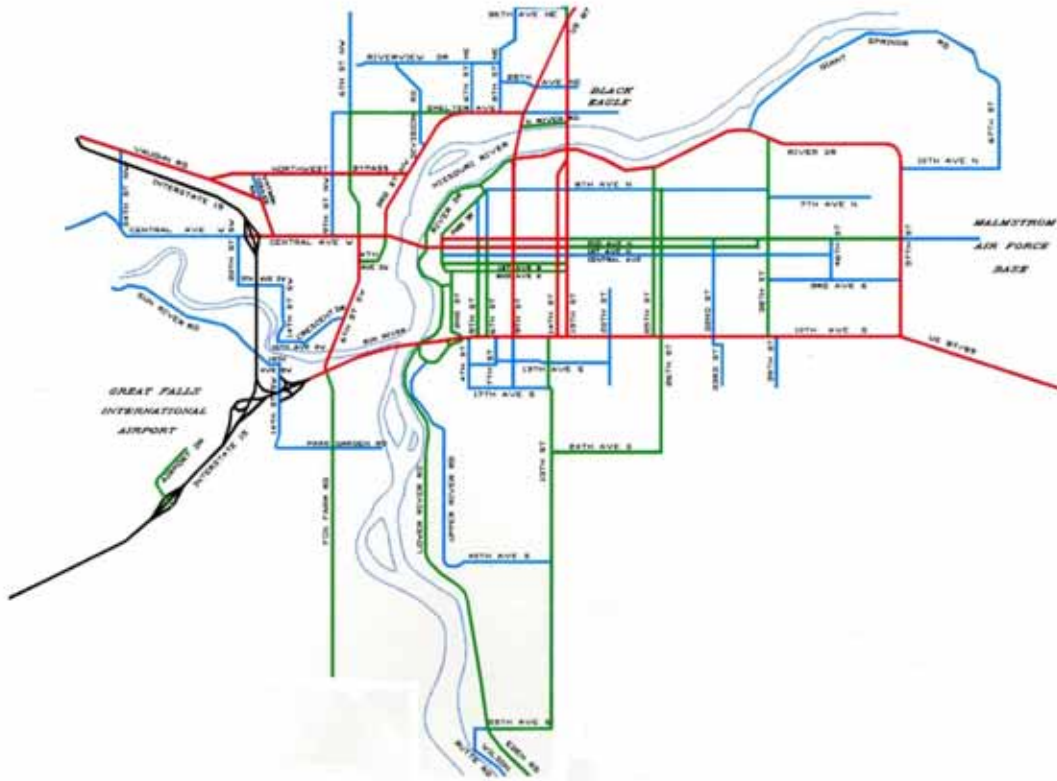


**Required Supplementary Information Other Than Management Discussion
and Analysis**

CITY OF GREAT FALLS, MONTANA AND SURROUNDING AREA



City of Great Falls, Montana
Budgetary Comparison Schedule - General Fund
Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
REVENUES				
Taxes	\$ 8,485,800	\$ 8,485,800	\$ 9,001,383	\$ 515,583
Licenses and permits	550,100	550,100	558,157	8,057
Intergovernmental	5,356,479	5,425,316	5,424,758	(558)
Charges for services	445,678	445,678	455,683	10,005
Fines and forfeitures	1,251,000	1,251,000	1,244,698	(6,302)
Internal services	606,620	617,920	609,638	(8,282)
Investment income	100,000	100,000	48,104	(51,896)
Other	504,047	504,047	42,619	(461,428)
	<u>17,299,724</u>	<u>17,379,861</u>	<u>17,385,040</u>	<u>5,179</u>
EXPENDITURES				
Current				
General government				
Personal services	1,391,031	1,241,991	1,170,693	71,298
Operations and maintenance	1,003,326	1,013,326	979,971	33,355
Public safety				
Personal services	9,556,111	9,591,688	9,630,604	(38,916)
Operation and maintenance	2,049,461	2,090,755	2,096,780	(6,025)
Culture and recreation				
Personal services	831,733	831,733	767,222	64,511
Operations and maintenance	528,794	528,794	562,504	(33,710)
Debt service				
Principal	62,158	62,158	-	62,158
Interest	15,042	15,042	15,041	1
Capital outlay	-	-	2,879	(2,879)
Total expenditures	<u>15,437,656</u>	<u>15,375,487</u>	<u>15,225,694</u>	<u>149,793</u>
Revenues over (under) expenditures	<u>1,862,068</u>	<u>2,004,374</u>	<u>2,159,346</u>	<u>154,972</u>
OTHER FINANCING SOURCES				
Transfers in	360,000	603,312	466,387	(136,925)
Transfers out	(2,544,698)	(3,309,957)	(3,302,105)	7,852
Proceeds of general capital asset dispositions	-	-	11,884	11,884
Total other financing sources (uses)	<u>(2,184,698)</u>	<u>(2,706,645)</u>	<u>(2,823,834)</u>	<u>(117,189)</u>
Net changes in fund balance	<u>\$ (322,630)</u>	<u>\$ (702,271)</u>	(664,488)	<u>\$ 37,783</u>
Fund balances -- beginning			<u>3,944,845</u>	
Fund balance -- ending			<u>\$ 3,280,357</u>	

City of Great Falls, Montana
Budgetary Comparison Schedule - Special Revenue Funds
Year Ended June 30, 2005

	Street District			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	
REVENUES				
Licenses and permits	\$ 4,795	\$ 4,795	\$ 5,231	\$ 436
Intergovernmental	1,359,261	1,359,261	1,374,900	15,639
Charges for services	133,565	139,017	174,834	35,817
Internal services	149,781	68,572	64,921	(3,651)
Special assessments	1,973,123	1,973,123	2,071,062	97,939
Investment income	25,000	25,000	12,428	(12,572)
Other	3,503	3,775	32,477	28,702
Total revenues	<u>3,649,028</u>	<u>3,573,543</u>	<u>3,735,853</u>	<u>162,310</u>
EXPENDITURES				
Current				
Public works				
Personal services	1,455,307	1,455,307	1,396,210	59,097
Operations and maintenance	1,800,897	2,101,448	1,821,616	279,832
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Capital outlay	259,785	1,345,442	1,081,306	264,136
Total expenditures	<u>3,515,989</u>	<u>4,902,197</u>	<u>4,299,132</u>	<u>603,065</u>
Revenues over (under) expenditures	<u>133,039</u>	<u>(1,328,654)</u>	<u>(563,279)</u>	<u>765,375</u>
OTHER FINANCING SOURCES				
Transfers in	8,778	14,946	14,946	-
Transfers out	(18,789)	(18,789)	(18,789)	-
Total other financing sources	<u>(10,011)</u>	<u>(3,843)</u>	<u>(3,843)</u>	<u>-</u>
Net changes in fund balance	<u>\$ 123,028</u>	<u>\$ (1,332,497)</u>	<u>(567,122)</u>	<u>\$ 765,375</u>
Fund balances -- beginning			<u>1,389,862</u>	
Fund balance -- ending			<u>\$ 822,740</u>	

Continued on next page

City of Great Falls, Montana
Budgetary Comparison Schedule - Special Revenue Funds (Concluded)
Year Ended June 30, 2005

	Community Development Block Grant			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	
REVENUES				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,157,000	1,157,000	1,151,725	(5,275)
Charges for services	150,000	314,477	298,774	(15,703)
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Other	-	-	192	192
	<u>1,307,000</u>	<u>1,471,477</u>	<u>1,450,691</u>	<u>(20,786)</u>
Total revenues				
EXPENDITURES				
Current				
Public works				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	132,456	132,456	125,323	7,133
Operations and maintenance	606,022	1,353,640	771,641	581,999
Capital outlay	568,522	705,335	321,904	383,431
Total expenditures	<u>1,307,000</u>	<u>2,191,431</u>	<u>1,218,868</u>	<u>972,563</u>
Revenues over (under) expenditures	<u>-</u>	<u>(719,954)</u>	<u>231,823</u>	<u>951,777</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Transfers out	(1,955)	(1,955)	(1,955)	-
Total other financing sources	<u>(1,955)</u>	<u>(1,955)</u>	<u>(1,955)</u>	<u>-</u>
Net changes in fund balance	<u>\$ (1,955)</u>	<u>\$ (721,909)</u>	229,868	<u>\$ 951,777</u>
Fund balances -- beginning			<u>313,379</u>	
Fund balance -- ending			<u>\$ 543,247</u>	

City of Great Falls, Montana
Notes to Budgetary Comparison Schedule
June 30, 2005

1. Summary of Significant Accounting Policies

a. Budgets and Budgetary Accounting

Annual budgets are legally required and are prepared for all funds except trust and agency funds. The budgets are prepared on the same basis and using the same accounting practices as are used to account and prepare financial reports for the funds.

The City is required to prepare its accounting records and financial reports in accordance with generally accepted accounting principles established by the governmental accounting standards board according to Title 7, Chapter 6, Part 6, MCA. For budgeting purposes, the budget must show the complete expenditure program for the local government entity for the coming fiscal year and the sources by which it will be funded. The legal level of budgetary control is at the fund level. The final budget is enacted by the City Commission after holding public hearings as required by state statutes.

The City is organized under the provisions of the commission-manager form of government. The City Commission retains authority to set budget parameters through approval and adoption of annual budgets. The authority to make transfers of appropriations between funds is retained by the City Commission. The City Manager is delegated the authority to make transfers or revisions within or among appropriations of any fund. The Annual Budget Resolution allows the City Manager the flexibility to incorporate the appropriated reserves and contingency accounts into the adopted budget. The City Manager may delegate, to Department Directors, the authority to make transfers or revisions within or among appropriations of specific operations, limited to the fund level of accountability.

All appropriations lapse at the end of the fiscal year, but the Annual Budget Resolution allows for the “carryover” of the appropriation in specific circumstances. Major changes without “carryovers” in the legally adopted budgets consisted of:

Fund	Amount	Purpose
Expenditures		
General	\$ 395,717	Capital Contribution to Southern Montana Electric Generation and Transmission
General	\$ 200,000	Medical Technical Park Project contribution from additional SID Surplus
Imprv Dis Revolving	\$ 200,000	SID Surplus release
Revenues		
General	\$ 200,000	Unanticipated SID Surplus

b. Excess of Expenditures Over Appropriations

The special revenue funds that have excess expenditures over appropriations are: Support and Innovation, 911 Special Revenue, Fire Special Revenue, Public Works, Library, Library Foundation, and Agriculture Tech Park. The Support and Innovation special revenue fund was over budget due to unexpected expenditures for the Base Realignment Commission. The 911 Special Revenue special revenue fund was over budget due to unanticipated expenses for the upgrade of the E911 system. The Fire Special Revenue special revenue fund was over budget due to a Federal grant for the purchase of supplies and materials. The Public Works special revenue fund was over budget due to an unanticipated year-end expense for a capital project. The Library special revenue fund was over budget due to increased expenses not budgeted in personal services. The Library Foundation special revenue fund was over budget due to a timing difference of purchases of library books. The Agriculture Tech Park special revenue fund was initially created in fiscal year 2005, and did not have an adopted budget at year end.

The Tax Increment Bond debt service fund was over budget due to an unanticipated minor interest payment.

The Hazard Removal capital project fund had excess expenditures over appropriations because of a write-off of bad debts.