

City of Great Falls, Montana
Balance Sheet
Governmental Funds
June 30, 2007

	<u>General</u>	<u>Street</u>	<u>Community Development Block Grant</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 1,032,749	\$ 2,218,596	\$ 433,969	\$ 4,383,848	\$ 8,069,162
Restricted cash and investments	-	-	-	4,972,533	4,972,533
Receivables					
Taxes	925,967	-	-	303,560	1,229,527
Special assessments	-	149,433	-	1,114,442	1,263,875
Accounts	50,162	30,474	-	71,685	152,321
Accrued interest	5,573	10,758	-	114,594	130,925
Loans	-	-	2,258,001	351,201	2,609,202
Other	733	-	-	-	733
Due from other city funds	1,688,105	-	-	36,822	1,724,927
Due from other governments	43,514	-	170,167	314,702	528,383
Inventories	12,015	-	-	-	12,015
Advances to other funds	100,000	-	-	-	100,000
Interfund utility deposits	59,696	16,507	-	597,051	673,254
Other current assets	-	-	-	135,349	135,349
	<u>\$ 3,918,514</u>	<u>\$ 2,425,768</u>	<u>\$ 2,862,137</u>	<u>\$ 12,395,787</u>	<u>\$ 21,602,206</u>
LIABILITIES					
Accounts payable	\$ 59,350	\$ 114,970	\$ 103,520	\$ 199,541	\$ 477,381
Due to other city funds	36,822	-	-	177,175	213,997
Deferred revenue	280,545	109,063	2,257,931	2,011,624	4,659,163
Interfund loans payable	15,868	-	-	-	15,868
Advances from other funds	355,504	477,668	-	-	833,172
Other liabilities	62,013	-	-	5,319	67,332
	<u>810,102</u>	<u>701,701</u>	<u>2,361,451</u>	<u>2,393,659</u>	<u>6,266,913</u>
FUND BALANCES					
Reserved for:					
Debt service	-	-	-	3,624,895	3,624,895
Capital projects	-	-	-	2,508,961	2,508,961
Unreserved reported in:					
General fund					
Designated	301,032	-	-	-	301,032
Undesignated	2,807,380	-	-	-	2,807,380
Special revenue funds					
Designated	-	-	-	668,742	668,742
Undesignated	-	1,724,067	500,686	3,027,895	5,252,648
Capital project funds					
Undesignated	-	-	-	171,635	171,635
	<u>3,108,412</u>	<u>1,724,067</u>	<u>500,686</u>	<u>10,002,128</u>	<u>15,335,293</u>
Total liabilities and fund balances	<u>\$ 3,918,514</u>	<u>\$ 2,425,768</u>	<u>\$ 2,862,137</u>	<u>\$ 12,395,787</u>	<u>\$ 21,602,206</u>

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

City of Great Falls, Montana
Reconciliation of the Balance Sheet
To the Statement of Net Assets - Governmental Funds
June 30, 2007

Amounts reported for governmental activities in the statement of net assets (page 19) are different because:

Fund balances - total governmental funds (page 22)		\$ 15,335,293
<p>Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 133,703,155	
Less: accumulated depreciation	<u>(64,691,983)</u>	
Capital assets - net		69,011,172
<p>Bond issuance costs are amortized over the life of the bonds in the statement of net assets.</p>		
		52,683
<p>Internal service funds are used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.</p>		
		7,636,505
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.</p>		
		4,659,163
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Compensated absences	(2,566,808)	
Loans and contracts payable	(257,416)	
General obligation bonds payable	(4,526,927)	
Tax increment bonds payable	(3,197,288)	
Special assessment bonds payable	<u>(875,000)</u>	
Total long-term liabilities		<u>(11,423,439)</u>
Net assets of governmental activities (page 19)		<u><u>\$ 85,271,377</u></u>

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

City of Great Falls, Montana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2007

	<u>General</u>	<u>Street District</u>	<u>Community Development Block Grant</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
REVENUES					
Taxes	\$ 10,100,433	\$ -	\$ -	\$ 2,832,176	\$ 12,932,609
Licenses and permits	632,394	4,231	-	1,161,014	1,797,639
Intergovernmental	5,788,017	1,380,676	1,106,777	1,975,459	10,250,929
Charges for services	922,890	147,325	450,839	1,178,804	2,699,858
Fines and forfeitures	1,393,761	-	-	71,345	1,465,106
Internal services	810,435	83,801	-	239,360	1,133,596
Special assessments	-	2,536,877	-	1,920,002	4,456,879
Investment income	61,440	67,881	-	362,937	492,258
Other	59,702	99,382	90	401,334	560,508
	<u>19,769,072</u>	<u>4,320,173</u>	<u>1,557,706</u>	<u>10,142,431</u>	<u>35,789,382</u>
Total revenues					
EXPENDITURES					
Current					
General government	2,367,972	-	-	4,445,095	6,813,067
Public safety	13,111,219	-	-	280,318	13,391,537
Public works	-	3,188,773	-	4,210	3,192,983
Culture and recreation	1,725,401	-	-	1,836,836	3,562,237
Housing and development	-	-	906,008	1,489,748	2,395,756
Debt service					
Principal	-	-	-	1,302,531	1,302,531
Interest	18,036	-	-	308,985	327,021
Capital outlay	75,290	685,414	520,539	894,695	2,175,938
	<u>17,297,918</u>	<u>3,874,187</u>	<u>1,426,547</u>	<u>10,562,418</u>	<u>33,161,070</u>
Total expenditures					
Revenues over (under) expenditures	<u>2,471,154</u>	<u>445,986</u>	<u>131,159</u>	<u>(419,987)</u>	<u>2,628,312</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	381,232	191,281	-	1,789,883	2,362,396
Transfers out	(2,671,123)	(20,642)	(1,931)	(1,396,057)	(4,089,753)
Issuance of debt	-	-	-	2,311,675	2,311,675
Sale of assets	4,605	-	-	191,281	195,886
	<u>(2,285,286)</u>	<u>170,639</u>	<u>(1,931)</u>	<u>2,896,782</u>	<u>780,204</u>
Total other financing sources					
Net changes in fund balance	185,868	616,625	129,228	2,476,795	3,408,516
Fund balance -- beginning	<u>2,922,544</u>	<u>1,107,442</u>	<u>371,458</u>	<u>7,525,333</u>	<u>11,926,777</u>
Fund Balance -- ending	<u>\$ 3,108,412</u>	<u>\$ 1,724,067</u>	<u>\$ 500,686</u>	<u>\$ 10,002,128</u>	<u>\$ 15,335,293</u>

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

City of Great Falls, Montana
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities - Governmental Funds
Year Ended June 30, 2007

Amounts reported for governmental activities in the statement of activities pages (pages 20-21) are different because:

Net change in fund balances - total governmental funds (page 24) \$ 3,408,516

Governmental funds report capital outlays as expenditures. In the statement of activities, however, the cost of these assets is depreciated over the asset's useful life.

Expenditures for capital assets	\$ 2,175,938	
Less: current year's depreciation	<u>(2,319,392)</u>	
Total capital asset related expenditures		(143,454)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales and trade-ins) is to decrease net assets

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Internal service funds are used by management to charge the cost of certain activities to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities

561,634

Some revenues reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenues in governmental funds, funds.

(740,623)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment long-term debt and related items.

Issuance of debt

General obligation bonds	(2,311,675)	
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Principal repayments

Loans and contracts	27,557	
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General obligation bonds	90,000	
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Tax increment bonds	1,000,000	
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Special assessment debt	184,974	
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Compensated absences	(183,790)	
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Amortization of bond discounts	<u>15,574</u>	
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Total debt related transactions		<u>(1,177,360)</u>
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Change in net assets of governmental activities (pages 20-21)		<u><u>\$ 1,908,713</u></u>
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The accompanying notes are an integral part of these financial statements.

City of Great Falls, Montana
Statement of Net Assets
Proprietary Funds
June 30, 2007

Business Type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Storm Drain</u>	<u>Sanitation</u>	<u>Electric</u>
ASSETS					
Current assets					
Cash and cash investments	\$ 2,529,532	\$ 2,056,018	\$ 4,558,480	\$ 129,097	\$ 1,364
Receivables					
Accounts	1,067,074	840,299	416,742	307,086	1,120,081
Accrued interest	39,069	47,296	34,193	2,643	-
Due from other governments	-	-	-	-	48,009
Interfund loans receivable	-	-	-	-	-
Inventories	259,390	-	-	-	-
Prepaid items	53,972	172,703	97,720	-	1,009,481
Total current assets	<u>3,949,037</u>	<u>3,116,316</u>	<u>5,107,135</u>	<u>438,826</u>	<u>2,178,935</u>
Long-term assets					
Restricted cash and investments	2,877,136	4,827,823	957,978	-	100,000
Advance to other funds	-	-	-	-	-
Investment in joint venture	-	-	-	-	514,997
Interfund utility deposits	300,477	278,802	-	3,219	-
Non-depreciable capital assets	2,455,018	3,760,251	747,885	342,071	1,672,303
Depreciable capital assets, net	38,753,877	39,450,701	13,880,059	1,486,045	-
Total long-term assets	<u>44,386,508</u>	<u>48,317,577</u>	<u>15,585,922</u>	<u>1,831,335</u>	<u>2,287,300</u>
Total assets	<u>48,335,545</u>	<u>51,433,893</u>	<u>20,693,057</u>	<u>2,270,161</u>	<u>4,466,235</u>
LIABILITIES					
Current liabilities					
Account payable	157,465	18,968	5,472	85,667	1,929,366
Due to other city funds	-	-	-	-	26,220
Interfund loan payable	-	-	-	-	-
Capital lease obligation	-	-	-	-	-
Notes payable	-	-	-	-	22,050
Revenue bonds payable	717,061	1,219,397	349,879	-	-
Other liabilities	200,108	217,569	-	-	-
Total current liabilities	<u>1,074,634</u>	<u>1,455,934</u>	<u>355,351</u>	<u>85,667</u>	<u>1,977,636</u>
Long-term liabilities					
Interfund utility deposits	-	-	-	-	1,400,000
Advances from other funds	-	-	-	-	100,000
Capital lease obligations	-	-	-	-	-
Notes payable	-	-	-	-	1,477,950
Compensated absences	261,690	28,311	-	116,750	-
Revenue bonds payable	6,256,130	16,408,317	4,828,892	-	-
Total long-term liabilities	<u>6,517,820</u>	<u>16,436,628</u>	<u>4,828,892</u>	<u>116,750</u>	<u>2,977,950</u>
Total liabilities	<u>7,592,454</u>	<u>17,892,562</u>	<u>5,184,243</u>	<u>202,417</u>	<u>4,955,586</u>
NET ASSETS					
Invested in capital assets, net of related debt	34,235,704	26,164,242	9,449,173	1,828,116	172,303
Restricted for:					
Bonded construction	-	581,004	-	-	-
Revenue bond reserves	2,203,876	3,598,533	807,978	-	-
Reserved for financial assurance	-	-	-	-	100,000
Equipment replacement reserves	673,260	648,286	-	-	-
Repair and replacement	-	-	150,000	-	-
Unrestricted	3,630,251	2,549,266	5,101,663	239,628	(761,654)
Total net assets	<u>\$ 40,743,091</u>	<u>\$ 33,541,331</u>	<u>\$ 15,508,814</u>	<u>\$ 2,067,744</u>	<u>\$ (489,351)</u>

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

Continued on next page

City of Great Falls, Montana
Statement of Net Assets (Concluded)
Proprietary Funds
June 30, 2007

	Business Type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Golf Courses	Other Enterprise Funds	Totals	
ASSETS				
Current assets				
Cash and cash investments	\$ -	\$ 674,081	\$ 9,948,572	\$ 599,328
Receivables				
Accounts	-	83,316	3,834,598	258,397
Accrued interest	-	5,051	128,252	13,435
Due from other governments	-	-	48,009	-
Interfund loans receivable	-	-	-	81,387
Inventories	36,287	-	295,677	108,278
Prepaid items	8,251	-	1,342,127	-
Total current assets	<u>44,538</u>	<u>762,448</u>	<u>15,597,235</u>	<u>1,060,825</u>
Long-term assets				
Restricted cash and investments	237,717	99,596	9,100,250	1,426,760
Advance to other funds	-	-	-	2,367,593
Investment in joint venture	-	-	514,997	-
Interfund utility deposits	39,915	55,888	678,301	48,445
Non-depreciable capital assets	1,362,597	2,519,815	12,859,940	10,155
Depreciable capital assets, net	2,938,118	10,206,670	106,715,470	3,806,037
Total long-term assets	<u>4,578,347</u>	<u>12,881,969</u>	<u>129,868,958</u>	<u>7,658,990</u>
Total assets	<u>4,622,885</u>	<u>13,644,417</u>	<u>145,466,193</u>	<u>8,719,815</u>
LIABILITIES				
Current liabilities				
Account payable	58,234	60,940	2,316,112	660,529
Due to other city funds	1,358,078	85,432	1,469,730	41,200
Interfund loan payable	-	65,519	65,519	-
Capital lease obligation	-	105,578	105,578	-
Notes payable	-	1,400,322	1,422,372	-
Revenue bonds payable	147,748	-	2,434,085	-
Other liabilities	6,644	43,223	467,544	-
Total current liabilities	<u>1,570,704</u>	<u>1,761,014</u>	<u>8,280,940</u>	<u>701,729</u>
Long-term liabilities				
Interfund utility deposits	-	-	1,400,000	-
Advances from other funds	-	1,534,420	1,634,420	-
Capital lease obligations	-	1,041,794	1,041,794	-
Notes payable	-	3,961,858	5,439,808	-
Compensated absences	36,535	77,068	520,354	381,581
Revenue bonds payable	1,541,731	-	29,035,070	-
Total long-term liabilities	<u>1,578,266</u>	<u>6,615,140</u>	<u>39,071,446</u>	<u>381,581</u>
Total liabilities	<u>3,148,970</u>	<u>8,376,154</u>	<u>47,352,386</u>	<u>1,083,310</u>
NET ASSETS				
Invested in capital assets, net of related debt	2,611,236	4,616,994	79,077,768	3,816,192
Restricted for:				
Bonded construction	-	-	581,004	-
Revenue bond reserves	237,717	-	6,848,104	-
Reserved for financial assurance	-	-	100,000	-
Equipment replacement reserves	-	99,596	1,421,142	1,426,760
Repair and replacement	-	-	150,000	-
Unrestricted	(1,375,038)	551,673	9,935,789	2,393,553
Total net assets	<u>\$ 1,473,915</u>	<u>\$ 5,268,263</u>	<u>\$ 98,113,807</u>	<u>\$ 7,636,505</u>

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

City of Great Falls, Montana
Statement of Revenues, Expenses and Changes in
Fund Net Assets
Proprietary Funds
Year Ended June 30, 2007

Business-Type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Storm Drain</u>	<u>Sanitation</u>	<u>Electric</u>
OPERATING REVENUES					
Charges for services	\$ 7,578,437	\$ 7,089,612	\$ 1,929,820	\$ 2,842,463	\$ 6,440,336
OPERATING EXPENSES					
Personal services	1,783,197	684,626	14,045	1,123,955	-
Supplies and materials	492,161	71,241	3,533	177,398	159
Purchased services	822,079	2,682,808	27,674	846,125	6,684,373
Internal services	1,164,990	756,072	248,268	606,743	18,747
Other	-	-	-	(219)	-
Depreciation	2,338,936	1,764,017	679,296	317,810	-
Total operating expenses	<u>6,601,363</u>	<u>5,958,764</u>	<u>972,816</u>	<u>3,071,812</u>	<u>6,703,279</u>
Operating income (loss)	<u>977,074</u>	<u>1,130,848</u>	<u>957,004</u>	<u>(229,349)</u>	<u>(262,943)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income (loss)	343,623	407,851	269,641	21,032	(19,364)
Interest expense	(161,378)	(661,746)	(183,381)	-	(8,530)
Proceeds (loss) on sale of capital assets	(27,008)	-	(59,225)	(41)	-
Other	682,847	730,402	48,737	45,811	-
Total nonoperating revenues (expenses)	<u>838,084</u>	<u>476,507</u>	<u>75,772</u>	<u>66,802</u>	<u>(27,894)</u>
Change in net assets before transfers	1,815,158	1,607,355	1,032,776	(162,547)	(290,837)
Transfers in	4,425	11,000	-	-	170,000
Transfers out	<u>(25,364)</u>	<u>(8,181)</u>	<u>(158)</u>	<u>(14,510)</u>	<u>-</u>
Changes in net assets	1,794,219	1,610,174	1,032,618	(177,057)	(120,837)
Net assets, beginning of year	<u>38,948,872</u>	<u>31,931,157</u>	<u>14,476,196</u>	<u>2,244,801</u>	<u>(368,514)</u>
Net assets, end of year	<u><u>\$ 40,743,091</u></u>	<u><u>\$ 33,541,331</u></u>	<u><u>\$ 15,508,814</u></u>	<u><u>\$ 2,067,744</u></u>	<u><u>\$ (489,351)</u></u>

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

Continued on next page

City of Great Falls, Montana
Statement of Revenues, Expenses and Changes in
Fund Net Assets (Concluded)
Proprietary Funds
Year Ended June 30, 2007

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental
	<u>Golf Courses</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	Activities Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 1,168,802	\$ 2,800,943	\$ 29,850,413	\$ 11,904,623
OPERATING EXPENSES				
Personal services	540,444	1,587,605	5,733,872	3,494,610
Supplies and materials	133,236	207,713	1,085,441	589,409
Purchased services	166,228	937,054	12,166,341	6,725,586
Internal services	154,015	482,822	3,431,657	821,580
Other	2,358	3,262	5,401	(924)
Depreciation	331,050	477,777	5,908,886	622,931
Total operating expenses	<u>1,327,331</u>	<u>3,696,233</u>	<u>28,331,598</u>	<u>12,253,192</u>
Operating income (loss)	<u>(158,529)</u>	<u>(895,290)</u>	<u>1,518,815</u>	<u>(348,569)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income (loss)	(53,723)	28,794	997,854	204,808
Interest expense	(94,572)	(349,050)	(1,458,657)	-
Proceeds (loss) on sale of capital assets	1,896	-	(84,378)	(22,597)
Other	63	10,214	1,518,074	328,041
Total nonoperating revenues (expenses)	<u>(146,336)</u>	<u>(310,042)</u>	<u>972,893</u>	<u>510,252</u>
Change in net assets before transfers	(304,865)	(1,205,332)	2,491,708	161,683
Transfers in	5,322	1,215,363	1,406,110	542,321
Transfers out	<u>(5,317)</u>	<u>(25,172)</u>	<u>(78,702)</u>	<u>(142,370)</u>
Changes in net assets	(304,860)	(15,141)	3,819,116	561,634
Net assets, beginning of year	<u>1,778,775</u>	<u>5,283,404</u>	<u>94,294,691</u>	<u>7,074,871</u>
Net assets, end of year	<u>\$ 1,473,915</u>	<u>\$ 5,268,263</u>	<u>\$ 98,113,807</u>	<u>\$ 7,636,505</u>

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

City of Great Falls, Montana
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2007

Business-Type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Storm Drain</u>	<u>Sanitation</u>	<u>Electric</u>
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 7,526,424	\$ 7,058,635	\$ 1,892,483	\$ 2,797,497	\$ 6,125,958
Interfund cash flow loans	-	-	-	-	(440,047)
Receipts from interfund services provided	13,255	137,550	-	23,339	-
Receipts from others	682,847	730,402	48,737	45,811	-
Receipts from other governments	-	-	-	-	(48,009)
Payments to suppliers	(1,201,420)	(2,759,025)	(19,588)	(1,032,262)	(6,856,014)
Payments to employees	(1,800,809)	(679,258)	(14,045)	(1,118,327)	-
Payments for interfund services used	(1,164,990)	(756,072)	(248,268)	(606,743)	-
Payments to others	(4,173)	217,569	-	-	-
Net cash provided (used) by operating activities	<u>4,051,134</u>	<u>3,949,801</u>	<u>1,659,319</u>	<u>109,315</u>	<u>(1,218,112)</u>
CASH FLOWS FROM NONCAPITAL FINANCIAL ACTIVITIES					
Transfers in	4,425	11,000	-	-	170,000
Transfers out	(25,364)	(8,181)	(158)	(14,510)	-
Interfund utility deposits	(300,477)	(278,802)	-	(3,219)	1,400,000
Net cash provided (used) by noncapital financing activities	<u>(321,416)</u>	<u>(275,983)</u>	<u>(158)</u>	<u>(17,729)</u>	<u>1,570,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES					
Proceeds from sale of assets	1,264	-	-	612	-
Principal payments received - advances	-	-	-	-	-
New borrowing -	-	-	-	-	100,000
Principal payments - revenue bonds	(725,000)	(1,204,000)	(335,000)	-	-
Discount/premium	37,232	31,510	2,413	-	-
Principal payments - advances	-	-	-	-	-
Principal payments - capital leases	-	-	-	-	-
Interest paid	(161,378)	(661,746)	(183,381)	-	(8,530)
Acquisition/construction of capital assets	(5,025,455)	(4,136,075)	(961,780)	(474,139)	(601,493)
Net cash used by capital and related financing activities	<u>(5,873,337)</u>	<u>(5,970,311)</u>	<u>(1,477,748)</u>	<u>(473,527)</u>	<u>(510,023)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends on investments	349,083	413,450	265,279	21,536	(18,592)
Net cash provided (used) by investing activities	<u>349,083</u>	<u>413,450</u>	<u>265,279</u>	<u>21,536</u>	<u>(18,592)</u>
Net increase (decrease) in cash	(1,794,536)	(1,883,043)	446,692	(360,405)	(176,727)
Cash, beginning of year	<u>7,201,204</u>	<u>8,766,884</u>	<u>5,069,766</u>	<u>489,502</u>	<u>278,091</u>
Cash, end of year (a)	<u>\$ 5,406,668</u>	<u>\$ 6,883,841</u>	<u>\$ 5,516,458</u>	<u>\$ 129,097</u>	<u>\$ 101,364</u>
(a) Shown on the statement of net assets as:					
Cash and cash equivalents	\$ 2,529,532	\$ 2,056,018	\$ 4,558,480	\$ 129,097	\$ 1,364
Restricted cash and investments	2,877,136	4,827,823	957,978	-	100,000
	<u>\$ 5,406,668</u>	<u>\$ 6,883,841</u>	<u>\$ 5,516,458</u>	<u>\$ 129,097</u>	<u>\$ 101,364</u>

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

Continued on next page

City of Great Falls, Montana
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended June 30, 2007

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities Internal Service Funds</u>
	<u>Golf Courses</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,168,802	\$ 2,139,404	\$ 28,709,203	\$ 267,526
Interfund cash flow loans	216,195	(179,968)	(403,820)	(500,554)
Receipts from interfund services provided	-	655,441	829,585	6,939,266
Receipts from others	63	10,214	1,518,074	4,711,675
Receipts from other governments	-	-	(48,009)	-
Payments to suppliers	(325,024)	(1,125,027)	(13,318,360)	(7,202,272)
Payments to employees	(536,642)	(1,573,225)	(5,722,306)	(3,518,902)
Payments for interfund services used	(154,015)	(482,822)	(3,412,910)	(690,402)
Payments to others	6,644	34,894	254,934	-
Net cash provided (used) by operating activities	<u>376,023</u>	<u>(521,089)</u>	<u>8,406,391</u>	<u>6,337</u>
CASH FLOWS FROM NONCAPITAL FINANCIAL ACTIVITIES				
Transfers in	5,322	1,215,363	1,406,110	542,321
Transfers out	(5,317)	(25,172)	(78,702)	(142,370)
Interfund utility deposits	(39,915)	(55,888)	721,699	(48,445)
Net cash provided (used) by noncapital financing activities	<u>(39,910)</u>	<u>1,134,303</u>	<u>2,049,107</u>	<u>351,506</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES				
Proceeds from sale of assets	1,896	-	3,772	41,090
Principal payments received - advances	-	-	-	(354,376)
New borrowing -	-	1,250,000	1,350,000	-
Principal payments - revenue bonds	(145,000)	(47,544)	(2,456,544)	-
Discount/premium	2,481	-	73,636	-
Principal payments - advances	-	(63,031)	(63,031)	-
Principal payments - capital leases	-	(99,018)	(99,018)	-
Interest paid	(94,572)	(349,050)	(1,458,657)	-
Acquisition/construction of capital assets	(47,195)	(1,302,972)	(12,549,109)	(812,067)
Net cash used by capital and related financing activities	<u>(282,390)</u>	<u>(611,615)</u>	<u>(15,198,951)</u>	<u>(1,125,353)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends on investments	(53,723)	27,654	1,004,687	207,595
Net cash provided (used) by investing activities	<u>(53,723)</u>	<u>27,654</u>	<u>1,004,687</u>	<u>207,595</u>
Net increase (decrease) in cash	-	29,253	(3,738,766)	(559,915)
Cash, beginning of year	<u>237,717</u>	<u>744,424</u>	<u>22,787,588</u>	<u>2,586,003</u>
Cash, end of year (a)	<u>\$ 237,717</u>	<u>\$ 773,677</u>	<u>\$ 19,048,822</u>	<u>\$ 2,026,088</u>
(a) Shown on the statement of net assets as:				
Cash and cash equivalents	\$ -	\$ 674,081	\$ 9,948,572	\$ 599,328
Restricted cash and investments	237,717	99,596	9,100,250	1,426,760
	<u>\$ 237,717</u>	<u>\$ 773,677</u>	<u>\$ 19,048,822</u>	<u>\$ 2,026,088</u>

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

Continued on next page

City of Great Falls, Montana
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended June 30, 2007

Business-Type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Storm Drain</u>	<u>Sanitation</u>	<u>Electric</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 977,074	\$ 1,130,848	\$ 957,004	\$ (229,349)	\$ (262,943)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	2,338,936	1,764,017	679,296	317,810	-
Cash provided (used) by changes in operating assets and liabilities					
Accounts receivable	(38,758)	106,573	(37,337)	(21,627)	(314,378)
Due from other governments	-	-	-	-	(48,009)
Prepaid expense	9,178	24,726	18,618	-	(959,620)
Inventories	2,135	-	-	-	-
Accounts payable	101,507	(29,702)	(6,999)	(8,958)	806,885
Due to other city funds	-	-	-	-	(440,047)
Other liabilities	(4,173)	217,569	-	-	-
Compensated absences payable	(17,612)	5,368	-	5,628	-
Other nonoperating revenue	682,847	730,402	48,737	45,811	-
Total adjustments	<u>\$ 3,074,060</u>	<u>\$ 2,818,953</u>	<u>\$ 702,315</u>	<u>\$ 338,664</u>	<u>\$ (955,169)</u>
Net cash provided (used) by operating activities	<u>\$ 4,051,134</u>	<u>\$ 3,949,801</u>	<u>\$ 1,659,319</u>	<u>\$ 109,315</u>	<u>\$ (1,218,112)</u>

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

Continued on next page

City of Great Falls, Montana
Statement of Cash Flows (Concluded)
Proprietary Funds
Year Ended June 30, 2007

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Golf Courses</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Activities Internal Service Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (158,529)	\$ (895,290)	\$ 1,518,815	\$ (348,569)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	331,050	477,777	5,908,886	622,931
Cash provided (used) by changes in operating assets and liabilities				
Accounts receivable	-	(6,098)	(311,625)	(183,019)
Due from other governments	-	-	(48,009)	-
Prepaid expense	1,697	-	(905,401)	-
Inventories	(36,287)	-	(34,152)	30,780
Accounts payable	11,388	23,002	897,123	81,019
Due to other city funds	216,195	(179,968)	(403,820)	(500,554)
Other liabilities	6,644	34,894	254,934	-
Compensated absences payable	3,802	14,380	11,566	(24,292)
Other nonoperating revenue	63	10,214	1,518,074	328,041
Total adjustments	\$ 534,552	\$ 374,201	\$ 6,887,576	\$ 354,906
Net cash provided (used) by operating activities	<u>\$ 376,023</u>	<u>\$ (521,089)</u>	<u>\$ 8,406,391</u>	<u>\$ 6,337</u>

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

City of Great Falls, Montana
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2007

	Private Purpose Trust Funds	Agency Funds
	<u>Funds</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 55,683	\$ 117,145
Special assessments receivable	-	645,071
Accrued interest	346	180
	<u>346</u>	<u>180</u>
Total assets	<u>\$ 56,029</u>	<u>\$ 762,396</u>
LIABILITIES		
Accounts payable	\$ -	\$ 60,744
Deferred revenue - special assessments	-	644,618
Other liabilities	-	57,034
	<u>-</u>	<u>57,034</u>
Total liabilities	<u>-</u>	<u>\$ 762,396</u>
NET ASSETS		
Held in trust for private purpose	<u>\$ 56,029</u>	

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

City of Great Falls, Montana
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Funds
Year Ended June 30, 2007

	Private Purpost Trust Funds
ADDITIONS	
Private contributions	\$ 8,560
Investment income	<u>2,461</u>
Total additions	<u>11,021</u>
DEDUCTIONS	
Refunds of contributions	<u>-</u>
Changes in net assets	11,021
Net assets, beginning of year	<u>45,008</u>
Net assets, end of year	<u><u>\$ 56,029</u></u>

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