

**City of Kalispell, Flathead County, Montana**  
**Statement of Net Assets**  
**June 30, 2009**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Downtown BID</u>	<u>Parking Commission</u>
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and investments	\$ 5,812,045	\$ 6,413,715	\$ 12,225,760	\$ 99,451	49,980
Taxes and assessments receivable, net	1,211,403	121,585	1,332,988		
Accounts receivable - net	493,222	423,437	916,659		15,340
Notes and loans receivable	123,833	-	123,833		
Contracts receivable	113,796	-	113,796		
Due from other governments	372,232	109,162	481,394		
Prepaid expenses	114,823	-	114,823		
Inventories	-	123,208	123,208		1,100
<b>Total current assets</b>	<b>\$ 8,241,354</b>	<b>\$ 7,191,107</b>	<b>\$ 15,432,461</b>	<b>\$ 99,451</b>	<b>\$ 66,420</b>
<b>Noncurrent assets</b>					
Restricted cash and investments	\$ 712,126	\$ 6,573,724	\$ 7,285,850	\$ -	\$ -
Deferred assessments receivable	4,502,365	-	4,502,365		
Long term portion of loans receivable	2,097,916	-	2,097,916		
Capital assets - land	2,552,209	1,699,194	4,251,403		
Capital assets - construction in progress	125,508	21,798,325	21,923,833		
Capital assets - depreciable, net	76,197,375	57,314,480	133,511,855		32,958
<b>Total noncurrent assets</b>	<b>\$ 86,187,499</b>	<b>\$ 87,385,723</b>	<b>\$ 173,573,222</b>	<b>\$ -</b>	<b>\$ 32,958</b>
<b>Total assets</b>	<b>\$ 94,428,853</b>	<b>\$ 94,576,830</b>	<b>\$ 189,005,683</b>	<b>\$ 99,451</b>	<b>\$ 99,378</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable	193,387	594,592	787,979	6,114	522
Retainage	4,910	458,284	463,194		
Accrued payroll	346,987	69,804	416,791		1,998
Deferred revenue-accounts receivable	-	-	-		19,952
Current portion of long-term liabilities	95,922	-	95,922		
Current portion of long-term capital liabilities	1,000,351	1,087,000	2,087,351		
Current portion of compensated absences payable	41,286	4,797	46,083		
Other current liabilities	23,432	-	23,432		
<b>Total current liabilities</b>	<b>\$ 1,706,275</b>	<b>\$ 2,214,477</b>	<b>\$ 3,920,752</b>	<b>\$ 6,114</b>	<b>\$ 22,472</b>
<b>Noncurrent liabilities</b>					
Deferred revenue-noncurrent portion loans receivable	1,036,703	-	1,036,703		
Noncurrent portion of long-term liabilities	743,506	-	743,506		
Noncurrent portion of long-term capital liabilities	12,772,323	19,541,000	32,313,323		
Noncurrent portion of compensated absences	1,045,053	309,384	1,354,437		4,917
<b>Total noncurrent liabilities</b>	<b>\$ 15,597,585</b>	<b>\$ 19,850,384</b>	<b>\$ 35,447,969</b>	<b>\$ -</b>	<b>\$ 4,917</b>
<b>Total liabilities</b>	<b>\$ 17,303,860</b>	<b>\$ 22,064,861</b>	<b>\$ 39,368,721</b>	<b>\$ 6,114</b>	<b>\$ 27,389</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	\$ 65,102,418	\$ 60,183,999	\$ 125,286,417		32,958
Restricted for capital projects	(3,822)	4,086,765	4,082,943		
Restricted for debt service	947,663	1,887,259	2,834,922		
Restricted for special projects	5,151,334	387,349	5,538,683		
Restricted for other purposes	-	213,000	213,000		
Unrestricted	5,927,400	5,753,597	11,680,997	93,337	39,031
<b>Total net assets</b>	<b>\$ 77,124,993</b>	<b>\$ 72,511,969</b>	<b>\$ 149,636,962</b>	<b>\$ 93,337</b>	<b>\$ 71,989</b>
<b>Total liabilities and net assets</b>	<b>\$ 94,428,853</b>	<b>\$ 94,576,830</b>	<b>\$ 189,005,683</b>	<b>\$ 99,451</b>	<b>\$ 99,378</b>

See accompanying Notes to the Financial Statements

City of Kalispell, Flathead County, Montana  
 Statement of Activities  
 For the Fiscal Year Ended June 30, 2009

Functions/Programs Primary government:	Program Revenues			Primary Government		Total	Downtown BID	Parking Commission
	Expenses	Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions			
Governmental activities:								
General government	\$ 6,779,754	\$ 100,660	\$ 625,925	\$ 135,288	\$ 5,238,403	\$ (575,138)	\$ -	\$ (575,138)
Public safety	8,861,562	1,897,539	2,652,569	1,347,268	857,161	(4,890,274)	-	(4,890,274)
Public works	2,181,117	195,138	1,886,788	25,452	284,294	(1,286,193)	-	(1,286,193)
Culture and recreation	1,896,788	920,945	226,869	566,393	289,867	(373,419)	-	(373,419)
Housing and community development	920,945	31,010	6,076,098	2,074,401	6,551,018	(7,057,903)	-	(7,057,903)
Debt service - Interest	672,386	340,808	-	-	-	-	-	-
Total governmental activities	\$ 21,421,572	\$ 340,808	\$ 6,076,098	\$ 2,074,401	\$ 6,551,018	\$ (7,057,903)	\$ -	\$ (7,057,903)
Business-type activities:								
Airport Enterprise	\$ 194,422	\$ 10,420	\$ 72,373	\$ -	\$ -	\$ (132,469)	\$ -	\$ (132,469)
Water	2,486,463	130,956	2,462,569	-	511,604	476,954	-	476,954
Sewer	5,110,570	243,462	4,163,757	-	745,487	(444,818)	-	(444,818)
Solid Waste	706,736	65,398	758,236	-	-	(13,896)	-	(13,896)
Total business-type activities	\$ 8,478,191	\$ 450,264	\$ 7,556,935	\$ -	\$ 1,257,291	\$ (114,229)	\$ -	\$ (114,229)
Total primary government	\$ 29,899,763	\$ 791,072	\$ 13,635,993	\$ 2,074,401	\$ 7,808,309	\$ (7,172,132)	\$ -	\$ (7,172,132)
Component units:								
Downtown BID	\$ 29,694	\$ 1,964	\$ -	\$ -	\$ -	\$ -	\$ (27,730)	\$ (30,618)
Parking Commission	43,822	6,084	-	-	-	-	(27,730)	(30,618)
Total component units	\$ 73,516	\$ 8,048	\$ -	\$ -	\$ -	\$ -	\$ (27,730)	\$ (30,618)
General Revenues:								
Property taxes for general purposes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,252,363	\$ -	\$ 6,252,363
Interest/investment earnings	-	-	-	-	-	159,208	467,038	2,805
State entitlement	-	-	-	-	-	2,221,985	-	-
Gas tax	-	-	-	-	-	354,678	-	-
Contributions & donations	-	-	-	-	-	1,413	-	-
Total general revenues, special items and transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,990,647	\$ 467,038	\$ 2,805
Change in net assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,831,744	\$ 352,809	\$ (24,928)
Total general revenues, special items and transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,456,665	\$ 820,847	\$ 1,880
Net assets - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,884,553	\$ -	\$ (23,052)
Restatements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,826,749	\$ 72,166,940	\$ 118,262
Restatements - Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (149,128)	\$ (7,780)	\$ 101,041
Net assets - beginning - related	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (484,372)	\$ (484,372)	\$ -
Net assets - end	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,153,249	\$ 72,159,160	\$ 101,041
Net assets - end	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,124,993	\$ 72,511,969	\$ 83,337
Net assets - end	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 149,536,952	\$ 83,337	\$ 71,989

See accompanying Notes to the Financial Statements

City of Kalispell, Flathead County, Montana  
Balance Sheet  
Governmental Funds  
June 30, 2009

	General Fund	Community Dev. Loan Revolving	SID 344	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 517,951	\$ 199,562	\$ -	\$ 4,977,666	\$ 5,695,179
Taxes and assessments receivable, net	305,679	-	403,545	502,179	1,211,403
Accounts receivable - net	1,915	-	-	491,307	493,222
Notes and loans receivable	16,743	60,747	-	46,343	123,833
Contracts receivable	37,364	-	-	76,432	113,796
Due from other funds	-	16,000	-	18,707	34,707
Due from other governments	4,721	-	-	367,511	372,232
Prepaid expenses	111,516	-	-	-	111,516
Total current assets	<u>\$ 995,889</u>	<u>\$ 276,309</u>	<u>\$ 403,545</u>	<u>\$ 6,480,145</u>	<u>\$ 8,155,888</u>
Noncurrent assets:					
Restricted cash and investments	-	-	56,348	655,778	712,126
Advances to other funds	-	32,000	-	-	32,000
Deferred assessments receivable	-	-	3,701,587	800,778	4,502,365
Long term portion of loans receivable	-	1,573,066	-	524,850	2,097,916
Total noncurrent assets	<u>\$ -</u>	<u>\$ 1,605,066</u>	<u>\$ 3,757,935</u>	<u>\$ 1,981,406</u>	<u>\$ 7,344,407</u>
Total assets	<u>\$ 995,889</u>	<u>\$ 1,881,375</u>	<u>\$ 4,161,480</u>	<u>\$ 8,461,551</u>	<u>\$ 15,500,295</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	63,979	-	-	124,603	188,582
Retainage	-	-	-	4,910	4,910
Accrued payroll	230,418	-	-	114,468	344,886
Due to other funds	-	-	-	34,707	34,707
Deferred revenue-accounts receivable	-	-	-	485,447	485,447
Deferred revenue-deferred assessments receivable	305,679	-	403,545	502,179	1,211,403
Deferred revenue-current portion loans receivable	-	60,747	-	46,343	107,090
Other current liabilities	23,432	-	-	-	23,432
Total current liabilities	<u>\$ 623,508</u>	<u>\$ 60,747</u>	<u>\$ 403,545</u>	<u>\$ 1,312,657</u>	<u>\$ 2,400,457</u>
Noncurrent liabilities:					
Advances payable	-	-	-	32,000	32,000
Deferred revenue-noncurrent portion loans receivable	-	1,573,066	-	524,850	2,097,916
Deferred revenue-deferred assessments receivable	-	-	3,701,587	800,779	4,502,366
Total noncurrent liabilities	<u>\$ -</u>	<u>\$ 1,573,066</u>	<u>\$ 3,701,587</u>	<u>\$ 1,357,629</u>	<u>\$ 6,632,282</u>
Total liabilities	<u>\$ 623,508</u>	<u>\$ 1,633,813</u>	<u>\$ 4,105,132</u>	<u>\$ 2,670,286</u>	<u>\$ 9,032,739</u>
<b>FUND BALANCES</b>					
Reserved for advances	-	32,000	-	-	32,000
Reserved for debt service	-	-	56,348	891,315	947,663
Reserved for capital projects	-	-	-	(3,822)	(3,822)
Unreserved reported in general fund	372,381	-	-	-	372,381
Unreserved reported in special revenue funds	-	215,562	-	4,903,772	5,119,334
Total fund balance	<u>\$ 372,381</u>	<u>\$ 247,562</u>	<u>\$ 56,348</u>	<u>\$ 5,791,265</u>	<u>\$ 6,467,556</u>
Total liabilities and fund balance	<u>\$ 995,889</u>	<u>\$ 1,881,375</u>	<u>\$ 4,161,480</u>	<u>\$ 8,461,551</u>	<u>\$ 15,500,295</u>

See accompanying Notes to the Financial Statements

**City of Kalispell, Flathead County, Montana**  
**Reconciliation of the Governmental Funds Balance Sheet to the**  
**Statement of Net Assets**  
**June 30, 2009**

<b>Total fund balances - governmental funds</b>	\$	6,467,556
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		78,850,195
Assessments and accounts receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.		
- current portion		1,211,403
- noncurrent portion		4,502,366
- ambulance		485,447
An internal service fund is used by management to charge the costs of providing services within the government. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net assets		130,743
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
- Bonds and notes payable		(15,691,019)
Loans receivable that will be collected at some future date that are recognized as revenues on the statement of activities.		
- current portion		107,089
- non current portion		2,097,916
- portion that will be recognized as revenue on the statement of activities in future years		(1,036,703)
<b>Total net assets - governmental activities</b>	<b>\$</b>	<b><u>77,124,993</u></b>

See accompanying Notes to the Financial Statements

**City of Kalispell, Flathead County, Montana**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2009**

	General Fund	Community Dev. Loan Revolving	SID 344	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes and assessments	\$ 4,869,710	\$ -	\$ 150,959	\$ 2,346,818	\$ 7,367,487
Licenses and permits	197,514	-	-	130,526	328,040
Intergovernmental	3,362,651	-	-	1,821,483	5,184,134
Charges for services	1,247,141	65,011	-	3,466,634	4,778,786
Fines and forfeitures	489,108	-	-	-	489,108
Miscellaneous	68,181	-	-	133,671	201,852
Investment earnings	85,809	8,101	-	65,298	159,208
Total revenues	<u>\$ 10,320,114</u>	<u>\$ 73,112</u>	<u>\$ 150,959</u>	<u>\$ 7,964,430</u>	<u>\$ 18,508,615</u>
<b>EXPENDITURES</b>					
General government	\$ 2,411,128	\$ -	\$ -	\$ 26,615	\$ 2,437,743
Public safety	7,028,541	-	-	1,540,864	8,569,405
Public works	477,147	-	-	1,733,091	2,210,238
Culture and recreation	1,042,963	-	-	547,397	1,590,360
Housing and community development	-	69,680	-	949,076	1,018,756
Debt service - principal	106,146	-	225,000	757,168	1,088,314
Debt service - interest	30,558	-	187,508	454,320	672,386
Capital outlay	24,242	15,000	-	1,764,795	1,804,037
Total expenditures	<u>\$ 11,120,725</u>	<u>\$ 84,680</u>	<u>\$ 412,508</u>	<u>\$ 7,773,326</u>	<u>\$ 19,391,239</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (800,611)</u>	<u>\$ (11,568)</u>	<u>\$ (261,549)</u>	<u>\$ 191,104</u>	<u>\$ (862,624)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds of general long term debt	\$ -	\$ -	\$ -	\$ 8,980	\$ 8,980
Proceeds from the sale of general capital asset disposition	2,230	-	-	3,799	6,029
Transfers in	591,615	-	-	699,002	1,290,617
Transfers out	(27,000)	-	-	(1,263,617)	(1,290,617)
Total other financing sources (uses)	<u>\$ 566,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (551,836)</u>	<u>\$ 15,009</u>
Net Change in Fund Balance	<u>\$ (233,766)</u>	<u>\$ (11,568)</u>	<u>\$ (261,549)</u>	<u>\$ (380,732)</u>	<u>\$ (867,615)</u>
Fund balances - beginning	\$ 614,283	\$ 259,130	\$ 317,897	\$ 6,254,592	\$ 7,445,902
Restatements	(8,136)	-	-	(102,595)	(110,731)
Fund balances - beginning, restated	<u>\$ 606,147</u>	<u>\$ 259,130</u>	<u>\$ 317,897</u>	<u>\$ 6,151,997</u>	<u>\$ 7,335,171</u>
Fund balance - ending	<u>\$ 372,381</u>	<u>\$ 247,562</u>	<u>\$ 56,348</u>	<u>\$ 5,791,265</u>	<u>\$ 6,467,556</u>

See accompanying Notes to the Financial Statements

**City of Kalispell, Flathead County, Montana**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2009**

Amounts reported for *governmental activities* in the statement of activities are different because:

**Net change in fund balances - total governmental funds** \$ (867,615)

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

- Capital assets purchased 1,804,037
- Depreciation expense (5,307,406)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

- Donated capital assets 5,553,482
- Deferred assessments receivable (beginning of year) (6,412,612)
- Deferred assessments receivable (end of year) 6,199,216
- Deferred loans receivable (beginning of year) (2,365,612)
- Deferred loans receivable (end of year) 2,205,006

The change in compensated absences is shown as an expense in the Statement of Activities

36,011

Repayment of debt principal is an expenditures in the governmental funds, but the repayment reduces long-term debt in the Statement of Net Assets:

- Long-term debt principal payments 1,088,314

Long term debt proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets:

- Proceeds from the sale of long-term debt (8,980)

Internal service funds are used by management to share the costs of certain activities, to individual funds. The net revenue of the internal service funds is reported with the governmental activities of the Government-Wide Statement of Activities net of the amounts allocated to business-type activities and depreciation expense.

7,903

**Change in net assets - Statement of Activities** \$ 1,931,744

See accompanying Notes to the Financial Statements

City of Kalispell, Flathead County, Montana  
Balance Sheet  
Proprietary Funds  
June 30, 2009

	Business-Type Activities - Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Water	Sewer	Non-major Enterprise		
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and investments	\$ 2,753,570	\$ 3,238,392	\$ 421,753	\$ 6,413,715	\$ 116,866
Taxes and assessments receivable, net	-	65,071	56,514	121,585	-
Accounts receivable - net	185,031	237,626	760	423,437	-
Due from other governments	-	61,136	48,026	109,162	-
Prepaid expenses	-	-	-	-	3,307
Inventories	123,208	-	-	123,208	-
<b>Total current assets</b>	<b>\$ 3,061,809</b>	<b>\$ 3,602,225</b>	<b>\$ 527,073</b>	<b>\$ 7,191,107</b>	<b>\$ 120,173</b>
<b>Noncurrent assets:</b>					
Restricted cash and investments	\$ 1,191,876	\$ 5,381,848	\$ -	\$ 6,573,724	\$ -
Capital assets - land	103,263	248,063	1,347,868	1,699,194	-
Capital assets - construction in progress	-	21,706,517	91,808	21,798,325	-
Capital assets - depreciable, net	25,632,432	29,396,467	2,285,581	57,314,480	24,898
<b>Total noncurrent assets</b>	<b>\$ 26,927,571</b>	<b>\$ 56,732,895</b>	<b>\$ 3,725,257</b>	<b>\$ 87,385,723</b>	<b>\$ 24,898</b>
<b>Total assets</b>	<b>\$ 29,989,380</b>	<b>\$ 60,335,120</b>	<b>\$ 4,252,330</b>	<b>\$ 94,576,830</b>	<b>\$ 145,071</b>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable	39,674	550,519	4,399	594,592	4,805
Retainage	-	458,284	-	458,284	-
Accrued payroll	21,791	36,113	11,900	69,804	2,101
Current portion of long-term capital liabilities	349,000	738,000	-	1,087,000	-
Current portion of compensated absences payable	4,797	-	-	4,797	-
<b>Total current liabilities</b>	<b>\$ 415,262</b>	<b>\$ 1,782,916</b>	<b>\$ 16,299</b>	<b>\$ 2,214,477</b>	<b>\$ 6,906</b>
<b>Noncurrent liabilities:</b>					
Noncurrent portion of long-term capital liabilities	3,800,000	15,741,000	-	19,541,000	-
Noncurrent portion of compensated absences	85,149	161,705	62,530	309,384	7,422
<b>Total noncurrent liabilities</b>	<b>\$ 3,885,149</b>	<b>\$ 15,902,705</b>	<b>\$ 62,530</b>	<b>\$ 19,850,384</b>	<b>\$ 7,422</b>
<b>Total liabilities</b>	<b>\$ 4,300,411</b>	<b>\$ 17,685,621</b>	<b>\$ 78,829</b>	<b>\$ 22,064,861</b>	<b>\$ 14,328</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	\$ 21,586,695	\$ 34,872,047	\$ 3,725,257	\$ 60,183,999	\$ 24,898
Restricted for capital projects	676,428	3,410,337	-	4,086,765	-
Restricted for debt service	515,449	1,371,810	-	1,887,259	-
Restricted for special projects	-	387,349	-	387,349	-
Restricted for other purposes	-	213,000	-	213,000	-
Unrestricted	2,910,397	2,394,956	448,244	5,753,597	105,845
<b>Total net assets</b>	<b>\$ 25,688,969</b>	<b>\$ 42,649,499</b>	<b>\$ 4,173,501</b>	<b>\$ 72,511,969</b>	<b>\$ 130,743</b>
<b>Total liabilities and net assets</b>	<b>\$ 29,989,380</b>	<b>\$ 60,335,120</b>	<b>\$ 4,252,330</b>	<b>\$ 94,576,830</b>	<b>\$ 145,071</b>

See accompanying Notes to the Financial Statements

City of Kalispell, Flathead County, Montana  
Statement of Revenues, Expenses, and Changes in Net Assets  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2009

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Non-major Enterprise	Totals	Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for services	\$ 2,433,252	\$ 3,389,757	\$ 830,477	\$ 6,653,486	\$ 152,825
Miscellaneous revenues	129,317	1,287	132	130,736	665
Special assessments	-	772,713	-	772,713	-
Total revenues	<u>\$ 2,562,569</u>	<u>\$ 4,163,757</u>	<u>\$ 830,609</u>	<u>\$ 7,556,935</u>	<u>\$ 153,490</u>
<b>OPERATING EXPENSES</b>					
Personal services	\$ 1,013,558	\$ 1,625,840	\$ 523,298	\$ 3,162,696	\$ 89,382
Supplies	78,070	120,825	42,042	240,937	40,061
Purchased services	367,695	790,828	60,290	1,218,813	109,741
Building materials	59,515	22,289	-	81,804	-
Fixed charges	174,154	407,626	99,906	681,686	29,537
Loss/bad debt expense	8,212	8,338	-	16,550	-
Depreciation	721,830	1,793,190	251,438	2,766,458	7,561
Total expenditures	<u>\$ 2,423,034</u>	<u>\$ 4,768,936</u>	<u>\$ 976,974</u>	<u>\$ 8,168,944</u>	<u>\$ 276,282</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 139,535</u>	<u>\$ (605,179)</u>	<u>\$ (146,365)</u>	<u>\$ (612,009)</u>	<u>\$ (122,792)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenue	-	-	-	-	128,083
Interest revenue	131,689	320,353	14,996	467,038	2,612
System development charges	276,291	584,312	-	860,603	-
Debt service interest expense	(174,385)	(585,126)	-	(759,511)	-
Capital contributions	235,513	181,175	-	396,688	-
Total other financing sources (uses)	<u>\$ 469,108</u>	<u>\$ 480,714</u>	<u>\$ 14,996</u>	<u>\$ 964,818</u>	<u>\$ 130,695</u>
Change in net assets	<u>\$ 608,643</u>	<u>\$ (124,465)</u>	<u>\$ (131,369)</u>	<u>\$ 352,809</u>	<u>\$ 7,903</u>
Net Assets - Beginning of the year	\$ 25,088,106	\$ 42,773,964	\$ 4,304,870	\$ 72,166,940	\$ 122,840
Restatements	(7,780)	-	-	(7,780)	-
Net Assets - Beginning of the year - Restated	<u>\$ 25,080,326</u>	<u>\$ 42,773,964</u>	<u>\$ 4,304,870</u>	<u>\$ 72,159,160</u>	<u>\$ 122,840</u>
Net Assets - End of the year	<u>\$ 25,688,969</u>	<u>\$ 42,649,499</u>	<u>\$ 4,173,501</u>	<u>\$ 72,511,969</u>	<u>\$ 130,743</u>

See accompanying Notes to the Financial Statements

City of Kalispell, Flathead County, Montana  
 Combined Statement of Cash Flows  
 All Proprietary Fund Types  
 For the Fiscal Year Ended June 30, 2009

	Business - Type Activities				Governmental Activities
	Water	Sewer	Non-major Enterprise	Totals	Internal Service Fund
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 2,414,685	\$ 3,376,866	\$ 840,444	\$ 6,631,995	\$ 153,490
Cash received from assessments		\$ 783,384	\$ 0	\$ 783,384	
Cash received from miscellaneous sources	129,317	\$ 5,938	\$ 132	\$ 135,387	
Cash payments for claims	(856,044)	(\$ 1,811,293)	(\$ 231,565)	(\$ 2,898,902)	(\$ 85,138)
Cash payments to employees	(\$ 1,001,078)	(\$ 1,591,674)	(\$ 520,029)	(\$ 3,112,781)	(\$ 198,976)
Net cash provided (used) by operating activities	\$ 686,880	\$ 763,221	\$ 88,982	\$ 1,539,083	\$ (130,624)
<b>Cash flows from capital and related financing activities:</b>					
Principal paid on bonds, loans and advances	(\$ 341,000)	(\$ 726,000)	-	(\$ 1,067,000)	-
Interest paid on bonds, loans and advances	(174,385)	(\$ 585,126)	-	(\$ 759,511)	-
Acquisition and construction of capital assets	(\$ 1,235,273)	(\$ 9,780,061)	(240,394)	(\$ 11,255,728)	-
Proceeds from bonds, loans and advances	\$ 0	\$ 6,205,441	-	\$ 6,205,441	-
Net cash provided (used) by capital and related financing activities	\$ (\$ 1,750,658)	\$ (4,885,746)	\$ (240,394)	\$ (\$ 6,876,798)	\$ -
<b>Cash flows from non-capital financing activities:</b>					
Intergovernmental revenue	-	-	-	-	128,083
Proceeds of licenses and permits for non operating	276,291	\$ 584,312	-	\$ 860,603	-
Net cash provided (used) from non-capital financing activities	\$ 276,291	\$ 584,312	\$ -	\$ 860,603	\$ 128,083
<b>Cash flows from investing activities:</b>					
Interest on investments	131,689	\$ 320,353	\$ 14,997	\$ 467,039	2,612
Net cash provided (used) by investing activities	\$ 131,689	\$ 320,353	\$ 14,997	\$ 467,039	\$ 2,612
<b>Net increase (decrease) in cash and cash equivalents</b>	\$ (655,798)	\$ (3,217,860)	\$ (136,415)	\$ (4,010,073)	\$ 71
<b>Cash and cash equivalents at beginning</b>	\$ 4,601,244	\$ 11,838,100	\$ 558,168	\$ 16,997,512	\$ 116,794
<b>Restatements</b>	-	-	-	-	-
<b>Cash and cash equivalents at end</b>	\$ 3,945,446	\$ 8,620,240	\$ 421,753	\$ 12,987,439	\$ 116,865
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 139,535	\$ (\$ 605,179)	\$ (\$ 146,365)	\$ (612,009)	\$ (122,792)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	721,830	\$ 1,793,190	251,438	2,766,458	7,561
Bad Debt	8,212	\$ 8,338	-	16,550	-
Changes in assets and liabilities:					
Accounts receivable - net	(\$ 18,567)	(\$ 8,240)	9,967	(\$ 16,840)	-
Taxes and assessments receivable, net	-	\$ 10,671	-	10,671	-
Inventories	\$ 25,116	-	-	25,116	-
Accounts payable	(\$ 201,726)	(\$ 469,725)	(\$ 28,022)	(\$ 699,473)	(19,637)
Accrued payroll	\$ 12,480	\$ 34,166	\$ 1,964	\$ 48,610	\$ 4,244
Net cash provided (used) by operating activities	\$ 686,880	\$ 763,221	\$ 88,982	\$ 1,539,083	\$ (130,624)

The City received non cash contributions of land and infrastructure as follows:

\$235,513	161,175	\$396,688
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See accompanying notes to the financial statements

**City of Kalispell, Flathead County, Montana**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2009**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and short-term investments	\$ 201,731
Total assets	\$ <u>201,731</u>
<b>LIABILITIES</b>	
Due to others	201,731
Total liabilities	\$ <u>201,731</u>

See accompanying Notes to the Financial Statements