current</b>                                   |                   |       |            |                             |       |          |                              |
| Housing and Community Development                | -                 | -     | -          | -                           | -     | -        | -                            |
| Personal Services                                | -                 | -     | -          | -                           | -     | -        | -                            |
| Operations                                       | -                 | -     | -          | -                           | -     | -        | -                            |
| Debt Service                                     | -                 | -     | -          | -                           | -     | -        | -                            |
| Principal  | -                 | -     | -          | -                           | -     | -        | -                            |
| Interest   | -                 | -     | -          | -                           | -     | -        | -                            |
| Internal Services                                | -                 | -     | -          | -                           | -     | -        | -                            |
| Capital Outlay                                   | -                 | -     | -          | -                           | -     | -        | -                            |
| Miscellaneous                                    | -                 | -     | -          | -                           | -     | -        | -                            |
| Total Expenditures                               | -                 | -     | -          | -                           | -     | -        | -                            |
| Excess (deficiency) of revenue over expenditures | -                 | -     | 518,453    | -                           | -     | 8,894    | 8,894                        |
| <b>Other financing sources (uses)</b>            |                   |       |            |                             |       |          |                              |
| 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                      | \$ -              | \$ -  | 518,453    | \$ -                        | \$ -  | 8,894    | \$ 8,894                     |
| <b>Fund balances</b>                             |                   |       |            |                             |       |          |                              |
| Beginning of year                                | -                 | -     | -          | -                           | -     | 7,084    | 7,084                        |
| End of year                                      | -                 | -     | 518,453    | -                           | -     | 15,978   | 15,978                       |

(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, 2022

|  | TEDD Columbia Rising Industrial Park (2312) |           |                              | Permissive Medical (2372)    |            |                              |
|--|---|-----------|------------------------------|------------------------------|------------|------------------------------|
|  | Budgeted Amounts<br>Original                | Actual    | Over (under)<br>Final Budget | Budgeted Amounts<br>Original | Actual     | Over (under)<br>Final Budget |
| Revenue  |   |           |                              |                              |            |                              |
| Taxes and Assessments                            | \$ -  | \$ 35,722 | \$ 35,722                    | \$ 225,318                   | \$ 228,616 | \$ 3,298                     |
| Licenses and Permits                             | -   | -         | -                            | -                            | -          | -                            |
| Intergovernmental                                | -   | 3,086     | 3,086                        | 2,155                        | 2,301      | 146                          |
| Charges for services                             | -   | -         | -                            | -                            | -          | -                            |
| Fines and forfeitures                            | -   | -         | -                            | -                            | -          | -                            |
| Other revenue                                    | -   | -         | -                            | -                            | -          | -                            |
| Miscellaneous                                    | -   | -         | -                            | -                            | -          | -                            |
| Investment Earnings                              | -   | 84        | 84                           | 100                          | 178        | 78                           |
| Total Revenue                                    | -   | 38,892    | 38,892                       | 227,573                      | 231,095    | 3,522                        |
| Expenditures                                     |   |           |                              |                              |            |                              |
| Current  |   |           |                              |                              |            |                              |
| Public Safety                                    | -   | -         | -                            | -                            | -          | -                            |
| Personal Services                                | -   | -         | -                            | -                            | -          | -                            |
| Operations                                       | -   | -         | -                            | -                            | -          | -                            |
| Public Works                                     | -   | -         | -                            | -                            | -          | -                            |
| Personal Services                                | -   | -         | -                            | -                            | -          | -                            |
| Operations                                       | -   | -         | -                            | -                            | -          | -                            |
| Debt Service                                     | -   | -         | -                            | -                            | -          | -                            |
| Principal  | -   | -         | -                            | -                            | -          | -                            |
| Interest   | -   | -         | -                            | -                            | -          | -                            |
| Internal Services                                | -   | -         | -                            | -                            | -          | -                            |
| Capital Outlay                                   | -   | -         | -                            | -                            | -          | -                            |
| Miscellaneous                                    | -   | -         | -                            | -                            | -          | -                            |
| Total Expenditures                               | -   | -         | -                            | -                            | -          | -                            |
| Excess (deficiency) of revenue over expenditures | -   | 38,892    | 38,892                       | 227,573                      | 231,095    | 3,522                        |
| Other financing sources (uses)                   |   |           |                              |                              |            |                              |
| Transfers in                                     | -   | -         | -                            | -                            | -          | -                            |
| Transfers (out)                                  | -   | -         | -                            | (237,663)                    | (213,551)  | 24,112                       |
| Proceeds of general long term debt               | -   | -         | -                            | -                            | -          | -                            |
| Proceeds on sale of capital assets               | -   | -         | -                            | -                            | -          | -                            |
| Total other financing sources (uses)             | -   | -         | -                            | (237,663)                    | (213,551)  | 24,112                       |
| Net change in fund balances                      | \$ -  | \$ 38,892 | \$ 38,892                    | \$ (10,090)                  | \$ 17,544  | \$ 27,634                    |
| Fund balances                                    |   |           |                              |                              |            |                              |
| Beginning of year                                | -   | -         | -                            | -                            | 20,090     | -                            |
| End of year                                      | \$ -  | \$ 38,892 | \$ 38,892                    | \$ (10,090)                  | \$ 37,634  | \$ 27,634                    |

(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, 2022

|  | Building Code Enforcement (2394) |            |                           | Special Lighting (2400)   |           |                           |
|--|----------------------------------|------------|---------------------------|---------------------------|-----------|---------------------------|
|  | Budgeted Amounts Original        | Actual     | Over (under) Final Budget | Budgeted Amounts Original | Actual    | Over (under) Final Budget |
| <b>Revenue</b>                                   |                                  |            |                           |                           |           |                           |
| Taxes and Assessments                            | \$ -                             | \$ -       | \$ -                      | \$ 30,119                 | \$ 29,989 | \$ (130)                  |
| Licenses and Permits                             | 210,750                          | 105,207    | (105,543)                 | -                         | -         | -                         |
| Intergovernmental                                | -                                | -          | -                         | -                         | -         | -                         |
| Charges for services                             | -                                | -          | -                         | -                         | -         | -                         |
| Fines and forfeitures                            | -                                | -          | -                         | -                         | -         | -                         |
| Other revenue                                    | -                                | -          | -                         | -                         | -         | -                         |
| Miscellaneous                                    | -                                | 56         | 56                        | -                         | 1,007     | 1,007                     |
| Investment Earnings                              | 700                              | 772        | 72                        | 100                       | 106       | 6                         |
| Total Revenue                                    | 211,450                          | 106,035    | (105,415)                 | 30,219                    | 31,102    | 883                       |
| <b>Expenditures</b>                              |                                  |            |                           |                           |           |                           |
| <b>Current</b>                                   |                                  |            |                           |                           |           |                           |
| General Government                               |                                  |            |                           |                           |           |                           |
| Personal Services                                | -                                | -          | -                         | -                         | -         | -                         |
| Operations                                       | -                                | -          | -                         | -                         | -         | -                         |
| Public Safety                                    |                                  |            |                           |                           |           |                           |
| Personal Services                                | 40,190                           | 37,564     | 2,626                     | -                         | -         | -                         |
| Operations                                       | 154,127                          | 73,518     | 80,609                    | -                         | -         | -                         |
| Public Works                                     |                                  |            |                           |                           |           |                           |
| Personal Services                                | -                                | -          | -                         | -                         | -         | -                         |
| Operations                                       | -                                | -          | -                         | 51,420                    | 33,852    | 17,568                    |
| Public Health                                    |                                  |            |                           |                           |           |                           |
| Personal Services                                | -                                | -          | -                         | -                         | -         | -                         |
| Operations                                       | -                                | -          | -                         | -                         | -         | -                         |
| Social and Economic Services                     |                                  |            |                           |                           |           |                           |
| Personal Services                                | -                                | -          | -                         | -                         | -         | -                         |
| Operations                                       | -                                | -          | -                         | -                         | -         | -                         |
| Culture and Recreation                           |                                  |            |                           |                           |           |                           |
| Personal Services                                | -                                | -          | -                         | -                         | -         | -                         |
| Operations                                       | -                                | -          | -                         | -                         | -         | -                         |
| Housing and Community Development                |                                  |            |                           |                           |           |                           |
| Personal Services                                | -                                | -          | -                         | -                         | -         | -                         |
| Operations                                       | -                                | -          | -                         | -                         | -         | -                         |
| Debt Service                                     |                                  |            |                           |                           |           |                           |
| Principal  | -                                | -          | -                         | -                         | -         | -                         |
| Interest   | -                                | -          | -                         | -                         | -         | -                         |
| Internal Services                                | 16,000                           | -          | 16,000                    | -                         | -         | -                         |
| Capital Outlay                                   | 1,163                            | 1,163      | -                         | -                         | -         | -                         |
| Miscellaneous                                    | 211,480                          | 112,245    | 99,235                    | 51,420                    | 33,852    | 17,568                    |
| Total Expenditures                               | (30)                             | (6,210)    | (6,180)                   | (21,201)                  | (2,750)   | 18,451                    |
| Excess (deficiency) of revenue over expenditures |                                  |            |                           |                           |           |                           |
| Other financing sources (uses)                   |                                  |            |                           |                           |           |                           |
| Transfers in                                     | -                                | -          | -                         | -                         | -         | -                         |
| Transfers (out)                                  | -                                | -          | -                         | -                         | -         | -                         |
| Proceeds of general long term                    | -                                | -          | -                         | -                         | -         | -                         |
| Proceeds on sale of capital assets               | -                                | -          | -                         | -                         | -         | -                         |
| Total other financing sources                    | -                                | -          | -                         | -                         | -         | -                         |
| Net change in fund balance                       | \$ (30)                          | (6,210)    | (6,180)                   | \$ (21,201)               | (2,750)   | \$ 18,451                 |
| <b>Fund balances</b>                             |                                  |            |                           |                           |           |                           |
| Beginning of year                                |                                  | 193,307    |                           |                           | 30,875    |                           |
| End of year                                      |                                  | \$ 187,097 |                           |                           | \$ 28,125 |                           |

(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, 2022

|  | Special Street Maintenance (2500) |              |            |                              | Gas Tax (2820)   |             |          |                              |
|--|-----------------------------------|--------------|------------|------------------------------|------------------|-------------|----------|------------------------------|
|  | Budgeted Amounts                  |              | Actual     | Over (under)<br>Final Budget | Budgeted Amounts |             | Actual   | Over (under)<br>Final Budget |
|  | Original                          | Final        |            |                              | Original         | Final       |          |                              |
| <b>Revenue</b>                                   |                                   |              |            |                              |                  |             |          |                              |
| Taxes and Assessments                            | \$ 316,800                        | \$ 316,800   | \$ 317,497 | \$ 697                       | \$ -             | \$ -        | \$ -     | \$ -                         |
| Licenses and Permits                             | -                                 | -            | -          | -                            | -                | -           | -        | -                            |
| Intergovernmental                                | -                                 | -            | -          | -                            | 100,141          | 100,141     | 100,141  | -                            |
| Charges for services                             | 500                               | 500          | 1,550      | 1,050                        | -                | -           | -        | -                            |
| Fines and forfeitures                            | -                                 | -            | -          | -                            | -                | -           | -        | -                            |
| Other revenue                                    | -                                 | -            | -          | -                            | -                | -           | -        | -                            |
| Miscellaneous                                    | -                                 | -            | 139        | 139                          | -                | -           | -        | -                            |
| Investment Earnings                              | 500                               | 500          | 564        | 64                           | -                | -           | -        | -                            |
| Total Revenue                                    | 317,800                           | 317,800      | 319,750    | 1,950                        | 100,141          | 100,141     | 100,141  | -                            |
| <b>Expenditures</b>                              |                                   |              |            |                              |                  |             |          |                              |
| <b>Current</b>                                   |                                   |              |            |                              |                  |             |          |                              |
| Public Works                                     |                                   |              |            |                              |                  |             |          |                              |
| Personal Services                                | 307,017                           | 307,017      | 292,316    | 14,701                       | -                | -           | -        | -                            |
| Operations                                       | 142,662                           | 142,662      | 120,290    | 22,372                       | 86,022           | 86,022      | 86,022   | -                            |
| Culture and Recreation                           | -                                 | -            | -          | -                            | -                | -           | -        | -                            |
| Personal Services                                | -                                 | -            | -          | -                            | -                | -           | -        | -                            |
| Operations                                       | -                                 | -            | -          | -                            | -                | -           | -        | -                            |
| Debt Service                                     | -                                 | -            | -          | -                            | -                | -           | -        | -                            |
| Principal  | -                                 | -            | -          | -                            | -                | -           | -        | -                            |
| Interest   | -                                 | -            | -          | -                            | -                | -           | -        | -                            |
| Internal Services                                | -                                 | -            | -          | -                            | -                | -           | -        | -                            |
| Capital Outlay                                   | 27,000                            | 27,000       | -          | 27,000                       | -                | -           | -        | -                            |
| Miscellaneous                                    | -                                 | -            | -          | -                            | -                | -           | -        | -                            |
| Total Expenditures                               | 476,679                           | 476,679      | 412,606    | 64,073                       | 86,022           | 86,022      | 86,022   | -                            |
| Excess (deficiency) of revenue over expenditures | (158,879)                         | (158,879)    | (92,856)   | 66,023                       | 14,119           | 14,119      | 14,119   | -                            |
| <b>Other financing sources (uses)</b>            |                                   |              |            |                              |                  |             |          |                              |
| Transfers in                                     | 54,832                            | 54,832       | 54,753     | (79)                         | -                | -           | -        | -                            |
| Transfers (out)                                  | -                                 | (6,432)      | (6,432)    | -                            | (25,035)         | (25,035)    | (25,035) | -                            |
| Proceeds of general long term debt               | -                                 | -            | -          | -                            | -                | -           | -        | -                            |
| Proceeds on sale of capital assets               | -                                 | -            | -          | -                            | -                | -           | -        | -                            |
| Total other financing sources (uses)             | 54,832                            | 48,400       | 48,321     | (79)                         | (25,035)         | (25,035)    | (25,035) | -                            |
| Net change in fund balances                      | \$ (104,047)                      | \$ (110,479) | (44,535)   | \$ 65,944                    | \$ (10,916)      | \$ (10,916) | (10,916) | \$ -                         |
| <b>Fund balances</b>                             |                                   |              |            |                              |                  |             |          |                              |
| Beginning of year                                |                                   |              | 205,081    |                              |                  |             | 10,916   |                              |
| End of year                                      |                                   |              | \$ 160,546 |                              |                  |             | \$ -     |                              |

(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, 2022

|  | Special Road/Street Allocation (2821) |              |                           | Crime Victims Assistance (2917) |        |                           |
|--|---------------------------------------|--------------|---------------------------|---------------------------------|--------|---------------------------|
|  | Budgeted Amounts                      | Actual       | Over (under) Final Budget | Budgeted Amounts                | Actual | Over (under) Final Budget |
|  | Original                              | Final        |                           | Original                        | Final  |                           |
| <b>Revenue</b>                                   |                                       |              |                           |                                 |        |                           |
| Taxes and Assessments                            | \$ -                                  | \$ -         | \$ -                      | \$ -                            | \$ -   | \$ -                      |
| Licenses and Permits                             | -                                     | -            | -                         | -                               | -      | -                         |
| Intergovernmental                                | -                                     | 128,640      | 128,640                   | -                               | -      | -                         |
| Charges for services                             | -                                     | -            | -                         | -                               | -      | -                         |
| Fines and forfeitures                            | -                                     | -            | -                         | 6,000                           | 6,000  | (979)                     |
| Other revenue                                    | -                                     | -            | -                         | -                               | -      | -                         |
| Miscellaneous                                    | -                                     | -            | -                         | -                               | -      | -                         |
| Investment Earnings                              | -                                     | -            | -                         | -                               | -      | -                         |
| Total Revenue                                    | -                                     | 128,640      | 128,640                   | 6,000                           | 6,000  | (979)                     |
| <b>Expenditures</b>                              |                                       |              |                           |                                 |        |                           |
| <b>Current</b>                                   |                                       |              |                           |                                 |        |                           |
| General Government                               |                                       |              |                           |                                 |        |                           |
| Personal Services                                | -                                     | -            | -                         | -                               | -      | -                         |
| Operations                                       | -                                     | -            | -                         | 6,000                           | 6,000  | 979                       |
| Public Works                                     |                                       |              |                           |                                 |        |                           |
| Personal Services                                | -                                     | -            | -                         | -                               | -      | -                         |
| Operations                                       | 40,047                                | 40,047       | 41,830                    | -                               | -      | (1,783)                   |
| Debt Service                                     |                                       |              |                           |                                 |        |                           |
| Principal  | -                                     | -            | -                         | -                               | -      | -                         |
| Interest   | -                                     | -            | -                         | -                               | -      | -                         |
| Internal Services                                | -                                     | -            | -                         | -                               | -      | -                         |
| Capital Outlay                                   | 105,670                               | 240,742      | 103,887                   | -                               | -      | 136,855                   |
| Miscellaneous                                    | -                                     | -            | -                         | -                               | -      | -                         |
| Total Expenditures                               | 145,717                               | 280,789      | 145,717                   | 6,000                           | 6,000  | 979                       |
| Excess (deficiency) of revenue over expenditures | (145,717)                             | (152,149)    | (17,077)                  | -                               | -      | -                         |
| Other financing sources (uses)                   |                                       |              |                           |                                 |        |                           |
| Transfers in                                     | -                                     | 6,432        | 6,432                     | -                               | -      | -                         |
| Transfers (out)                                  | -                                     | -            | -                         | -                               | -      | -                         |
| Proceeds of general long term debt               | -                                     | -            | -                         | -                               | -      | -                         |
| Proceeds on sale of capital assets               | -                                     | -            | -                         | -                               | -      | -                         |
| Total other financing sources (uses)             | -                                     | 6,432        | 6,432                     | -                               | -      | -                         |
| Net change in fund balances                      | \$ (145,717)                          | \$ (145,717) | (10,645)                  | \$ -                            | \$ -   | \$ -                      |
| Fund balances                                    |                                       |              |                           |                                 |        |                           |
| Beginning of year                                |                                       | 145,717      | 145,717                   |                                 |        |                           |
| End of year                                      |                                       | \$ 135,072   | \$ 135,072                |                                 | \$ -   |                           |

(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, 2022

|  | CDBG Home Investment Partnership Program (2940) |              |                              |              | EDA (2959)       |           |           |              | Over (under)<br>Final Budget |
|--|---|--------------|------------------------------|--------------|------------------|-----------|-----------|--------------|------------------------------|
|  | Budgeted Amounts                                |              | Over (under)<br>Final Budget |              | Budgeted Amounts |           | Actual    |              |                              |
|  | Original  | Final        | Actual                       | Final Budget | Original         | Final     | Actual    | Final Budget |                              |
| <b>Revenue</b>                                   |   |              |                              |              |                  |           |           |              |                              |
| Taxes and Assessments                            | \$ -  | \$ -         | \$ -                         | \$ -         | \$ -             | \$ -      | \$ -      | \$ -         | \$ -                         |
| Licenses and Permits                             | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Intergovernmental                                | -   | -            | -                            | -            | -                | 633,146   | -         | (633,146)    | -                            |
| Charges for services                             | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Fines and forfeitures                            | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Other revenue                                    | -   | -            | 7,627                        | 7,627        | -                | 320,000   | -         | (320,000)    | -                            |
| Miscellaneous                                    | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Investment Earnings                              | -   | -            | 7,627                        | 7,627        | -                | -         | -         | -            | -                            |
| Total Revenue                                    | -   | -            | 7,627                        | 7,627        | -                | 953,146   | -         | (953,146)    | -                            |
| <b>Expenditures</b>                              |   |              |                              |              |                  |           |           |              |                              |
| <b>Current</b>                                   |   |              |                              |              |                  |           |           |              |                              |
| General Government                               | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Personal Services                                | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Operations                                       | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Public Safety                                    | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Personal Services                                | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Operations                                       | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Public Works                                     | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Personal Services                                | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Operations                                       | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Public Health                                    | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Personal Services                                | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Operations                                       | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Social and Economic Services                     | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Personal Services                                | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Operations                                       | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Culture and Recreation                           | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Personal Services                                | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Operations                                       | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Housing and Community Development                | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Personal Services                                | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Operations                                       | 135,762   | 135,762      | -                            | 135,762      | -                | -         | -         | -            | -                            |
| Debt Service                                     | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Principal  | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Interest   | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Internal Services                                | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Capital Outlay                                   | -   | -            | -                            | -            | -                | 1,266,292 | 114,878   | 1,151,414    | -                            |
| Miscellaneous                                    | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Total Expenditures                               | 135,762   | 135,762      | -                            | 135,762      | -                | 1,266,292 | 114,878   | 1,151,414    | -                            |
| Excess (deficiency) of revenue over expenditures | (135,762)                                       | (135,762)    | 7,627                        | 143,389      | -                | (313,146) | (114,878) | 198,268      | -                            |
| Other financing sources (uses)                   |   |              |                              |              |                  |           |           |              |                              |
| Transfers in                                     | -   | -            | -                            | -            | -                | 313,146   | 313,146   | -            | -                            |
| Transfers (out)                                  | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Proceeds of general long term debt               | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Proceeds on sale of capital assets               | -   | -            | -                            | -            | -                | -         | -         | -            | -                            |
| Total other financing sources (uses)             | -   | -            | -                            | -            | -                | 313,146   | 313,146   | -            | -                            |
| Net change in fund balances                      | \$ (135,762)                                    | \$ (135,762) | 7,627                        | \$ 143,389   | \$ -             | \$ -      | 198,268   | \$ 198,268   | \$ -                         |
| Fund balances                                    |   |              |                              |              |                  |           |           |              |                              |
| Beginning of year                                | -   | -            | 135,762                      | -            | -                | -         | -         | -            | -                            |
| End of year                                      | -   | -            | \$ 143,389                   | -            | -                | -         | -         | -            | \$ 198,268                   |

(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, 2021

| Revenue  | Total of all Non-major Special Revenue Funds |                     |                     |                              |
|--|--|---------------------|---------------------|------------------------------|
|  | Budgeted Amounts                             |                     | Actual              | Over (under)<br>Final Budget |
|  | Original                                     | Final               |                     |                              |
| Taxes and Assessments                            | \$ 572,237                                   | \$ 572,237          | \$ 1,138,168        | \$ 565,931                   |
| Licenses and Permits                             | 210,750                                      | 210,750             | 105,207             | (105,543)                    |
| Intergovernmental                                | 102,296                                      | 864,082             | 235,129             | (628,953)                    |
| Charges for services                             | 500  | 500                 | 1,550               | 1,050                        |
| Fines and forfeitures                            | 6,000  | 6,000               | 5,021               | (979)                        |
| Other revenue                                    | -  | -                   | -                   | -                            |
| Miscellaneous                                    | -  | 320,000             | 8,829               | (311,171)                    |
| Investment Earnings                              | 1,400  | 1,400               | 1,746               | 346                          |
| <b>Total Revenue</b>                             | <b>893,183</b>                               | <b>1,974,969</b>    | <b>1,495,650</b>    | <b>(479,319)</b>             |
| <b>Expenditures</b>                              |  |                     |                     |                              |
| <b>Current</b>                                   |  |                     |                     |                              |
| <b>General Government</b>                        |  |                     |                     |                              |
| Personal Services                                | -  | -                   | -                   | -                            |
| Operations                                       | 6,000  | 6,000               | 5,021               | 979                          |
| <b>Public Safety</b>                             |  |                     |                     |                              |
| Personal Services                                | 40,190                                       | 40,190              | 37,564              | 2,626                        |
| Operations                                       | 154,127                                      | 154,127             | 73,518              | 80,609                       |
| <b>Public Works</b>                              |  |                     |                     |                              |
| Personal Services                                | 307,017                                      | 307,017             | 292,316             | 14,701                       |
| Operations                                       | 320,151                                      | 320,151             | 281,994             | 38,157                       |
| <b>Culture and Recreation</b>                    |  |                     |                     |                              |
| Personal Services                                | -  | -                   | -                   | -                            |
| Operations                                       | -  | -                   | -                   | -                            |
| <b>Housing and Community Development</b>         |  |                     |                     |                              |
| Personal Services                                | -  | -                   | -                   | -                            |
| Operations                                       | 135,762                                      | 135,762             | -                   | 135,762                      |
| <b>Debt Service</b>                              |  |                     |                     |                              |
| Principal  | -  | -                   | -                   | -                            |
| Interest   | -  | -                   | -                   | -                            |
| <b>Internal Services</b>                         |  |                     |                     |                              |
| Capital Outlay                                   | 148,670                                      | 1,550,034           | 218,765             | 1,331,269                    |
| Miscellaneous                                    | 1,163  | 1,163               | 1,163               | -                            |
| <b>Total Expenditures</b>                        | <b>1,113,080</b>                             | <b>2,514,444</b>    | <b>910,341</b>      | <b>1,604,103</b>             |
| Excess (deficiency) of revenue over expenditures | (219,897)                                    | (539,475)           | 585,309             | 1,124,784                    |
| <b>Other financing sources (uses)</b>            |  |                     |                     |                              |
| Transfers in                                     | 54,832                                       | 374,410             | 374,331             | (79)                         |
| Transfers (out)                                  | (262,698)                                    | (269,130)           | (245,018)           | 24,112                       |
| Proceeds of general long term debt               | -  | -                   | -                   | -                            |
| Proceeds on sale of capital assets               | -  | -                   | -                   | -                            |
| <b>Total other financing sources (uses)</b>      | <b>(207,866)</b>                             | <b>105,280</b>      | <b>129,313</b>      | <b>24,033</b>                |
| <b>Net change in fund balances</b>               | <b>\$ (427,763)</b>                          | <b>\$ (434,195)</b> | <b>714,622</b>      | <b>\$ 1,148,817</b>          |
| <b>Fund balances</b>                             |  |                     |                     |                              |
| Beginning of year                                |  |                     | 748,832             |                              |
| End of year                                      |  |                     | <u>\$ 1,463,454</u> |                              |

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

COMBINING BALANCE SHEET  
ALL NON-MAJOR DEBT SERVICE FUNDS  
June 30, 2022

|  | 3020                      | 3534      | 3536      | Total Non-Major<br>Debt Service<br>Funds |
|--|---------------------------|-----------|-----------|--|
|  | GO Street<br>Improvements | SID 34    | SID 36    |  |
| <b>Assets</b>  |                           |           |           |  |
| Current assets:  |                           |           |           |  |
| Cash and Cash Equivalents  | \$ 40                     | \$ -      | \$ 244    | \$ 284                                   |
| Taxes and assessments receivable, net  | 3,881                     | 16,136    | 9,154     | 29,171                                   |
| Due from other governments   | 3,430                     | 119       | 271       | 3,820                                    |
| Total Current Assets   | 7,351                     | 16,255    | 9,669     | 33,275                                   |
| Non-current assets:  |                           |           |           |  |
| Restricted Cash and cash equivalents   | 41,304                    | 129       | 1,050     | 42,483                                   |
| Total Noncurrent Assets  | 41,304                    | 129       | 1,050     | 42,483                                   |
| Total Assets   | \$ 48,655                 | \$ 16,384 | \$ 10,719 | \$ 75,758                                |
| <b>Deferred Inflows of Resources</b>   |                           |           |           |  |
| Deferred property tax/special assmt rev                                      | 3,881                     | 16,136    | 9,154     | 29,171                                   |
| Total Deferred Inflows of Resources  | 3,881                     | 16,136    | 9,154     | 29,171                                   |
| <b>Fund Balance</b>  |                           |           |           |  |
| Restricted for:  |                           |           |           |  |
| Debt Service   | 44,774                    | 248       | 1,565     | 46,587                                   |
| Total Fund Balance   | 44,774                    | 248       | 1,565     | 46,587                                   |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balance</b> | \$ 48,655                 | \$ 16,384 | \$ 10,719 | \$ 75,758                                |

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, 2022

|  | GO Street Improvements (3020) |                           |           | SID 34 (3534)                |                              |                           |         |                              |
|--|-------------------------------|---------------------------|-----------|------------------------------|------------------------------|---------------------------|---------|------------------------------|
|  | Budgeted Amounts<br>Original  | Budgeted Amounts<br>Final | Actual    | Over (Under)<br>Final Budget | Budgeted Amounts<br>Original | Budgeted Amounts<br>Final | Actual  | Over (Under)<br>Final Budget |
| Revenue  |                               |                           |           |                              |                              |                           |         |                              |
| Taxes and Assessments                            | \$ 76,344                     | \$ 76,344                 | \$ 78,023 | \$ 1,679                     | \$ 6,310                     | \$ 6,244                  | \$ (66) |                              |
| Investment Earnings                              | 100                           | 100                       | 194       | 94                           | -                            | 13                        | 13      |                              |
| Total Revenue                                    | 76,444                        | 76,444                    | 78,217    | 1,773                        | 6,310                        | 6,257                     | (53)    |                              |
| Expenditures                                     |                               |                           |           |                              |                              |                           |         |                              |
| Current  |                               |                           |           |                              |                              |                           |         |                              |
| Debt Service                                     |                               |                           |           |                              |                              |                           |         |                              |
| Principal  | 81,510                        | 81,510                    | 81,501    | 9                            | 5,381                        | 5,381                     | -       |                              |
| Interest   | 431                           | 431                       | 439       | (8)                          | 929                          | 929                       | -       |                              |
| Total Expenditures                               | 81,941                        | 81,941                    | 81,940    | 1                            | 6,310                        | 6,310                     | -       |                              |
| Excess (deficiency) of revenue over expenditures | (5,497)                       | (5,497)                   | (3,723)   | 1,774                        | -                            | (53)                      | (53)    |                              |
| Net change in fund balances                      | \$ (5,497)                    | \$ (5,497)                | (3,723)   | \$ 1,774                     | \$ -                         | (53)                      | \$ (53) |                              |
| Fund balances                                    |                               |                           |           |                              |                              |                           |         |                              |
| Beginning of year                                |                               |                           | 48,497    |                              |                              | 301                       |         |                              |
| End of year                                      |                               |                           | \$ 44,774 |                              |                              | \$ 248                    |         |                              |

(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, 2022

|  | Budgeted Amounts |          |          | Actual | Over (under)<br>Final Budget | Total of All Non-Major Debt Service Funds |          |                              |
|--|------------------|----------|----------|--------|------------------------------|---|----------|------------------------------|
|  | Original         | Final    | Final    |        |                              | Budgeted Amounts                          | Actual   | Over (under)<br>Final Budget |
| Revenue  |                  |          |          |        |                              |   |          |                              |
| Taxes and Assessments                            | \$ 3,344         | \$ 3,344 | \$ 3,578 | \$ 234 | \$ 85,998                    | \$ 87,845                                 | \$ 1,847 |                              |
| Investment Earnings                              | -                | -        | 10       | 10     | 100                          | 217                                       | 117      |                              |
| Total Revenue                                    | 3,344            | 3,344    | 3,588    | 244    | 86,098                       | 88,062                                    | 1,964    |                              |
| Expenditures                                     |                  |          |          |        |                              |   |          |                              |
| Debt Service                                     |                  |          |          |        |                              |   |          |                              |
| Principal  | 2,774            | 2,774    | 2,773    | 1      | 89,665                       | 89,655                                    | 10       |                              |
| Interest   | 570              | 570      | 570      | -      | 1,930                        | 1,938                                     | (8)      |                              |
| Total Expenditures                               | 3,344            | 3,344    | 3,343    | 1      | 91,595                       | 91,593                                    | 2        |                              |
| Excess (deficiency) of revenue over expenditures | -                | -        | 245      | 245    | (5,497)                      | (3,531)                                   | 1,966    |                              |
| Net change in fund balances                      | \$ -             | \$ -     | 245      | \$ 245 | \$ (5,497)                   | \$ (3,531)                                | \$ 1,966 |                              |
| Fund balances                                    |                  |          |          |        |                              |   |          |                              |
| Beginning of year                                |                  |          | 1,320    |        |                              | 50,118                                    |          |                              |
| End of year                                      |                  |          | \$ 1,565 |        |                              | \$ 46,587                                 |          |                              |

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA

COMBINING BALANCE SHEET  
ALL NON-MAJOR CAPITAL PROJECT FUNDS  
June 30, 2022

|  | 4000                                | 4010                             | 4020                             | 4040                                       | Total Non-Major<br>Capital Project<br>Funds |
|--|-------------------------------------|----------------------------------|----------------------------------|--|---|
|  | Capital Project-<br>Building Improv | Capital Project-<br>Parks Improv | Capital Project-<br>General Eqpt | Capital Project-<br>Street<br>Construction |   |
| <b>Assets</b>  |                                     |                                  |                                  |  |   |
| Current assets:  |                                     |                                  |                                  |  |   |
| Cash and Cash Equivalents  | \$ 71,724                           | \$ 19,381                        | \$ 42,702                        | \$ 674,645                                 | \$ 808,452                                  |
| Accounts receivable, net   | -                                   | -                                | -                                | -  | -   |
| Total Current Assets   | <u>71,724</u>                       | <u>19,381</u>                    | <u>42,702</u>                    | <u>674,645</u>                             | <u>808,452</u>                              |
| Non-current assets:  |                                     |                                  |                                  |  |   |
| Restricted Cash and cash equivalents   | 84,925                              | 273,494                          | 288,598                          | 120,730                                    | 767,747                                     |
| Total Noncurrent Assets  | <u>84,925</u>                       | <u>273,494</u>                   | <u>288,598</u>                   | <u>120,730</u>                             | <u>767,747</u>                              |
| Total Assets   | <u>\$ 156,649</u>                   | <u>\$ 292,875</u>                | <u>\$ 331,300</u>                | <u>\$ 795,375</u>                          | <u>\$ 1,576,199</u>                         |
| <b>Liabilities</b>   |                                     |                                  |                                  |  |   |
| Current Liabilities:   |                                     |                                  |                                  |  |   |
| Accounts payable   | -                                   | -                                | -                                | 31,526                                     | 31,526                                      |
| Total Current Liabilities  | <u>-</u>                            | <u>-</u>                         | <u>-</u>                         | <u>31,526</u>                              | <u>31,526</u>                               |
| Total Liabilities  | <u>-</u>                            | <u>-</u>                         | <u>-</u>                         | <u>31,526</u>                              | <u>31,526</u>                               |
| <b>Fund Balance</b>  |                                     |                                  |                                  |  |   |
| Restricted for:  |                                     |                                  |                                  |  |   |
| Culture & Recreation   | -                                   | -                                | -                                | -  | -   |
| Committed for  |                                     |                                  |                                  |  |   |
| Capital Projects   | 156,649                             | 292,875                          | 331,300                          | 763,849                                    | 1,544,673                                   |
| Total Fund Balance   | <u>156,649</u>                      | <u>292,875</u>                   | <u>331,300</u>                   | <u>763,849</u>                             | <u>1,544,673</u>                            |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balance</b> | <u>\$ 156,649</u>                   | <u>\$ 292,875</u>                | <u>\$ 331,300</u>                | <u>\$ 795,375</u>                          | <u>\$ 1,576,199</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, 2022

|  | Capital Project-Building Improvements (4000) |             |                           | Capital Project-Park Improvements (4010) |              |                           |
|--|--|-------------|---------------------------|--|--------------|---------------------------|
|  | Budgeted Amounts                             | Actual      | Over (under) Final Budget | Budgeted Amounts                         | Actual       | Over (under) Final Budget |
| <b>Revenue</b>                                   |  |             |                           |  |              |                           |
| Other revenue                                    |  |             |                           |  |              |                           |
| Miscellaneous                                    | \$ -   | \$ -        | \$ -                      | \$ 1,000                                 | \$ -         | \$ (1,000)                |
| Investment Earnings                              | 600  | 687         | 87                        | 1,200                                    | 1,410        | 210                       |
| Total Revenue                                    | 600  | 687         | 87                        | 2,200                                    | 1,410        | (790)                     |
| <b>Expenditures</b>                              |  |             |                           |  |              |                           |
| Public Works                                     |  |             |                           |  |              |                           |
| Operations                                       | -  | -           | -                         | -  | -            | -                         |
| Capital Outlay                                   | 149,200                                      | 77,563      | 71,637                    | 289,000                                  | 267,829      | 21,171                    |
| Miscellaneous                                    | -  | -           | -                         | -  | -            | -                         |
| Total Expenditures                               | 149,200                                      | 77,563      | 71,637                    | 289,000                                  | 267,829      | 21,171                    |
| Excess (deficiency) of revenue over expenditures | (148,600)                                    | (76,876)    | 71,724                    | (286,800)                                | (266,419)    | 20,381                    |
| <b>Other financing sources (uses)</b>            |  |             |                           |  |              |                           |
| Transfers in                                     | -  | -           | -                         | 50,000                                   | 50,000       | -                         |
| Net change in fund balances                      | \$ (148,600)                                 | \$ (76,876) | \$ 71,724                 | \$ (236,800)                             | \$ (216,419) | \$ 20,381                 |
| <b>Fund balances</b>                             |  |             |                           |  |              |                           |
| Beginning of year                                |  | 233,525     |                           |  | 509,294      |                           |
| End of year                                      |  | \$ 156,649  |                           |  | \$ 292,875   |                           |

(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, 2022

|  | 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      |                           |
| <b>Revenue</b>                                   |                                     |            |                           |  |            |                           |
| Other revenue                                    |                                     |            |                           |  |            |                           |
| Miscellaneous                                    |                                     |            |                           |  |            |                           |
| Investment Earnings                              | 500                                 | 500        | \$ -                      | 1,500                                      | 1,500      | \$ -                      |
| Total Revenue                                    | 500                                 | 500        | 724                       | 1,500                                      | 2,403      | 903                       |
| Total Revenue                                    | 500                                 | 500        | 724                       | 1,500                                      | 2,403      | 903                       |
| <b>Expenditures</b>                              |                                     |            |                           |  |            |                           |
| Current  |                                     |            |                           |  |            |                           |
| Public Works                                     |                                     |            |                           |  |            |                           |
| Operations                                       |                                     |            |                           |  |            |                           |
| Capital Outlay                                   | 53,000                              | 53,000     | 41,978                    | 154,000                                    | 33,270     | 120,730                   |
| Miscellaneous                                    |                                     |            |                           | 681,709                                    | 39,493     | 642,216                   |
| Total Expenditures                               | 53,000                              | 53,000     | 41,978                    | 835,709                                    | 72,763     | 762,946                   |
| Excess (deficiency) of revenue over expenditures | (52,500)                            | (52,500)   | 42,702                    | (834,209)                                  | (70,360)   | 763,849                   |
| <b>Other financing sources (uses)</b>            |                                     |            |                           |  |            |                           |
| Transfers in                                     | 78,035                              | 78,035     | -                         | 271,841                                    | 271,841    | -                         |
| Net change in fund balances                      | \$ 25,535                           | \$ 25,535  | \$ 42,702                 | \$ (562,368)                               | \$ 201,481 | \$ 763,849                |
| <b>Fund balances</b>                             |                                     |            |                           |  |            |                           |
| Beginning of year                                |                                     | 263,063    |                           |  | 562,368    |                           |
| Restatments                                      |                                     |            |                           |  |            |                           |
| End of year                                      |                                     | \$ 331,300 |                           |  | \$ 763,849 |                           |

(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, 2022

|  | Total of All Non-Major Capital Project Funds |              |                     | Over (under)<br>Final Budget |
|--|--|--------------|---------------------|------------------------------|
|  | Budgeted Amounts                             |              | Actual              |                              |
| Revenue  | Original                                     | Final        | Actual              |                              |
| Other revenue                                    |  |              |                     |                              |
| Miscellaneous                                    | \$ 1,000                                     | \$ 1,000     | \$ -                | \$ (1,000)                   |
| Investment Earnings                              | 3,800  | 3,800        | 5,724               | 1,924                        |
| Total Revenue                                    | 4,800  | 4,800        | 5,724               | 924                          |
| Expenditures                                     |  |              |                     |                              |
| Current  |  |              |                     |                              |
| Public Works                                     |  |              |                     |                              |
| Operations                                       | 154,000                                      | 154,000      | 33,270              | (120,730)                    |
| Capital Outlay                                   | 1,172,909                                    | 1,172,909    | 395,907             | (777,002)                    |
| Total Expenditures                               | 1,326,909                                    | 1,326,909    | 429,177             | (897,732)                    |
| Excess (deficiency) of revenue over expenditures | (1,322,109)                                  | (1,322,109)  | (423,453)           | 898,656                      |
| Other financing sources (uses)                   |  |              |                     |                              |
| Transfers in                                     | 399,876                                      | 399,876      | 399,876             | -                            |
| Net change in fund balances                      | \$ (922,233)                                 | \$ (922,233) | (23,577)            | 898,656                      |
| Fund balances                                    |  |              |                     |                              |
| Beginning of year                                |  |              | 1,568,250           |                              |
| Restatements                                     |  |              | -                   |                              |
| End of year                                      |  |              | <u>\$ 1,544,673</u> |                              |

**City of Columbia Falls, Flathead County, Montana**  
**Statement of Net Position**  
**Non-Major Proprietary Funds**  
**June 30, 2022**

|                                       | <b>5211</b>          | <b>5311</b>          |                     |
|---------------------------------------|----------------------|----------------------|---------------------|
|                                       | <b>Water Capital</b> | <b>Sewer Capital</b> |                     |
|                                       | <b>Expansion</b>     | <b>Expansion</b>     | <b>Total</b>        |
| <b>ASSETS</b>                         |                      |                      |                     |
| Current Assets                        |                      |                      |                     |
| Cash and investments                  | \$ 361,647           | \$ 1,196,001         | \$ 1,557,648        |
| Accounts receivable - net             | 956                  | 1,872                | 2,828               |
| Interest receivable                   | -                    | -                    | -                   |
| Total Current Assets                  | <u>362,603</u>       | <u>1,197,873</u>     | <u>1,560,476</u>    |
| Total Assets                          | <u>\$ 362,603</u>    | <u>\$ 1,197,873</u>  | <u>\$ 1,560,476</u> |
| <b>LIABILITIES</b>                    |                      |                      |                     |
| Current Liabilities                   |                      |                      |                     |
| Accounts payable                      | \$ -                 | \$ -                 | \$ -                |
| Total Current Liabilities             | <u>-</u>             | <u>-</u>             | <u>-</u>            |
| Total Liabilities                     | <u>-</u>             | <u>-</u>             | <u>-</u>            |
| <b>NET POSITION</b>                   |                      |                      |                     |
| Restricted for public works expansion | 362,603              | 1,197,873            | 1,560,476           |
| Unrestricted                          | -                    | -                    | -                   |
| Total Net Position                    | <u>362,603</u>       | <u>1,197,873</u>     | <u>1,560,476</u>    |
| Total liabilities and net position    | <u>\$ 362,603</u>    | <u>\$ 1,197,873</u>  | <u>\$ 1,560,476</u> |

**City of Columbia Falls, Flathead County, Montana**  
**Statement of Revenue, Expenses and Changes in Fund Net Position**  
**Non-Major Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2022**

|  | <b>5211</b>          | <b>5311</b>          |                     |
|--|----------------------|----------------------|---------------------|
|  | <b>Water Capital</b> | <b>Sewer Capital</b> | <b>Total</b>        |
|  | <b>Expansion</b>     | <b>Expansion</b>     |                     |
| <b>Operating Revenues:</b>               |                      |                      |                     |
| Charges for services                     | \$ 112,630           | \$ 141,537           | \$ 254,167          |
| Total Operating Revenues                 | <u>112,630</u>       | <u>141,537</u>       | <u>254,167</u>      |
| <b>Operating Expenses:</b>               |                      |                      |                     |
| Supplies                                 | -                    | -                    | -                   |
| Purchased Services                       | -                    | -                    | -                   |
| Total Operating Expenses                 | <u>-</u>             | <u>-</u>             | <u>-</u>            |
| Operating Income                         | <u>112,630</u>       | <u>141,537</u>       | <u>254,167</u>      |
| <b>Nonoperating Revenues (Expenses):</b> |                      |                      |                     |
| Investment Earnings                      | 1,360                | 4,634                | 5,994               |
| Total Nonoperating Revenues (Expenses)   | <u>1,360</u>         | <u>4,634</u>         | <u>5,994</u>        |
| Net Income before Transfers              | <u>113,990</u>       | <u>146,171</u>       | <u>260,161</u>      |
| Transfers Out                            | <u>-</u>             | <u>-</u>             | <u>-</u>            |
| Change in net position                   | <u>113,990</u>       | <u>146,171</u>       | <u>260,161</u>      |
| Total Net Position - Beginning of Year   | 248,613              | 1,051,702            | 1,300,315           |
| Total Net Position - End of Year         | <u>\$ 362,603</u>    | <u>\$ 1,197,873</u>  | <u>\$ 1,560,476</u> |

**City of Columbia Falls, Flathead County, Montana**  
**Statement of Cash Flows**  
**Non-Major Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2022**

|  | <b>5211<br/>Water Capital<br/>Expansion</b> | <b>5311<br/>Sewer Capital<br/>Expansion</b> | <b>Total</b>        |
|--|---|---|---------------------|
| <b>Cash Flows from Operating Activities:</b>   |   |   |                     |
| Cash received from customers   | \$ 113,108                                  | \$ 141,537                                  | \$ 254,645          |
| Cash payments to vendors   | -   | -   | -                   |
| Net Cash Provided (Used) by Operating Activities   | <u>113,108</u>                              | <u>141,537</u>                              | <u>254,645</u>      |
| <b>Cash Flows from Non-capital financing Activities:</b>                                       |   |   |                     |
| Transfers from (to) other funds  | -   | -   | -                   |
| Intergovernmental operating grants   | -   | -   | -                   |
| Net Cash Provided by Non-capital Financing Activities  | <u>-</u>                                    | <u>-</u>                                    | <u>-</u>            |
| <b>Cash Flows from Capital and Related Financing Activities:</b>                               |   |   |                     |
| Interest paid on debt  | -   | -   | -                   |
| Net Cash Provided (Used) by Capital and Related Financing Activities                           | <u>-</u>                                    | <u>-</u>                                    | <u>-</u>            |
| <b>Cash Flows from Investing Activities:</b>   |   |   |                     |
| Interest on investments  | 1,360                                       | 4,634                                       | 5,994               |
| Net Cash Provided by Investing Activities  | <u>1,360</u>                                | <u>4,634</u>                                | <u>5,994</u>        |
| Net Increase in Cash and Cash Equivalents  | 114,468                                     | 146,171                                     | 260,639             |
| <b>Cash and Cash Equivalents at Beginning of Year</b>  | 247,179                                     | 1,049,830                                   | 1,297,009           |
| <b>Cash and Cash Equivalents at End of Year</b>  | <u>\$ 361,647</u>                           | <u>\$ 1,196,001</u>                         | <u>\$ 1,557,648</u> |
|  | -   | -   |                     |
| <b>Reconciliation of Income from Operations to Cash from Operations</b>                        |   |   |                     |
| Operating Income   | \$ 112,630                                  | \$ 141,537                                  | \$ 254,167          |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: |   |   |                     |
| (Increase) in accounts receivable, net   | 478   | -   | 478                 |
| (Decrease) in accounts payable   | -   | -   | -                   |
| Net Cash provided (used) by operating activities   | <u>\$ 113,108</u>                           | <u>\$ 141,537</u>                           | <u>\$ 254,645</u>   |

**CITY OF COLUMBIA FALLS  
SCHEDULE OF FEDERAL/STATE GRANTS,  
ENTITLEMENTS, AND SHARED REVENUES  
FISCAL YEAR ENDING JUNE 30, 2022**

|   | REVENUE<br>CODE | RECEIVING<br>FUND | AMOUNT              |
|---|-----------------|-------------------|---------------------|
| <b>FEDERAL GRANTS/ENTITLEMENTS - (LIST)</b> |                 |                   |                     |
| Highway Planning & Construction 20.205      | 331052          | 1000              | 2,117.00            |
| Cooperative Forestry Assistance 10.664      | 331081          | 1000              | 3,045.00            |
| Stonegarden Grant 97.067                    | 331112          | 1000              | 546.00              |
| State Grants/Highway Safety 20.600 & 20.616 | 334000          | 1000              | 5,063.00            |
| ARPA Covid-19 Recovery 21.027               | 331991          | 2991              | 754,995.00          |
|   |                 |                   |                     |
|   |                 |                   |                     |
|   |                 |                   |                     |
|   |                 |                   |                     |
| <b>Total Federal Grants/Entitlements</b>    |                 |                   | <b>765,766.00</b>   |
| <b>FEDERAL SHARED REVENUES - (LIST)</b>     |                 |                   |                     |
|   |                 |                   |                     |
|   |                 |                   |                     |
|   |                 |                   |                     |
|   |                 |                   |                     |
|   |                 |                   |                     |
|   |                 |                   |                     |
|   |                 |                   |                     |
|   |                 |                   |                     |
| <b>Total Federal Shared Revenues</b>        |                 |                   | <b>0.00</b>         |
| <b>STATE GRANTS/ENTITLEMENTS - (LIST)</b>   |                 |                   |                     |
| DNRC Grant                                  | 334122          | 1000              | 750.00              |
| Gas Tax Apportionment                       | 335040          | 2820              | 100,141.00          |
| Special Gas Tax Apportionment               | 335041          | 2821              | 128,640.00          |
| DNRC RGL Grant                              | 334122          | 5310              | 15,000.00           |
| Alcohol Compliance Check                    | 331179          | 1000              | 1,500.00            |
|   |                 |                   |                     |
|   |                 |                   |                     |
| <b>Total State Grants/Entitlements</b>      |                 |                   | <b>246,031.00</b>   |
| <b>STATE SHARED REVENUES - (LIST)</b>       |                 |                   |                     |
| Gambling Licenses & Permits                 | 335120          | 1000              | 15,998.00           |
| State Entitlement                           | 335230          | 1000              | 778,198.00          |
| State Entitlement                           | 335230          | 2310              | 11,098.00           |
| State Entitlement                           | 335230          | 2311              | 962.00              |
| State Entitlement                           | 335230          | 2312              | 3,086.00            |
| State Entitlement                           | 335230          | 2372              | 2,301.00            |
| State On-Behalf                             | 336020          | 1000              | 256,301.00          |
| State On-Behalf                             | 336020          | 5210              | 16,117.00           |
| State On-Behalf                             | 336020          | 5310              | 21,085.00           |
|   |                 |                   |                     |
| <b>Total State Shared Revenues</b>          |                 |                   | <b>1,105,146.00</b> |
| <b>LOCAL GRANTS - (LIST)</b>                |                 |                   |                     |
| Flathead County SRO                         | 337350          | 1000              | 20,000.00           |
| School District #6 SRO                      | 337360          | 1000              | 7,000.00            |
|   |                 |                   | 27,000.00           |
|   |                 |                   |                     |
| <b>TOTAL</b>                                |                 |                   | <b>2,143,943.00</b> |

**ALL FUNDS**  
**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUNDS**  
**FISCAL YEAR ENDING JUNE 30, 2022**

| Fund Number | Description                            | Cash balance 7/1/2021 | Receipts          | Transfers in     | Disbursements    | Transfers Out    | Cash balance 6/30/2022 |
|-------------|--|-----------------------|-------------------|------------------|------------------|------------------|------------------------|
| 1000        | <b>GENERAL</b>                         | 1,166,821             | 3,057,828         | 1,053            | 503,166          | 2,628,618        | 1,093,918              |
| 2000        | <b>SPECIAL REVENUE FUNDS</b>           |                       |                   |                  |                  |                  |                        |
| 2100        | Resort Tax                             | 0                     | 518,453           |                  |                  |                  | 518,453                |
| 2310        | Tax Increment District                 | 1,085,599             | 1,004,797         |                  | 706,223          | 6,877            | 1,377,296              |
| 2311        | TEDD - Industrial Park                 | 7,083                 | 8,894             |                  | 3,417            |                  | 12,560                 |
| 2312        | TEDD - Columbia Rising Ind Park        | 0                     | 38,892            |                  |                  |                  | 38,892                 |
| 2372        | Permissive Medical Levy                | 8,928                 | 249,868           |                  | 231,954          |                  | 26,842                 |
| 2394        | Building Code Enforcement              | 239,638               | 135,473           |                  | 28,498           | 150,056          | 196,557                |
| 2400        | Light maintenance districts (all)      | 32,005                | 33,735            |                  | 2,410            | 33,756           | 29,574                 |
| 2500        | Maintenance districts (all)            | 199,687               | 405,447           | 426              | 45,688           | 407,748          | 152,124                |
| 2700        | Cedar Creek Trust                      | 1,105,314             | 157,247           |                  | 87,002           | 927              | 1,174,632              |
| 2820        | Gas tax                                | 10,916                | 101,925           | 1,425            | 25,035           | 89,231           | 0                      |
| 2821        | Special Gas Tax                        | 231,480               | 135,072           | 1,896            | 1,783            | 231,593          | 135,072                |
| 2917        | Crime Victims Assistance               | 645                   | 5,021             |                  |                  | 5,228            | 438                    |
| 2940        | C.D.B.G. - HOME Investment Partnership | 135,762               | 7,627             |                  |                  |                  | 143,389                |
| 2959        | EDA                                    | 0                     | 313,146           |                  |                  | 108,663          | 204,483                |
| 2991        | ARPA COVID-19 Recovery                 | 750,481               | 754,995           |                  |                  |                  | 1,505,476              |
|             | <b>TOTAL SPECIAL REVENUE</b>           | <b>3,807,538</b>      | <b>3,870,592</b>  | <b>3,747</b>     | <b>1,132,010</b> | <b>1,034,079</b> | <b>5,515,788</b>       |
| 3000        | <b>DEBT SERVICE FUNDS (list)</b>       |                       |                   |                  |                  |                  |                        |
| 3020        | GO Street Improvements                 | 44,441                | 82,272            |                  | 65,492           | 19,878           | 41,343                 |
| 3534        | SID 34                                 | 301                   | 6,257             |                  | 6,429            |                  | 129                    |
| 3536        | SID 36                                 | 1,050                 | 3,859             |                  | 3,615            |                  | 1,294                  |
| 3538        | SID 38                                 | 14,495                | 33,541            |                  | 5,062            | 14,135           | 28,839                 |
|             | <b>TOTAL DEBT SERVICE FUNDS</b>        | <b>60,287</b>         | <b>125,929</b>    | <b>0</b>         | <b>80,598</b>    | <b>34,013</b>    | <b>71,605</b>          |
| 4000        | <b>CAPITAL PROJECTS FUNDS (list)</b>   |                       |                   |                  |                  |                  |                        |
| 4000        | Building Improvements                  | 233,525               | 57,244            | 599              | 56,557           | 78,162           | 156,649                |
| 4010        | Parks Improvements                     | 502,559               | 146,771           | 1,785            | 87,611           | 270,629          | 292,875                |
| 4020        | General Equipment                      | 290,528               | 148,584           |                  | 69,326           | 38,486           | 331,300                |
| 4040        | Street Construction                    | 562,368               | 307,514           |                  | 33,270           | 41,238           | 795,374                |
|             | <b>TOTAL CAPITAL PROJECTS FUNDS</b>    | <b>1,588,980</b>      | <b>660,113</b>    | <b>2,384</b>     | <b>246,764</b>   | <b>428,515</b>   | <b>1,576,198</b>       |
| 5000        | <b>ENTERPRISE FUNDS (list)</b>         |                       |                   |                  |                  |                  |                        |
| 5210        | Water                                  | 1,172,650             | 869,542           | 3,007            | 7,880            | 750,042          | 1,287,277              |
| 5211        | Water Capital Expansion                | 247,180               | 114,467           |                  |                  |                  | 361,647                |
| 5310        | Sewer                                  | 1,525,443             | 1,119,570         | 39,235           | 19               | 954,202          | 1,730,027              |
| 5311        | Sewer Capital Expansion                | 1,049,829             | 146,172           |                  |                  |                  | 1,196,001              |
|             | <b>TOTAL ENTERPRISE FUNDS</b>          | <b>3,995,102</b>      | <b>2,249,751</b>  | <b>42,242</b>    | <b>7,899</b>     | <b>1,704,244</b> | <b>4,574,952</b>       |
| 6000        | <b>INTERNAL SERVICE FUNDS (list)</b>   |                       |                   |                  |                  |                  |                        |
|             |  |                       |                   |                  |                  |                  | 0                      |
|             |  |                       |                   |                  |                  |                  | 0                      |
|             | <b>TOTAL INTERNAL SERVICE FUNDS</b>    | <b>0</b>              | <b>0</b>          | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>               |
| 7000        | <b>TRUST FUNDS (list)</b>              |                       |                   |                  |                  |                  |                        |
| 7120        | Fire Relief Disability/Pension Fund    | 662                   | 73,780            |                  | 2,136            | 72,306           | 0                      |
| 7196        | Flexible Spending Account              | 5,604                 | 5,769             |                  | 3,948            |                  | 7,425                  |
| 7900        | <b>CUSTODIAL - OTHER</b>               |                       |                   |                  |                  |                  |                        |
| 7910        | Payroll fund                           | 3,049                 | 33,468            | 2,818,143        | 2,796,651        | 571              | 57,438                 |
| 7930        | Claims fund                            | 83,213                |                   | 3,034,777        | 2,895,334        |                  | 222,656                |
|             | <b>TOTAL TRUST AND CUSTODIAL FUNDS</b> | <b>92,528</b>         | <b>113,017</b>    | <b>5,852,920</b> | <b>5,698,069</b> | <b>72,877</b>    | <b>287,519</b>         |
| 8000        | <b>PERMANENT FUNDS</b>                 |                       |                   |                  |                  |                  |                        |
|             | <b>TOTAL PERMANENT FUNDS</b>           | <b>0</b>              | <b>0</b>          | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>               |
|             | <b>TOTALS (to be accounted for)</b>    | <b>10,711,256</b>     | <b>10,077,230</b> | <b>5,902,346</b> | <b>7,668,506</b> | <b>5,902,346</b> | <b>13,119,980</b>      |
|             |  |                       |                   |                  |                  |                  |                        |
|             |  |                       |                   |                  |                  |                  |                        |

**ALL FUNDS  
CASH RECONCILIATION  
FISCAL YEAR ENDING JUNE 30, 2022**

| Account Description<br>(not full acct #) | BANK NAME    |                    |            |                | Cash in all<br>depositories |
|--|--------------|--------------------|------------|----------------|-----------------------------|
|  | Glacier Bank | MBS<br>Investments | STIP       | Custodial Fund |                             |
| <b>BALANCE PER STATEMENTS</b>            | 577,268      | 1,145,000          | 11,346,258 | 7,425          | 13,075,951                  |
| <b>ADD</b>                               |              |                    |            |                |                             |
| Deposits in transit                      | 35,170       |                    |            |                | 35,170                      |
| Service charges                          |              |                    |            |                | 0                           |
| Other (SID 38)                           | 13,958       |                    |            |                | 13,958                      |
|  |              |                    |            |                | 0                           |
|  |              |                    |            |                | 0                           |
|  |              |                    |            |                | 0                           |
| <b>Total to add</b>                      | 49,128       | 0                  | 0          | 0              | 49,128                      |
| <b>SUBTRACT</b>                          |              |                    |            |                |                             |
| Outstanding checks                       | 2,848        |                    |            |                | 2,848                       |
| Other (Deposits)                         | 2,750        |                    |            |                | 2,750                       |
|  |              |                    |            |                | 0                           |
|  |              |                    |            |                | 0                           |
|  |              |                    |            |                | 0                           |
|  |              |                    |            |                | 0                           |
| <b>Total to subtract</b>                 | 5,598        | 0                  | 0          | 0              | 5,598                       |
| <b>TOTAL CASH IN DEPOSITS</b>            | 620,798      | 1,145,000          | 11,346,258 | 7,425          | 13,119,481                  |
| <b>ADD</b>                               |              |                    |            |                |                             |
| Investments                              |              |                    |            |                | 0                           |
|  |              |                    |            |                | 0                           |
|  |              |                    |            |                | 0                           |
|  |              |                    |            |                | 0                           |
|  |              |                    |            |                | 0                           |
|  |              |                    |            |                | 0                           |
|  |              |                    |            |                | 0                           |
|  |              |                    |            |                | 0                           |
|  |              |                    |            |                | 0                           |
| <b>Total to add</b>                      | 0            | 0                  | 0          | 0              | 0                           |
| <b>TOTAL IN DEPOSITORYIES</b>            | 620,798      | 1,145,000          | 11,346,258 | 7,425          | 13,119,481                  |
| <b>ADD</b>                               |              |                    |            |                |                             |
| Cash and cash items on hand              | 500          |                    |            |                | 500                         |
|  |              |                    |            |                | 0                           |
|  |              |                    |            |                | 0                           |
|  |              |                    |            |                | 0                           |
|  |              |                    |            |                | 0                           |
|  |              |                    |            |                | 0                           |
|  |              |                    |            |                | 0                           |
|  |              |                    |            |                | 0                           |
| <b>Total to add</b>                      | 500          | 0                  | 0          | 0              | 500                         |
| <b>**TOTAL ACCOUNTED FOR</b>             | 621,298      | 1,145,000          | 11,346,258 | 7,425          | 13,119,981                  |

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

Cash reconciles XX Cash does not reconcile \_\_\_\_\_



**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                         | Flathead           |
| 4. Form of government                  | Commission/Manager |
| 5. Population (most recent estimate)   | 5,545 2021 est     |
| 6. Land area                           | 2.20 acres         |
| 7. Miles of roads/streets/alleys       | 40.265             |
| 8. Taxable valuation                   | 9,957,662          |
| 9. Road taxable valuation (county)     |                    |
| 10. Number of water consumers          | 2,182              |
| 11. Average daily water consumption    | 660,011            |
| 12. Miles of water main                | 37.6               |
| 13. Miles of sanitary and storm sewers | 30.5               |
| 14. Number of building permits issued  | 40                 |
| 15. Number of full-time employees      | 32                 |

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

| Fund/activity                | Mills   |
|------------------------------|---------|
| General Fund (15-10-420)     | 152.514 |
| Fire Relief (15-10-420)      | 5.340   |
| Permissive Medical Levy      | 25.319  |
| Voted Street Obligation Levy | 8.574   |
|                              |         |
|                              |         |
|                              |         |
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|                              |         |
| TOTAL                        | 191.747 |