

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

City of Great Falls, Montana
Budgetary Comparison Schedule - General Fund
Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
REVENUES				
Taxes	\$ 9,574,402	\$ 9,574,402	\$9,497,292	\$ (77,110)
Licenses and permits	546,000	546,000	580,724	34,724
Intergovernmental	5,490,772	5,582,838	5,610,776	27,938
Charges for services	458,962	657,652	733,096	75,444
Fines and forfeitures	1,472,300	1,277,300	1,440,134	162,834
Internal services	635,148	635,148	637,171	2,023
Investment income	114,500	114,500	41,544	(72,956)
Other	38,700	38,700	65,709	27,009
	<u>18,330,784</u>	<u>18,426,540</u>	<u>18,606,446</u>	<u>179,906</u>
EXPENDITURES				
Current				
General government				
Personal services	1,191,500	1,217,880	1,231,949	(14,069)
Operations and maintenance	1,003,096	1,072,127	1,045,905	26,222
Public safety				
Personal service	10,007,384	10,070,807	10,147,385	(76,578)
Operation and maintenance	2,211,675	2,234,735	2,240,118	(5,383)
Culture and recreation				
Personal services	846,018	846,018	784,704	61,314
Operations and maintenance	542,249	542,249	548,450	(6,201)
Debt service				
Principal	60,995	60,995	-	60,995
Interest	18,443	18,443	18,443	-
Total expenditures	<u>15,881,360</u>	<u>16,063,254</u>	<u>16,016,954</u>	<u>46,300</u>
Revenues over (under) expenditures	<u>2,449,424</u>	<u>2,363,286</u>	<u>2,589,492</u>	<u>226,206</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	360,000	360,000	235,260	(124,740)
Transfers out	<u>(2,866,123)</u>	<u>(3,260,970)</u>	<u>(3,182,565)</u>	<u>78,405</u>
Total other financing sources (uses)	<u>(2,506,123)</u>	<u>(2,900,970)</u>	<u>(2,947,305)</u>	<u>(46,335)</u>
Net changes in fund balance	<u>\$ (56,699)</u>	<u>\$ (537,684)</u>	<u>(357,813)</u>	<u>\$ 179,871</u>
Fund balances -- beginning			<u>3,280,357</u>	
Fund balance -- ending			<u>\$2,922,544</u>	

The accompanying notes are an integral part of these financial statements.

City of Great Falls, Montana
Budgetary Comparison Schedule - Speical Revenue Funds
Year Ended June 30, 2006

	Street District			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	
REVENUES				
Licenses and permits	\$ 5,000	\$ 5,000	\$ 4,481	\$ (519)
Intergovernmental	1,352,950	1,352,950	1,369,711	16,761
Charges for services	133,565	133,565	160,640	27,075
Internal services	157,356	156,228	81,352	(74,876)
Special assessments	2,170,435	2,170,435	2,221,454	51,019
Investment income	15,000	15,000	12,264	(2,736)
Other	3,775	3,775	44,440	40,665
	<u>3,838,081</u>	<u>3,836,953</u>	<u>3,894,342</u>	<u>57,389</u>
EXPENDITURES				
Current				
Public works				
Personal services	1,517,460	1,568,060	1,542,517	25,543
Operations and maintenance	2,122,807	2,171,922	1,638,942	532,980
Housing and development				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Capital outlay	333,290	595,914	435,361	160,553
Total expenditures	<u>3,973,557</u>	<u>4,335,896</u>	<u>3,616,820</u>	<u>719,076</u>
Revenues over (under) expenditures	<u>(135,476)</u>	<u>(498,943)</u>	<u>277,522</u>	<u>776,465</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	88,480	91,164	91,164	-
Transfers out	<u>(18,789)</u>	<u>(83,984)</u>	<u>(83,984)</u>	<u>-</u>
Total other financing sources	<u>69,691</u>	<u>7,180</u>	<u>7,180</u>	<u>-</u>
Net changes in fund balance	<u>\$ (65,785)</u>	<u>\$ (491,763)</u>	284,702	<u>\$ 776,465</u>
Fund balances -- beginning			<u>822,740</u>	
Fund balance -- ending			<u>\$ 1,107,442</u>	

The accompanying notes are an integral part of these financial statements.

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City of Great Falls, Montana
Budgetary Comparison Schedule - Speical Revenue Funds (Concluded)
Year Ended June 30, 2006

	Community Development Block Grant			
	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,092,495	1,092,495	875,082	(217,413)
Charges for services	225,000	360,585	283,251	(77,334)
Internal services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Other	-	-	165	165
	<u>1,317,495</u>	<u>1,453,080</u>	<u>1,158,498</u>	<u>(294,582)</u>
Total revenues				
EXPENDITURES				
Current				
Public works				
Personal services	-	-	-	-
Operations and maintenance	-	-	-	-
Housing and development				
Personal services	137,887	137,887	129,303	8,584
Operations and maintenance	449,968	967,965	746,427	221,538
Capital outlay	506,323	889,371	452,602	436,769
Total expenditures	<u>1,094,178</u>	<u>1,995,223</u>	<u>1,328,332</u>	<u>666,891</u>
Revenues over (under) expenditures	<u>223,317</u>	<u>(542,143)</u>	<u>(169,834)</u>	<u>372,309</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>(1,955)</u>	<u>(1,955)</u>	<u>(1,955)</u>	<u>-</u>
Total other financing sources	<u>(1,955)</u>	<u>(1,955)</u>	<u>(1,955)</u>	<u>-</u>
Net changes in fund balance	<u>\$ 221,362</u>	<u>\$ (544,098)</u>	<u>(171,789)</u>	<u>\$ 372,309</u>
Fund balances -- beginning			<u>543,247</u>	
Fund balance -- ending			<u>\$ 371,458</u>	

The accompanying notes are an integral part of these financial statements.

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 (GAAP) established by the governmental accounting standards board (GASB) 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	\$ 282,676	Transfer out to close the Lewis & Clark Fund
General	95,000	Transfer out for Golf Course Improvements

b. Excess of Expenditures Over Appropriations

The special revenue funds that have excess expenditures over appropriations are: Lighting Districts, Historic Bridge, Support and Innovation, 911 Special Revenue, CCALS Fire, Public Works, Library Foundation, Economic Revolving, and Permits. The Lighting Districts special revenue fund was over budget due to unexpected price increases in electrical utilities. The Historic Bridge special revenue fund was over budget due to unexpected capital outlay expenditures. The Support and Innovation special revenue fund was over budget due to unexpected expenditures of additional payments of assessments to the Business Improvement District. The 911 Special Revenue special revenue fund was over budget due to unanticipated expenses for the upgrade of the E911 system. The CCALS Fire special revenue fund was over budget due to 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 Foundation special revenue fund was over budget due to a timing difference of purchases of library books. The Economic Revolving special revenue fund was over budget due to unexpected maintenance needed at the Federal Aviation Flight Station. The Permits special revenue fund was over budget due to additional unbudgeted personal being hired in fiscal year 2006.

The Street Lighting Construction capital project fund was over budget due to unanticipated creation of the fund in fiscal year 2006.